

TRANSCRIPT

STANDING COMMITTEE ON THE ENVIRONMENT AND PLANNING

Inquiry into the Owners Corporations Amendment (Short Stay Accommodation) Bill 2016

Melbourne — 24 March 2017

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Ms Michelle Chaing (affirmed), Public Policy Representative, Stayz.

The DEPUTY CHAIR — Welcome to this afternoon’s hearing. We are hearing evidence today in relation to the inquiry into the Owners Corporations Amendment (Short Stay Accommodation) Bill 2016, and that evidence is being recorded by Hansard. All evidence taken at this committee hearing is protected by parliamentary privilege, so therefore you are protected against any action for what you say here today, but if you do go outside and repeat the same things, those comments may not have the same privilege attached to them.

What I would ask you to do now is take us through five to ten minutes of an outline of your position, noting that of course we have already received evidence from others in the course of this inquiry, and talking to the terms of reference of the particular inquiry in the bill before the committee, and anything that you would like to take us through before we then open it up to questions.

Ms CHAING — Absolutely. So Ms Chairman, committee members, secretariat, thank you for the opportunity today, inviting me to speak on behalf of Stayz. So I am the policy representative for Stayz, and I am here today. You can hear a slight accent representing Stayz from the US and doing so because recently, our CEO has transferred — he did very well, he transferred over to Europe. So James Cassidy is no longer in Australia, and Ben Ray, who you will see made our submission, made our submission on our behalf, has family visiting, so they asked me to come and speak on the issues and hopefully I will be able to do so. I’m not only representing our company, but also the homeowners and guests who we serve.

The DEPUTY CHAIR — Thank you.

Ms CHAING — So I am going to read a couple of different things about the company, just to give you a bit of background of who we are and what we do in Australia, but please interrupt me at any point in time. As you know, we are an online market place, so we started here in Australia. That was bought by Fairfax Media back in 2005, and — so we have been around in Australia for quite some time before — I was using the internet, at least, and — so today, 2016, we have over 12 000 Stayz listings across Victoria. Approximately 90 per cent of those listings are actually outside of Melbourne. Just for the month of 2016 and we facilitated over 28 000 nights of accommodation in Victoria. That would be looking after around about 8000 guests and their families.

On average, a Stayz homeowner rents out their home for 18 weeks. Our data shows that 70 per cent of the people who are on Stayz do so for their holiday homes and typically only own one for the majority of time, so it’s their family get-togethers, and I just want to note here that over 75 per cent of our holiday homeowners have a taxable income of less than \$80 000, and lastly — again going back to our data — nearly 70 per cent of our holiday homeowners have reported being able to cover more than 50 per cent of their mortgage repayments through short-term letting. So that is where we are, and having listened in this morning I am going to give you my understanding of what you would like to hear.

So one is our position of the amendment that is currently on the table — Stayz’s position, and then I would like to talk about what we believe is the problem that you are trying to address and what solutions would we propose on top of or in view of the amendment that is currently on the table. So that is a rough outline of what I am going to be saying as we proceed, but please interrupt me at any point in time. So I want to emphasise that while we service the entire state and we have listings in urban areas, like I said, the majority of our listings are outside of Melbourne. We recognise — again, for the purposes of this legislation — that reasonable regulations are required in urban areas to address exactly the issues of the impact on residential amenity and wellbeing that is particular to high-density strata, but also — and our friends at AHA have mentioned issues of housing affordability and accessibility, and we recognise that.

The DEPUTY CHAIR — Do you think it is only confined to urban areas, though, where you have got particularly in regional and tourist destinations you might for example have — and I represent Gippsland, which is a big part of regional Victoria as a tourism economy that goes, for example, to places like Phillip Island, and where you have communities of often shared accommodation or apartments, it can be exactly the same sort of situation.

Ms CHAING — Oh, absolutely, there is strata so the — —

The DEPUTY CHAIR — Because you have got — yes, that’s right. Because you did mention that — yes, I think you said 80 per cent of the accommodation that you arranged is in fact outside of the metropolitan area.

Ms CHAING — That’s right.

The DEPUTY CHAIR — So on that basis — I mean, it is part of your core business — is in fact exactly those types of accommodation, so that —

Ms CHAING — Exactly, it is part of — I will get the numbers for you after this.

The DEPUTY CHAIR — That would be great, if you could.

Ms CHAING — But my impression, having done a lot of reading, is that most of the holiday homes outside of Melbourne are not in strata. I believe the majority are, but I will make sure to get the data to you, if that's in your interest.

The DEPUTY CHAIR — Well, one of the things that we are looking at for example is party houses that might arise, you know, not just in apartments but for example, during schoolies.

Ms CHAING — Yes.

The DEPUTY CHAIR — If there are apartments and strata arrangements that relate to people descending en masse, that is exactly the sort of situation that falls under the scope of what we are looking at here.

Ms CHAING — That's right. So again, I want to emphasise that it is a minority of the listings that are outside of the CBD, but we recognise that there are concerns. Whether you are in the CBD or if you are in regional areas, there are always concerns about the impact that short-term rentals have. It's a longstanding — it is a tradition for holiday rentals, for Australia, but again, bringing in platforms — it kind of changes the game. At least that's the way I feel a lot of our stakeholders believe it does. So I do want to emphasise that the reason why we are particularly — want to underline these regional listings is because our contribution there, our impact there, is also particularly important, given that a lot of these places don't have enough accommodation. They are — a lot of these local councils have told us that they rely on having these holiday homes to be able to service the visitation economy. So I want to put that as a kind of a setup to explain where we are coming from.

So now I want to move on to responding to the amendment that is on the table, and again, I do think it is — these are legitimate concerns. Short-term rentals do have an impact on residential amenity and wellbeing, like we have heard this morning. I do feel that the penalties that have been described are a tad onerous. They are unduly penalising homeowners and guests. They are very high amounts, considering a lot of these homeowners are using the platform to pay their mortgages, and guests are looking for affordable accommodation, and the majority of the time of the 25 — say, for example, the 20 000 nights that we facilitate in November, the majority of them have gone off without a hitch.

The DEPUTY CHAIR — So just again to flesh that out, if they have gone off without a hitch, then there wouldn't be any penalty that would apply.

Ms CHAING — That's right.

The DEPUTY CHAIR — And so how do we balance the need to deter bad behaviour, hold people accountable on the one hand whilst also protecting the amenity and the right to quiet enjoyment for people who are living in the house?

Ms CHAING — That's right.

The DEPUTY CHAIR — So you say that they are, to quote you back at yourself, a tad onerous.

Ms CHAING — Yes.

The DEPUTY CHAIR — There are a number of different options available under the bill for the purposes of sanction and deterrence and penalty that range from a compensation order through to a prohibition order through to notification of a breach and reporting requirements for Owners Corporations, but how is that a tad onerous when the purpose is to actually strike a better balance between the vast majority of people who enjoy a short-stay without a hitch, without any problem, and those who — those small number of bad apples that create enormous disruption for others, without having some accountability there?

Ms CHAING — Absolutely. And I truly believe the intent of this legislation is to weed out those bad actors, the homeowners who ignore numerous warnings from either their owners corporations or from local councils. I just want to take this opportunity to really respectfully highlight that there may be some unintended consequences. It is an enormous amount of power to give to an owners corporation whose governance is really determined by them. The rules are determined by them, the governance is determined by them, and it is an enormous amount of power, and we know full well that there are people who are against short-term rentals. Whether or not it is because of impact on amenity or impact on wellbeing, we don't know. Sometimes it is legitimate, sometimes it is not, and in the latter case we just feel that this could be used as an intimidation tactic, as a way to discourage short-term rentals, and we just want to bring that to the table.

The DEPUTY CHAIR — Give me a practical example of that how might be used to discourage rentals when in fact the purpose is to discourage arrangements whereby there is no accountability and people can do whatever they want, so how does that actually discourage people from doing anything other than taking a more active interest in the way in which the service provider provides that accommodation?

Ms CHAING — That's right, so I am just going to give you an example from my personal experience.

The DEPUTY CHAIR — Yes, yes.

Ms CHAING — We have a mixed building where I live, and we have people my age, people younger, some people have been there for a very, very long time, and we know of one gentleman who is just — just does not want strangers in his — in the building. It's an eight-unit building, it's a small building. There have been no incidents. He has complained to the landlords — to the landlord of the entire building. He has said that people are being disruptive, that we are using the — letting people in that should not have the code, et cetera, and the landlord himself has said 'no', I think speaking to the other seven people here, there has not been an issue.

At the moment, where we currently live, he is not able to then turn around and go to a — let's say a tribunal, which is the case here, and directly put the owner under some process of litigation that can end up costing him time and money, and again, my landlord owns all eight units but let's assume that each of these units are owned by different people and six out of the eight units, people are just fine and they don't believe that there is a problem, but that one minority tenant, who rightly or wrongly, without proof, is trying to create — —

Ms HARTLAND — That's not what we are talking about.

The DEPUTY CHAIR — Yes, so are you saying he could go to — so there are a couple of different options for the gentleman in your circumstance. Without knowing the circumstances, he could in fact go to the Residential Tenancies Tribunal. He could in fact use the Owners Corporations Act in relation to raising particular concerns or complaints or grievances. What we are focused on though is short-stay accommodation and the extent to which short-stay accommodation interferes as a result of bad apples —

Ms CHAING — That's right.

The DEPUTY CHAIR — in the quiet enjoyment by people of their own premises because somebody else wants to make a profit out of that arrangement.

Ms CHAING — That's right.

The DEPUTY CHAIR — So putting to one side the example that you have raised, which is all about tenancy, from what I understand and not about short-stay, how do we deal with a framework that needs to have the capacity to be enforceable, needs to have teeth, without it becoming, in your words, a tad onerous in the way in which deters bad behaviour and enables people to have an avenue of complaint?

Ms CHAING — So that's probably the third part where I recognise that there is a problem and what we would potentially propose, but before I leave this particular example, all I am saying is that there does not seem to me, on our reading of the current amendment, that there are any safeguards against frivolous complaints, and once a complaint is lodged you bring the homeowner or the guest into a process that will take time, that does take money. They do not know how long it can drag out, and if you are able to do that without consequences of lodging a frivolous complaint, then we fear that it is a power that could potentially be abused. And again, I want to say that most people enter into all these arrangements, short-term arrangements, owners corporations, even as

we sit here today with the best of intentions but if we can foresee abuses of this type of power, I only respectfully request the committee to take that into consideration.

Now, we recognise again that there are problem listings and in the past two years, I know that we have delisted three of them. We include — I take your point, the regulatory codes are often put — take them as you will.

So we include the holiday code of conduct into our terms and conditions, which means that if you list on our property and you check that box. And until you check you cannot click on post. We have tons of terms and conditions that they should most likely be reading through, and the holiday code of conduct is one of them.

The DEPUTY CHAIR — So tell me about a practical circumstance in which somebody who lists with you, checks the box, they may or may not have even read the code of conduct.

Ms CHAING — That's right.

The DEPUTY CHAIR — What happens in the event of a complaint?

Ms CHAING — In the event of a complaint — it depends on who it is coming from, but we have a three strikes rule. If the claim is — and again, this is an imperfect process as is, which is why I will continue talking about what we hope to see in the future.

The DEPUTY CHAIR — Yes.

Ms CHAING — But as is, there is a three strike rule, and after three strikes, you are delisted. But again, we only have control of our own platform, so you are delisted from the Stayz platform.

The DEPUTY CHAIR — And what do you mean by three strikes? Is it three complaints, or is it three instances, what is the definition?

Ms CHAING — I think at the moment, because there is not a formalised or codified way — and it goes into my next point, there is not a codified way in which to adjudicate these three instances. We are taking it on a case-by-case basis, so — —

The DEPUTY CHAIR — What does case-by-case mean, though?

Ms CHAING — It really is up to local teams to work with whoever is lodging the complaint. Often it is local councils. It really depends on the situation. I don't know how many complaints we have gotten, and I am happy to provide that information.

The DEPUTY CHAIR — If you could. What I would like to put to you though is a practical example, and this is where again the confusion comes up for me around the three strike policy.

Ms CHAING — Yes.

The DEPUTY CHAIR — If, for example, you have somebody who is in a — let's say some form of strata village environment in — I don't know, let's say it is by the beach, there are complaints made in relation to noise and in relation to mess and in relation to perhaps — —

Ms CHAING — Parking, rubbish — —

The DEPUTY CHAIR — The parking or whatever. There are — and so those complaints may be made by one person, two people, three people, ten people. What constitutes a strike for the purposes of that particular complaint? Is it the actual period of accommodation, or is it the number of people who have complained, or is it the type of issues raised in the context of that complaint?

Ms CHAING — So currently the code does list a number of issues, including noises and disturbances, parking issues, things that do try to address the party home problem. So those are the types of strikes that you can get. In terms of who brings those to our attention and who kind of imparts on our local teams the severity of the situation, in regional areas often this is the local council. They are very well placed. They are very on the ground when it comes to being able to, on the one hand, not alienating the potential for holiday rentals, because

they know that their economy depends on it, but at the same time knowing who the homeowner is and knowing who the residents are and they have been pretty good. And this is why I feel like the regions are a tad different, they have an ability — at least from what we have seen — to adjudicate.

When they bring it to us, by the time they bring it to us, most of these situations are resolved ahead of time, and I will tell you why. It is very easy to see us as a faceless platform and a lot of — not just residents and neighbours do see that. They do not know who we are or who we contact. The minute that we reach out to the homeowner and we demonstrate to them that we know that you are using our platform but we know that there are problems, please rectify them — they do not want to be deprived of our service. So they typically are quite responsive. We bring this matter to their attention, which is for two reasons why I believe there have only been three delistings. One is that there has been a de-escalation and remedies by the time we get involved.

The DEPUTY CHAIR — Why is that?

Ms CHAING — I think — this is my personal opinion, there has not been a study on this. I believe that with Stayz being a kind of a large — especially — strata is another issue, but just from our experience now, so I am speaking to the 90 per cent of our business, we are one of the biggest. We have international reach through the platform. If they are not listed with us, it is a lot harder for them to gain that visibility and they would have to go through some of the traditional routes, like using a real estate agent, which incurs costs. I think it is the potential of being deprived of the ability to list that makes them perk up at attention, and again, it is also because they think that — —

The DEPUTY CHAIR — So not because of the code. It is because they are worried about being delisted.

Ms CHAING — Well, that's exactly it, because in the code we say that once there is three strikes, we delist you.

The DEPUTY CHAIR — But you do not need a code in order to say that as a part of a contractual arrangement. Other providers — so Airbnb, for example, can delist for any sort of variety of different reasons.

Ms CHAING — And that's exactly it. I mean, we want to be transparent. We do want to work with a set of rules. It is not just determined by us internally. So again, moving on to my second point, the code of conduct does not have enough teeth. We understand that. We want to work with local governments to codify the code of conduct. We believe that this code should be transparent — —

The DEPUTY CHAIR — You want to codify the code of conduct.

Ms CHANG — That's right. We would like to use the code as a basis for policy-making, and — which is why, again, not having that means that most people don't even know that the code exists, which is probably why there is only not that — first of all, the complaints go — again, there are only three delistings in the past two years. I am sure hearing from some of the reports — —

The DEPUTY CHAIR — Earlier witnesses.

Ms CHAING — Yes, I mean, if the people are doing what she says, we would be getting a lot more — —

The DEPUTY CHAIR — But it is not then — three delistings though is not then because of — if you have just said lots of people wouldn't even know the code exists — —

Ms CHAING — Yes.

The DEPUTY CHAIR — Then it is not because of the code that they are — everyone else is toeing the line. It sounds to me as though it is the threat of being delisted which can take place in any sort of commercial arrangement if it is conditioned for listing.

Ms CHAING — That's right, and it is a commercial agreement, and if it were just done by us and internally it could be changed on a whim — again, it is subject to our own internal processes, which is what we do not want. We want this to be an open discussion with local officials, with policy-makers like yourself to understand what is best suited not only for the State of Victoria but bringing in local councils and seeing how they would — if indeed they are on the front line, how they would like to see this policy written. So as part of the code —

you are actually right, we can delist people willy-nilly, but I just do not think that would be fair. I would prefer it to be transparent. I think that the Stayz were — —

The DEPUTY CHAIR — A lot of people would say that being delisted would be unfair.

Ms CHAING — Well, they could say that, but if we are going to be codifying it and we have the endorsement of lawmakers, we have media coming out and reporting that this is available, we have the endorsement of mayors and local councils, we have residents, and if that level of awareness is there and they are still not okay with it, then maybe they shouldn't be listing with us.

The DEPUTY CHAIR — Just finally, you then say — sorry, the nub of your proposition though is that the code has proven to be a very effective form of industry regulation —

Ms CHAING — No, I do not — I want to — —

The DEPUTY CHAIR — and yet the other people are saying most people won't be aware of the code and otherwise that most people won't actually care about the code in the event that they are not going to behave well because of the threat of delisting that is the primary driver for them.

Ms CHAING — That's right. So I am saying that the code is a good basis by which to do policy-making. I cannot say that it is perfect in its current form, and that is why — if it were perfect in its current form, we probably would not be sitting here today, so we fully recognise that. I want to take this opportunity today to just say that one, we do believe that the language there — if you look at it — is a good starting point for policy-making and that if we could work together in making that more official, we are happy to work with lawmakers on that, and thirdly that we also believe in a process that brings in more stakeholders so that we don't have a policy that has a one-size-fits-all approach.

The DEPUTY CHAIR — So it is consistent.

Ms CHAING — That is consistent, but that also takes into account the differences between strata in the CBD, strata in regions, holiday homes, there is — the industry is quite developed here. There is a multitude of types of short-term rentals and we hope that any policy has the intended consequences that the committee here would like to see.

Ms HARTLAND — How many apartments do you currently list in the CBD?

Ms CHAING — I am going to take that down as a current data point. I do not know that for a fact, and I am wondering — I am going to look at that for you, and I just want to make sure that the committee recognises that we can only give data that we have, so if you do not ask the question, whether or not you are in an apartment in your home — then that might — that piece of information might not be there.

Ms HARTLAND — But you would be able to, say, look at what is available in the CBD of Melbourne.

Ms CHAING — Yes, CBD, yes. I do not have the percentage here but we can break it down to the number. I know that 90 per cent of these listings were outside of Melbourne. If you want to break it down to postal code and all of that, we can, and if that is of interest I can surely provide that.

Ms HARTLAND — That would be good. If someone is living — and there was discussion this morning about an apartment block in the city that is 300 apartments, and 100 of those are sub-letters, short-term stays through a variety of platforms, how would anybody know who was the person who is actually — well, I suppose the letting agent such as yourselves? How would other residents who wanted to make a complaint know who it was that was actually involved in that process?

Ms CHAING — So just to make sure I understand the question correctly, if there were 300 units, 150 of them are short-term rentals and one of the residents wants to complain and they do not know if it is Stayz or Airbnb or the local real estate. I think you are hitting the nail on the head with the issue at the moment. We are not all working together from the same starting point, so in the case of Stayz, and given our experience this is not the 300 strata but in the case of regional, it depends on whether the local council knows who we are and hopefully, because we make an active effort to get to know them, whether or not they are doing it with our competitors we cannot speak to that. I believe local councils do know their real estate agents quite well so there

is a way for them to communicate that information, but the resident typically would go to, in our experience, a body like the local council. At the moment, the mechanism is not a direct — —

Ms HARTLAND — I'm sorry, I am a bit confused with this. What role do you think local council has in this? If you live in the CBD and you are in a building that has 100 of these. You have got huge amounts of problems within the building. What role do you think local council has with that, rather than being able to go to the letting agent?

Ms CHAING — That's exactly it. And that is why I started this with saying that we do not know all the answers, and I can only speak to our experience. We do believe that this is going to be rolled out in the CBD will be different for the exact reason you are saying here. High density areas just require different types of regulation, a different approach. I can only speak to our experience when it comes to regional, basically these are holiday towns on the coast.

The DEPUTY CHAIR — So give us an example of how a council's officers would become involved in the way in which issues are raised, complaints are dealt with, and you become involved.

Ms CHAING — Having spoken to local councils, my understanding is that if there is a problem home, they would know.

The DEPUTY CHAIR — Which local councils have you spoken to?

Ms CHAING — I have made my way down the coast this visit, so I have started in New South Wales, I am going down Shoalhaven, Eurobodalla, Bega Valley and I am going to continue on after this week to — —

The DEPUTY CHAIR — Which Victorian councils have you spoken to?

Ms CHAING — I have not spoken to any Victorian councils yet. So I am drawing from my own personal experience, but I am happy to bring experience from local teams when it comes to Victoria. But from my personal experience, having met local councils and from speaking to my local team, the impression that I am getting is that most local councils do not have a lot of problems, do not have a ton of bad actors, so that when there is one, they know who they are.

Ms HARTLAND — This is very focused on the CBD.

Ms CHAING — That's right.

Ms HARTLAND — There is a lot of bad behaviour by a lot of short-term tenants and there does not seem to be any effective control by companies such as yourself or anybody else about that behaviour.

Ms CHAING — That's right.

Ms HARTLAND — So that is what we are trying to get to the nub of.

Ms CHAING — That's right.

Ms HARTLAND — I still don't think that there is any way that a resident knows who to complain to because it is not going to be the local council. So how do they complain to you if they do not actually know that you are the person or the company that is doing this?

Ms CHAING — What I wanted to emphasise is that we fully recognise how this could potentially roll out, and CBD will be different. In codifying and making the system a bit more official we can determine together who they should complain to — whether or not we should set up a hotline, is that the most effective way of doing it, should it be one hotline for three operators, is it going to be through an industry body like the HRIA? I think these are questions that we were more than happy to work on.

The DEPUTY CHAIR — More fundamentally, who should be responsible in your view? So who should be responsible in relation to breaches that impact upon residents' capacity to have a quiet enjoyment of their property?

Ms CHAING — So I am not going to speak to legal liability in terms of — where we see our responsibility is ensuring that we get the right type of feedback, fair, from local stakeholders and residents and that if there are issues, that we are able to have the capacity to delist them. And so that is our responsibility — is that if there is a really bad actor who is ignoring the pleadings of their Owners Corporations, then they are also ignoring what we are telling them, given to the fact that they have agreed to the code of conduct — then we have the responsibility then to delist them.

The DEPUTY CHAIR — So you delist, and then you get to walk away and wash your hands of it in terms of not having a view or speaking on legal liability beyond that. So you are satisfied to say that as long as we delist, we have done what we need to do. Is that the case? I mean, that sounds to me like what you are saying in relation to who should bear responsibility for a lost night's sleep or for damage to somebody else's front door or the passageway or a diminution in people's quality of life.

Ms CHAING — Absolutely.

The DEPUTY CHAIR — And to what I am hearing from your evidence, given that you are not prepared to say who should be responsible, you are saying as long as we have done our bit by way of those delistings then we have satisfied ourselves.

Ms CHAING — I think it is very difficult for me to sit here and make recommendations that are beyond what our company can do. We bring a particular strength to the table, which is our service and our platform. If you are asking me personally if that should be it, then that is one thing, but as — —

The DEPUTY CHAIR — No, you are here in your capacity as the representative of the organisation.

Ms CHAING — That's right. And as a representative of an organisation that is — all we can do is to take away that service or to create rules around our service based on the terms and conditions by which we work with homeowners and property managers and guests. There is not much else we can do, which is why I do believe that a multi-stakeholder approach where people like us bring our strength, people like local councils — in the case of a regional situation, local councils bring their strength, being the local eyes and ears so that residents have the ability to find redress. I think this is very valuable, and so I can only — in terms of responsibility, I think everybody has a responsibility to bring a solution to the table and this is ours. This is as much power as we currently have.

The DEPUTY CHAIR — But you have raised concerns about frivolous complaints being made, for example. Frivolous complaints can already be made under the code, and so you have talked about people needing to work together to get a greater level of consistency and responsibility. You have expressed views around the concerns and the unintended consequences and the shortcomings, but you have stopped short about saying who should be responsible, and I do not understand where the line lies in terms of the views that you have expressed today around certain things and not expressed in views around other things that perhaps compromise the reputation, not just of your organisation but of other people who actually do do the right thing in the overwhelming majority of cases.

Ms CHAING — So with regards to my comment about frivolous complaints, this is our position on the legislation is that we have that concern, whether or not whose responsibility it is to insure against frivolous complaints, it is not ours but we want to draw that to the attention of this committee as you are studying this issue. With regards to the responsibility, yes, we believe that the delisting of bad actors has a large amount of impact and in terms of whose responsibility it is for the amenity issues that communities are facing, we cannot speak to that but if you are asking us what we can do about that, what we can do about the issues that are being addressed in this particular legislation about bad behaviour and a misuse of the short-term rental, this is what we can do. My understanding is that we are trying to look at a solution for that. Assigning responsibility is part of it and I am not ready to do that, but today, my position is that if we are looking at potential solutions to discourage that kind of behaviour and make this a win-win situation, this is what Stayz can bring to the table and what we have been doing to the best of our abilities.

Ms HARTLAND — I first became alerted to this at a public meeting about six years ago in Docklands, so considering that it has been an ongoing problem for a number of years and yet we are getting evidence here today, 'Oh, it'll all be all right, we can just self-monitor it', it doesn't feel like to me that the industry has got any control over the behaviour of people who go into these short-term lets and especially in buildings where there

may be a hundred of them. So why would you think a self-monitoring process from the industry would actually work when clearly nothing has worked for a number of years, and so — and the residents I speak to, especially in Docklands, are absolutely at the end of their tether about the behaviour of other people using these apartments short-term? So if it has not been able to be fixed by the industry now, why shouldn't we go ahead with legislation that will actually give some redress to residents?

Ms CHAING — So I want to be clear here, we do not believe that the solution is the self-monitoring that we have been doing thus far, which is why I want to reiterate again we strongly believe that the code should form the basis of a policy that — exactly your point, and let's start from the beginning, who should the residents speak to? How does that person then gather the complaints? How do we adjudicate between rightful or wrongful complaints? How does that get escalated to first the homeowner and then to either us, our competitors or brick and mortar real estate agents? With the self-monitoring, I take your point. It does not have that right now, so this is why six years ago there was this issue, and now — —

Ms HARTLAND — And still is.

Ms CHAING — And still is. Yes, I take that point.

Ms HARTLAND — And it has got worse.

Ms CHAING — I take that point because there are more and more listings. We are growing every month. So we are doing our part to try to establish relationships with local councils — I mean, we have the figures, we know where a lot of our listings are.

The DEPUTY CHAIR — With New South Wales local councils, not Victorian councils.

Ms CHAING — We will — not me personally. I am sure my colleagues have. Not me personally.

The DEPUTY CHAIR — If you provide detail to the committee on notice in relation to the work you have done with Victorian councils on this issue that would be useful. The secretariat can follow that up with you as well.

Ms CHAING — Excellent, thank you. And so we want to be able to continue that work, and we recognise that for it to be more effective, there needs to be changes done, but we feel like the code has the benefit of bringing a multi-stakeholder point of view, it has a benefit of addressing the issues that are currently on the table when it comes to the impact on residential amenity and wellbeing, and it allows for industry to be part of the solution. We think that we can help with the resourcing when it comes to enforcement. We can help with the communication and the awareness-building — is necessary for a measure like this, vis-à-vis homeowners, vis-à-vis guests and property managers, and so my overarching point to you here is that Stayz is sitting before you, bringing to you a possible solution, and hopefully bringing our strengths and resources to help mitigate a situation that we believe is reasonable and that needs to be addressed and needs to be addressed in a way that looks at issues. Like you rightly point out, that it's different between the 100 units in a 300-unit building, and the beach shack. That is — you know, and the farm home. So that summarises my position today.

Ms HARTLAND — Considering this has been a problem for years, I still do not understand why industry has not addressed it and has not been active in the area to actually — that is a part of the question that has not been answered — and has done, as far as I can see, very little to actually protect other residents. And if we do not have this legislation, it will continue as it is currently.

Ms CHAING — Okay. You are right, we have not done enough, and we are ready to do more.

Ms HARTLAND — Why haven't you done — I'm sorry, I know I'm harping on this because it has been going on for years, and suddenly because this legislation is before the house, it feels like suddenly the industry is saying, 'Oh, we have to do something,' but the problem has been really well-known. So that is why I do not get why suddenly there is a response when this has been going on for years.

Ms CHAING — I just want to go back to our current figures here. Of the 12 000 Stayz listings in the month of November we facilitated over 20 000 nights, and I can guarantee you that it is a minority of Stayz that have incidents of the magnitude that was testified to earlier today. There has been more attention to this problem

now. We have not — and thank you for pointing it out to me, but we have not had to honestly deal with that many very problematic listings. That is just the fact of the matter, and if it is something that we need to be more proactive about, I am sitting here to say that we make that commitment to be more proactive, but if you were asking us about our level of awareness with regards to this issue, we see the media reports and we go back to our numbers and we do not see that it is 50 per cent of them that are problematic. It is not even in the double digits that are a problem.

The DEPUTY CHAIR — Any data you can provide on that?

Ms HARTLAND — That would be great.

Ms CHAING — Sure.

The DEPUTY CHAIR — And so you have talked about the difference between three delistings versus problematic listings. I would like to see where the tipping point is in the context of when an issue is raised, how many listings have been raised with you as problematic versus the three that have culminated in a delisting. So if you could take that on notice as well and provide that for Victoria, that would be great.

Mr DALLA-RIVA — My only questioning is around the work that Stayz does, and I was looking on the website, looking at — —

Ms HARTLAND — Were you trying to book a place?

Mr DALLA-RIVA — I was trying to book a place, yes. But predominantly, you are, as you said, beach shacks, holiday homes, rural areas, and when I was trying to find apartment accommodations which as my colleague to my right was talking about in respect of apartments in inner-city Melbourne, you do not have those as a high number. Would that be fair to say?

Ms CHAING — Yes, that would be fair to say.

Mr DALLA-RIVA — So therefore, the incidents of the type of behaviour that is outlined in the legislation would be less noticeable in a country house, obviously, because you are in the middle of — —

Ms CHAING — This is the thing that happens in high-density property.

Mr DALLA-RIVA — So for those — I guess from the perception that I am trying to get at is, of those apartments — if you were to take your country beach properties, of which you would, I gather, have a very, very, very low incidents of concern — to your portfolio of apartments.

Ms HARTLAND — In the CBD.

Mr DALLA-RIVA — And then in the CBD the proportion — and what I am trying to say, and this will be on notice — the proportion of the complaints of concerns in that market or in that portfolio. So I would like to get an idea percentage-wise what it is in the country beach homes as opposed to apartments where it is more dense — what are the numbers?

Ms CHAING — Right.

Mr DALLA-RIVA — So were the breaches that you mentioned relating to apartments — —

Ms HARTLAND — Or problematic listings, I think you referred to.

Mr DALLA-RIVA — Yes, problematic listings.

Ms CHAING — That's right.

Mr DALLA-RIVA — Were they predominantly in the apartment domain?

Ms CHAING — That's right. So going back, I think the committee had requested the number of apartments listed in Victoria, and I just have to go back and check to make sure we ask whether or not your listing is an apartment or home, so — —

Mr DALLA-RIVA — Yes, and I am also conscious of your IP, so if you want to give that to us in confidence and if you do not wish it to be reported for the purposes — —

The DEPUTY CHAIR — Just make that request when you provide that information.

Ms CHAING — Absolutely.

Mr DALLA-RIVA — I think it is fair to say, because I would prefer that we get the information that does not breach your competitive advantage that you may have against your others, so I am sure others in the audience might want to know what it is but — —

The DEPUTY CHAIR — They would probably be dying to, but we can place that under — —

Mr DALLA-RIVA — We can place that under parliamentary privilege and it will be protected. But at least it gives us an idea.

Ms CHAING — Yes, and as long as our technology allows us to get that information, then I will be able to provide it.

Mr DALLA-RIVA — I am sure good old American technology will tell us everything.

Ms CHAING — Stayz is Australian.

Mr DALLA-RIVA — Is it?

Ms CHAING — So you would be very proud of your own technology.

Mr DALLA-RIVA — Is that a fake accent?

The DEPUTY CHAIR — Right.

Mr DALLA-RIVA — Right, on that, I will just finalise your initial comments about the individual, the vexatious complainant. So I went through the legislation and it is under 159A which is under the new Division 1A of Part 10 inserted, which is relating to complaints and procedures — short-stay accommodation arrangements, and it specifically relates to 159B and the decision whether to take action in respect of alleged breach by a short-stay occupant. So it is — that's on p. 5 of the legislation.

Ms CHAING — I am reading the summary of it, if I can grab that.

Mr DALLA-RIVA — Yes. That essentially is that the complaint must be made to the Owners Corporation. So this is not really the owner makes a complaint to VCAT directly in this legislation. Would it be fair — and this is — I have done my little chart here, which you cannot see in Hansard, but would it be not — —

The DEPUTY CHAIR — Hansard is not missing terribly much.

Mr DALLA-RIVA — Yes, it is pretty good. It must be visual because I am — —

The DEPUTY CHAIR — It looks like an organisational chart.

Mr DALLA-RIVA — So what I am trying to get at is would it not be ready for the HRIA to be more about the support mechanism for the owners corporations? So that what I have done there is pretty stupidly drawn, but — —

Ms CHAING — Oh, I see what you mean.

Mr DALLA-RIVA — where — if there are complaints made to the owners corporation, they themselves can get advice within the HRIA to whether their assistance, and I just — the more I think about where HRIA is, and sorry to say that, wherever you are — I just — —

The DEPUTY CHAIR — We are not supposed to acknowledge people in the gallery.

Mr DALLA-RIVA — I can. I can.

The DEPUTY CHAIR — (Indistinct).

Mr DALLA-RIVA — I guess in the circumstances you are outlining earlier on, it would not be applicable for that individual to make a direct complaint on the short stay because it would not be possible under the legislation to do it. So I just — you do not need to answer, but I just thought for the clarity of *Hansard*, that in my understanding those types of complaints cannot occur unless they go to the owners corporation. But I may stand corrected — as I can be.

Ms HARTLAND — That is my reading of that.

Mr DALLA-RIVA — Yes, I think that if other parliamentarians have the same view, then we are right. So therefore, I have spoken myself and you can go.

The DEPUTY CHAIR — Terrific. On that basis, thank you very much, Ms Chaing for your evidence. I would also ask that you provide that information to the secretariat as soon as possible. A transcript of the proceedings will be sent along to you as soon as possible as well for proofreading purposes.

Ms CHAING — Thank you.

Witness withdrew.