

# **ECONOMICS AND INDUSTRY STANDING COMMITTEE**

## **INQUIRY INTO SHORT-STAY ACCOMMODATION**



**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
FRIDAY, 24 MAY 2019**

### **SESSION TWO**

#### **Members**

**Ms J.J. Shaw (Chair)  
Mr S.K. L'Estrange (Deputy Chair)  
Mr Y. Mubarakai  
Mr S.J. Price  
Mr D.T. Redman**

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**Hearing commenced at 11.08 am**

**Miss KIRSTEN WOOD**

**Manager, Planning and Building Services, Shire of Broome, examined:**

**Mr ANDRE STUYT**

**Director, Development and Community, Shire of Broome, examined:**

**The CHAIR:** On behalf of the committee, I would like to thank you for agreeing to appear today for a hearing into our short-stay accommodation inquiry. My name is Jessica Shaw and I am Chair of the Economics and Industry Standing Committee. I would like to introduce the other members of the committee to my left: Terry Redman, member for Warren–Blackwood; Stephen Price, member for Forrestfield; and Yaz Mubarakai, member for Jandakot. Sean L'Estrange, member for Churchlands, is an apology for today's hearing.

I advise that the proceedings of the Committee's hearing will be broadcast live within Parliament House and via the internet. This broadcast may include documentation provided by you to assist the committee in its investigations. It is important that you understand that any deliberate misleading of this committee may be regarded as a contempt of Parliament. Your evidence is protected by parliamentary privilege; however, this privilege does not apply to anything you might say outside of today's proceedings.

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

**The WITNESSES:** No.

**The CHAIR:** Great. Would you like to make an opening statement?

**Miss Wood:** Firstly, we would like to thank the Committee for the opportunity to attend today's hearing, albeit over the landline. The Shire is very supportive of this inquiry, given the importance of tourism to Broome and the State's economy. To provide some context, the Shire of Broome covers an area of about 56,000 square kilometres, with the town of Broome being the predominant and principal urban centre. Whilst tourism is an important industry to the areas outside of the town site of Broome, as we explained in our written submission, and in the comments we will make today, we will largely focus on the town itself. Broome has a permanent residential population of around 17,000 people. During our peak tourism period, the population is estimated to swell up to about 40,000 people. Annually, we receive approximately 280,000 visitors. These figures obviously demonstrate the importance of tourism to Broome. Tourism has traditionally been the key sector and foundation of our economy.

The Shire of Broome, being the local government, does receive concerns from the local business community regarding unhosted short-stay accommodation from residential properties. These concerns mirror those that you will see in other submissions. Like other local government areas, while the Shire's planning scheme does have controls in place to regulate this activity, the rise of the online platforms has created challenges for the Shire to enforce the scheme or to take compliance action. The Shire acknowledges that while the planning framework may control the land-use activity, it does not address all the issues that the tourism industry raises with unhosted accommodation from rental properties. An example of this would be payment of income tax and insurances.

Given this, and acknowledging the enforcement challenges that local government faces, the Shire believes that one option that may be worth investigating is to introduce controls that require online

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booking platforms to have to screen subscribers prior to registering. This could involve mandating the need for subscribers to supply certification from a local government that the premises complies with the relevant planning and building laws, prior to accepting them on the platform, which is not dissimilar to the current practice of how local governments provide a section 40 certificate before someone can apply for a liquor licence from the Department of Racing, Gaming and Liquor. This sort of mechanism could place the onus on the booking facilities to make sure that subscribers have the correct approvals in place, as opposed to local governments having to adopt a reactive process of compliance, which it is often not resourced to address. We welcome any questions.

**The CHAIR:** Thank you. It would assist us greatly if you were able to email through a copy of the text that you have just read from. The line is not the best, so it is a little scratchy. We are going to have to struggle through with the technology, unfortunately. There is certainly variable quality. Thank you very much for that.

One of the things that you raised in your opening remarks was around challenges in enforcement and addressing the issues that the tourism industry in Broome raises, but do you also get complaints from residents in the Shire of Broome about amenity?

**Miss Wood:** We do occasionally. Typically speaking, the complaints that we receive are those we get when we advertise a bed and breakfast proposal. There have been a number of times when we advertise that and then people write in and object to it on the grounds that there are illegitimate party houses in the area, which have created issues with parking, noise and disturbance to the typical residential amenity. If it is a complaint about a particular activity, it is generally in a strata or group-dwelling complex. Pretty much most of the complaints we receive are in that sort of group-dwelling setting.

**The CHAIR:** What do you do when you receive those complaints? Do you receive them in real time and then dispatch a ranger to go out and address them, or do you raise it with the property owner? What do you do?

**Miss Wood:** As soon as it comes in, we have pretty much a standard letter that we send out to the property owner and encourage them to come in and speak to us. With Broome, which might be a bit different to other local government areas, we have a specific zoning in our scheme that is for tourists. When it comes to holiday homes, which is the unhosted use of the property, our scheme actually prohibits it in a residential area. There is quite a lot of illegitimate activity happening out there. If the scheme does not allow it, you either need to discontinue it or run the risk of further compliance action.

**The CHAIR:** We have had put to us that enforcement is perhaps not something that is working particularly effectively in the Shire of Broome. One of the issues that has also been raised is around public liability and the fact that because the Shire of Broome has regulations in place but does not enforce them, that could give rise to the Shire of Broome being liable for anything that goes wrong. I am not offering a view on whether that is a legally correct position or not, but has the shire turned its mind to that issue; and, if so, what are your thoughts on it?

**Miss Wood:** It is definitely something we have discussed a fair bit with our elected members. They have raised it with us, obviously on a number of occasions, because they have heard from the business operators, who have similar concerns. You have probably heard this with other local government areas. The issue comes down to the resourcing matter as well. When we wrote our submission in December last year, we checked the online platforms—Stayz and Airbnb—and there were over 175 properties. But you do not actually have the capacity to be able to find the addresses of those properties, which means that if you are going to properly regulate it, you would either have to try and pick up the property through the photos on the website or create a dummy account to

try and find where the actual property address is. That presents probably the biggest challenge to us to be able to properly enforce the provisions of our scheme.

**The CHAIR:** Thank you.

**Mr D.T. REDMAN:** Thank you for taking the time to come on today; we really appreciate that. I have in front of me a copy of a planning information sheet from the Shire of Broome, which really talks about bed and breakfast, which is hosted accommodation. It states very clearly on here that if someone is seeking a private residence to be termed a holiday home and for the whole facility to be put out to the short-stay accommodation market, it is fundamentally not allowed in a residential-zoned area. We have also had some hearings giving us evidence to show that there is a fairly high level of Airbnb listings for whole home facilities. Do you have any understanding of the short-stay providers in Broome and how many of those would be compliant if they were to come in the door and get signed off? That is, are they operating outside a residential zoning as distinct from operating inside a residential zoning?

**Miss Wood:** Quite a few of our approved tourist resorts do make their rooms available through Airbnb and Stayz as well. When we checked, there were 175 listings, but not all of them are illegitimate operators. A portion of them are obviously the approved tourist resorts, and then there are bed and breakfasts, which are legitimately approved with the hosted accommodation. We do not have exact figures. From the top of my head, I would probably estimate it at maybe around 25% of the ones that are available through Airbnb and Stayz that are legitimate.

**Mr D.T. REDMAN:** If we fast forward and this committee comes up with a recommendation that says something along the lines that the state should put in some legislation that forces registration, which appears to be a consistent issue with those who have presented to us, in your circumstances, do you think the Shire's planning people would reconsider offering the option for holiday housing in residential areas if the registration was sorted, or do you think that is simply a no-go area because of people who live in those areas not wanting any commercial activity around them?

**Miss Wood:** That is really a decision of our council, so I cannot speak on their behalf. But we are undertaking a review of our scheme next financial year and it is definitely something that we will give consideration to. We have discussed this with our elected members in the past as well, but at that point in time, there was not an appetite to change the planning framework to allow for that.

**Mr D.T. REDMAN:** From what you are suggesting, and there were a couple of nods from you when I was talking a second ago, if there was scope for the State to be able to offer a tool across all governments to enforce a registration process, that would allow local governments to be able to manage local nuances, depending upon where they are. I would have thought that the differences between Broome, Margaret River and Jurien Bay, for example, would be pretty significant. Is that a position that you think the Shire of Broome would be comfortable with, if that was possible?

**Miss Wood:** It is a challenging one. Broome is probably different to the other examples that you have cited, where we have quite distinct resort and tourist accommodation facilities that traditionally have been here for a very long time, before this other holiday accommodation came about. We have to obviously balance the consideration of the impact that could potentially have on those operators and, I suppose, the tourism reputation of Broome, if we are going to change the planning framework. From a professional planning perspective, the amenity considerations can be overcome through the planning assessment process and conditions on approvals, but it is really a decision for the council and to go through community engagement as to whether they want to change what has been quite a longstanding position, where we have a distinct tourist zone where we want that tourist activity to happen, as opposed to it being spread out throughout the residential area.

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**Mr D.T. REDMAN:** I guess the point I am making is that if there is a tool to enforce compliance, the decisions about what you choose to be residential and the rules around that become the Shire's, and tourist areas would allow that scope. I think what you are saying is that you would want to have some local decisions in and around those matters.

**Mr STUYT:** I might add to the conversation by stating that if the State could put tools and policy positions in place, it would give the council a higher degree of confidence in moving forward with a change to the planning scheme, but it would also give the elected body the opportunity to actually score it in a more positive framework as well.

**Mr Y. MUBARAKAI:** I just want to follow up a couple of Terry's questions. First, with regard to compliance, you have said in your submission that the shire does not have visibility of statistics that show the trends and obviously it does not have the evidence of the addresses of houses that operate as holiday short-stay accommodation. Has the Shire of Broome written to the online platforms requesting them to send to you, or disclose to you, the short-stay accommodation providers that are listed on their websites? Has the city taken that initiative?

**Miss Wood:** We have not done that at the moment.

**Mr Y. MUBARAKAI:** The other question is again with regard to compliance. Has the Shire had any workshops with the residents? Obviously, people may be ignorant about certain actions. Has the Shire called for a citywide information session for residents, or has the Shire provided any reminders and material to the residents in the Shire advising them of certain actions if they do not follow local council planning laws that could impact on them with regard to some of your compliance laws that you have? If a resident is caught not registering their property for short-stay accommodation, they are liable for certain infringements. Has the Shire acted on that directive by going back to the community and saying, "By the way, we are aware of what is happening within the periphery of the Shire"? It is important to get the residents to really understand that you have a local planning scheme that governs the rules and regulations.

**Miss Wood:** We have done media and community awareness campaigns. We publish a Shire news page every fortnight in our local newspaper and we try and have promotional and educational-type stories on it. There was one done recently on home businesses, which is another area we get a lot of complaints about. We have also prepared that information sheet and have widely distributed it to make people aware and to engage the key stakeholders—real estate agents and the like—to make them aware of what the framework is. But we have not given it to every single ratepayer in Broome, nor have we called a community meeting about this one specific topic.

**Mr Y. MUBARAKAI:** Does the Shire normally have community engagement workshops? Do you have any examples of where, in other aspects as a governing body, you have had any workshops with your community to give them information? Is this any different?

**Miss Wood:** In Broome, we have a community engagement policy that guides how we engage with our community, which generally relates to a specific activity or outcome. If we are proposing a change to our planning scheme, we go out and engage with people. Our Shire President also speaks quite regularly on local radio to try to promote to people and make people aware of current issues that crop up from residents, ratepayers and the Shire. That has been quite welcomed by the community. There are various other things. When you ring up the Shire and you get put on hold, there is information. We often promote through radio as well on various things.

**Mr Y. MUBARAKAI:** As part of your review into your policies, would community workshop engagement be part of that review moving forward?

**Miss Wood:** Definitely.

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**Mr Y. MUBARAKAI:** Lovely. Thank you.

**Miss Wood:** One hundred per cent.

**Mr S.J. PRICE:** Ms Wood, the Shire of Broome has what appear to be quite clear planning policies in regard to unhosted accommodation, in that it can only be in tourist-zoned areas. Is there any evidence of real estate agents using the potential of gaining a return on a property through the online platforms as a sale mechanism for properties actually outside the tourist-zoned areas?

**Miss Wood:** Not that have been raised directly with me.

**Mr STUYT:** I am new to Broome. I came from South Australia from a planning position in local government. As a new arrival, I am in the market to purchase accommodation, and I do find that the sales agent at times will reference the style or design—the way the residential property has been conceived—means that there is the income opportunity to be renting out certain rooms for tourism or other businesses. This is more hosted, recognising that I am obviously an owner–occupier rather than an investor trying to find an opportunity in short-stay accommodation, but that is also a reflection, I suspect, of the housing style, the typology, that I am seeing here in Broome that would be slightly different. It is more outdoors than you would find in, say, Perth or even other parts of Australia.

**Miss Wood:** What Andre touches upon is probably a good point. Something that is probably different for Broome from other areas as well is that people quite commonly share their houses. Houses up here are designed to have different pods, so you can kind of have separate living areas. People are still using them as permanent residential accommodation. But I may rent a house out and may not be able to fully pay for the rent, so I will get a colleague to come and live with me and we will share a house. Broome suffers from a fair bit of housing affordability issues, particularly from the early 2000s up to 2015. That is something that happens quite commonly in our shire.

**The CHAIR:** Just quickly following up on that, housing affordability is an issue in Broome. Are you finding that long-stay renters are being crowded out by short-stay renters?

**Miss Wood:** It was a real issue in Broome, but with the economy steadying, it has not been so much of an issue for the last three or four years.

**Mr STUYT:** In this environment, possibly around two-thirds of the housing stock is owner-occupied or under mortgage. Here, it is less than half, so there are around 50%–plus who are renting. There is a very large cohort of investor-led residential dwelling stock here.

**The CHAIR:** Thank you very much for your time today; we really do appreciate it. I will proceed to close today's hearing. Thank you for your evidence before the committee today. A transcript of this hearing will be emailed to you for correction of minor errors. Any such corrections must be made and the transcript returned within seven days of the date of the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you very much.

**Hearing concluded at 11.31 am**

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