

# **ECONOMICS AND INDUSTRY STANDING COMMITTEE**

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



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

### **SESSION FOUR**

#### **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 12.31 pm**

**Mr PAUL CAMINS**

**Executive Director, Development Services, City of Albany, examined:**

**Mr ALEXANDER BOTT**

**Coordinator, Planning Services, City of Albany, examined:**

**The CHAIR:** On behalf of the committee, I would like to thank you for agreeing to appear today for our inquiry into short-stay accommodation. My name is Jessica Shaw and I am the Chair of the Economics and Industry Standing Committee. I would like to introduce the other members of the committee. To my left is 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?

**Mr Bott:** No, we do not.

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

**Mr Camins:** No, not especially.

**The CHAIR:** Perhaps I will ask you a question that can be a bit of a prompt. We would be very interested in your impressions of how the short-stay accommodation platforms are affecting the Albany community, both from your tourism industry, your traditional operators, your residents—the amenity and enjoyment of their properties and residential areas—and the overall economic impacts of the tourism industry in Albany. Maybe that can kick us off.

**Mr Bott:** I can give a brief introduction. I believe we have covered this matter in our submission. A large number of Airbnb or those styles of holiday accommodation have come into the City of Albany over the past few years, but, at the moment, the number of those is actually filling a gap in the tourism market in the City of Albany. I believe we alluded to the fact that it has not reached the stage where it is impacting on our rental market from our perspective or view on the matter. It is fulfilling a function in the tourism market by providing for people who most of the time are coming down from Perth on holidays.

Also going on from that, on impacts on amenity for our holiday accommodation, I think it may be the case that we have a different market coming down to Albany on holidays. It is not so much like the South West, where you might have people coming down for parties or weddings and other uses. We seem to have more people coming down for families or for tourism uses in the region—to use it as a bit more of a base to go around. Is there anything else you would like to add?

**Mr Camins:** No, I think that pretty much covers it as an opening statement. At the moment, it is not causing us any issues, but I guess we can see in time why some other areas may be having issues with this use of land.

**Mr D.T. REDMAN:** Just as a follow-up to one of the points you made, you said that you cannot see or certainly do not have a sense or evidence that the short-stay accommodation market using these

platforms is having an impact upon the rental market. Do you have any evidence or views about whether it is impacting upon the formal tourist short-stay accommodation market? There is a number of motels in town that do their business. Are they feeling the impact of these online platforms?

**Mr Camins:** It is very difficult to tell. I guess at times they would miss out on some business, but we are not aware of it being a particularly big factor. There is a hotel that is about to be constructed in Albany, but there are also hotel sites that are available that have not been taken up to be constructed upon. In that regard, I guess the fact that a developer is deciding to construct a hotel is a good sign that it is not necessarily too off-putting for them.

**Mr D.T. REDMAN:** What would be your broad assessment of the state of the economy in Albany? Can you give us a sense of how things are economically? That goes a bit beyond an accommodation market, but generally with accommodation providers, you would expect to be somewhat linked to the state of the economy.

**Mr Camins:** I think the tourism economy in Albany has been pretty strong in the last year or so. We have had a couple of events that have really driven tourism. I think as far as tourism goes, it has been pretty good. As far as general development, it has slowed down certainly from previous years. There are less dwellings being constructed. But in terms of tourism, it has been strong. In this sector, it has been strong.

**Mr D.T. REDMAN:** Do you have much visibility of the number of accommodation providers in the short-stay space that are unregistered? I think in your submission you talked about having a registration and you did talk about having an amnesty period to allow people to sign up without getting a fine. Can you tell us how that has gone and the nature of the how you view what is actually going on out there and the visibility you have over it?

**Mr Bott:** We commenced that amnesty—I believe it was at the beginning of 2017. I went through the numbers this morning and since that started—I believe it was February 2017—we have had an additional 70 holiday accommodation land uses go through the planning approval process. That covers holiday houses and bed and breakfast. Basically, all our holiday accommodation subcategories are covered by that. The 70 in two years is quite an increase, but it is probably balancing with—we did have quite a few of those come through in a short period when we had that amnesty process.

**Mr S.J. PRICE:** Mr Camins, do you think the current short-term accommodation providers have been significantly negatively impacted by an increase in the number of online platform providers with regard to short-term accommodation?

**Mr Camins:** I would suspect that a lot of those current providers also use those platforms as well. I think that we would probably find that a lot of that motel accommodation also uses Airbnb or Stayz or other such things. I do not know specifically if they are very severely impacted. As I say, we have had a strong tourism economy in the last year, so possibly it might not have been an indicator of what may be to come or what may have been in the past, if that makes sense. We have had this *Field of Light*, which has been very successful over the last year, so I think that probably they have not necessarily felt it in that time. I am only speaking about what we know now. That is probably our position on that or our understanding of that.

**Mr S.J. PRICE:** One of the areas that we are looking at is the impact that the proliferation of the online platforms is having now on established businesses. One of the things we cannot get too much of a handle on is some of the business decisions that are made behind the decision to actually build

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a particular type of accommodation. You mentioned earlier that there is a new hotel being built in Albany. A simple question: do you think Albany needs a new hotel?

**Mr Camins:** I think Albany has been looking for a four-star hotel. Yes, I think so. We are very supportive of it and we embrace it. We hope that what it will do is to encourage international tourism and to encourage tour groups, which may want to come in large quantities—you know, 40 people at a time—who want to book out the whole hotel, or certainly open it up for conferences and things like that. They are the sorts of things we see that a new hotel is critical for. We currently have in our tourism market quite a number of motel-type accommodation providers, but we do not have anything that is a bit more upmarket since the Esplanade Hotel was demolished, in 2007 I think it was. So we definitely do see that there is a market for it.

**Mr S.J. PRICE:** Thank you.

**Mr D.T. REDMAN:** You give us a sense that this is not a red-hot issue in Albany. I wonder whether there has been any level of complaints from accommodation providers. Whatever has happened, the market seems to have been able to soak it up. In your submission, you are not saying that there is a massive need to go out there and get everything registered because it is just not on the radar. Is that the sense I am getting from you, or have I missed something in the commentary?

**Mr Camins:** The sense is that we feel like we pretty much do have them under control, in that the ones that are operating are registered. We do feel as though we do not have a lot that are sitting there that are just doing it without registration. Yes, you are right; we feel as though it is under control at the moment and it is not causing too many issues for other businesses as far as we can tell.

**Mr D.T. REDMAN:** Do your planning policies allow for, obviously with the permission of the city, short-stay accommodation to operate in residential-zoned areas?

**Mr Bott:** Under our local planning policy for holiday accommodation, the city does have a preferred area, which makes reference essentially to the centre area of town but also being near the beaches and other high-tourism areas. It can be done in residential areas, but of course, following on from that, there is a high regard for having management plans and the ability to respond to any issues at a high level.

**Mr D.T. REDMAN:** I saw some maps in your submission that defined areas, so that is preferred. If someone were to approach you to have something outside that, is there discretionary scope in your planning policies, or is it the fact that they simply cannot do it?

**Mr Bott:** No, there definitely is discretionary scope. That is where we really look, at a higher level, at the appropriateness of the site and any other side issues, but also going back to the management plans and ensuring that any conditions that applied were really locked into place in terms of the ongoing compliance of the use.

**Mr Camins:** Often we may find that where there is a residential strata development—for example, a survey strata-type development—we may deem that that is not an appropriate location to have that and may not approve something like that, where it is impacting significantly on permanent close neighbours to that site.

**Mr D.T. REDMAN:** Does your approval process extend to those hosted accommodation arrangements where someone simply rents out a back room? Is there a requirement to register that? If there is, what are the thresholds for approval? What are the boxes that need to be ticked in order for that to get support?

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**Mr Bott:** From the city's perspective, if that spare room is getting rented out as short-term accommodation, it would generally just fall under the umbrella of a bed-and-breakfast land use, which is really quite similar to the holiday accommodation process. Usually it is the case because there is someone on site, there might be less requirement for management plans and such, but really we would just go through the bed-and-breakfast process.

**The CHAIR:** Do you receive many complaints from the residential community about activities that are undertaken in these short-stay houses? Are there people complaining about too many cars parked on the verge, or party houses or anything like that?

**Mr Bott:** In a year, we would get a small number of complaints.

**The CHAIR:** How do you respond to those?

**Mr Bott:** Usually it is a case of getting in touch. Firstly, it is about checking approvals. If it is not, we make them go through the process of applying. If there is an approval, then it is a case of getting in touch with the manager or caretaker to ensure that they are aware of their responsibilities. That is probably the initial step. The further steps from there are through the planning compliance process, but from our side, it does not really come up as a common issue.

**Mr D.T. REDMAN:** You did talk in your submission about getting legislative clarity. You did not put the view from the point of view of meeting your planning rules; you put the view of your ability to be able to pull a rate or levy off those that have a commercial activity. I found that interesting, in the sense that the driver is getting recompense back from a commercial operation, as distinct from the planning implications of having people operating in the wrong areas without approval. Have I read that right?

**Mr Camins:** I guess the idea is that we want people who are benefiting from the tourism economy to be helping to contribute back into that economy. Currently, we do not differentially rate within the City of Albany. I guess that there is probably an opportunity for something to happen in regard to that.

**Mr Bott:** It is probably the case that some of the hotel operators or bona fide hotel-motel operators do contribute back and participate more in the visitor centres and marketing material. Ultimately, the Airbnbs and that style of holiday accommodation, which are just doing standard residential ratings, are not really contributing back to that process but they are benefiting from it at the same time. Maybe just some equity between the providers in that situation.

**The CHAIR:** You are probably the first local government authority we have heard from that is really not having an issue with this. I think that is really quite telling. I could not help but think that we had a very similar experience when we went down to Albany with our regional airfares inquiry; again, not much heat in Albany. Whatever you guys are doing down there, it seems to be working!

**Mr Camins:** We are cruisy.

**The CHAIR:** Either that or you are very good at pulling the wool over the eyes of parliamentary inquiries!

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

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points, please include a supplementary submission for the Committee's consideration when you return your corrected transcript of evidence. Thank you for making yourselves available today.

**Hearing concluded at 12.48 pm**

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