

ECONOMICS AND INDUSTRY STANDING COMMITTEE

INQUIRY INTO SHORT-STAY ACCOMMODATION



**TRANSCRIPT OF EVIDENCE
TAKEN AT MARGARET RIVER
TUESDAY, 30 APRIL 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**

Hearing commenced at 3.06 pm**Mr GAVIN FARRELL****Owner, Big4 Beachlands Holiday Park, examined:****Mr RHYS ASHLEY JOHNSON****Manager/Director, Mandalay Holiday Resort and Tourist Park, examined:****Mr RICHARD ANDREW JONES****Manager, Geographe Cove Resort, examined:**

The CHAIR: On behalf of the committee, I would like to thank you for agreeing to appear today for a hearing into 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 right, Sean L'Estrange, member for Churchlands; and to my left, Stephen Price, member for Forrestfield; and Terry Redman, member for Warren-Blackwood. Yaz Mubarakai, the member for Jandakot, is unfortunately an apology. 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.

Thank you very much for making yourselves available today. Before we begin with our questions, do you have any questions about your attendance?

The WITNESSES: No.

The CHAIR: Would you like to make opening statements? This is your opportunity to give us an overview of your business and your perspectives on the issue, and then we can launch into questions.

Mr Johnson: I represent Mandalay Holiday Resort. We have been in the area since 1964. I am the third generation there, so we have been operating for a very long time in the region. My grandfather started the business, passed it on to my father, I am now working with that, and I would like to be able to do the same thing with my kids in the future.

We have been consistently voted as one of the best resorts in Australia. We are an accredited tourism business with the Tourism Council of WA, and are a bronze member with them. We are also a member of the Caravan Industry Association. We fundraise for the Royal Flying Doctors and we hold various public events, such as Christmas carols, markets and family fun days and so forth, so all sorts of things in the region. We also invite the public to come and join us. We are a big member of the community.

We estimate that our business provides business to well over 100 businesses in the region, through our guests that we then on forward to tourism operators and different things like that. Having a business like ours, and like Beachlands and Geographe Cove, really helps supply that business, because when people come and stay with us, we direct them to the tour operators, the restaurants and things like that. That is one of the big things about having a business down here.

We employ 41 staff, many of whom have been with us for over 15 years, and many much longer than that. We highly value our staff and keep them for a long period of time, but, unfortunately, a lot of our staff in recent times have been getting evicted during the peak periods. They try and work

through there and they get evicted from their rentals for people to have short-stay accommodation in the peak season, so we struggle to keep those staff through that period of time. Also, the rental rates in the region are going up and some of our staff are struggling to pay rents in the region as a result of people turning over to short stay.

[3.10 pm]

We consider the Margaret River region and the City of Busselton all as one sort of area. Guests and tourists that come down and stay here are predominantly from Perth, despite what other people might say about bringing new people to the region. This region really is based on a Perth tourist market, and I can measure that from our guest surveys.

The impact of the amount of Airbnb and short-stay listings in the region on our businesses is massive. We have 2 572 active listings when you combine the two regions, so for the Margaret River shire and the City of Busselton, there are now that many listings. Over 92 per cent of these listings are entire houses or properties—when you add up the Airbnb figures, they will show the same thing. There is five per cent growth per quarter. If you are looking at the impacts on our business, to put this in perspective, it is the same as if two major hotels with more than 60 twin-share or four-person rooms were opening every quarter, so that is eight per year. That is just unsustainable growth. For us to be able to try and compete with that is ridiculous. It is having a dramatic effect on our business and our future ability to operate. We cannot increase rates. We have to drop rates significantly to try to get business. We are struggling to hold our occupancy rates which we have historically held, and we are having to drop rates as well. Dropping occupancy, dropping rates—that is really where we stand.

I think the City of Busselton has done quite a few things to try and regulate this and try and catch up, but, unfortunately, the growth of it and the speed of it going through has been quite dramatic and they have not been able to keep up. I think that is why we are here at this committee. I think there are quite a few things that we can do. Quite simply, we could have all properties be registered with an identification number and a fee payable to fund the compliance monitoring—I think that is very important. I believe all businesses—all properties—should be accredited tourism businesses with the Tourism Council of WA, so in order to do that, you should be accredited. They all should have public liability insurance to cover if anyone gets injured or hurt in that business. Short-stay accommodation must meet all fire, safety, building and insurance requirements appropriate to all other accommodation providers. All properties with pools should meet pool regulations for public or business swimming pools, which is either class 3 or 4, and that includes having regular audits, as we do, by local governments. For example, group 4 facilities, by regulation, are designed to include small temporary accommodation developments, such as bed and breakfast and farmstay facilities, but it is not currently enforced for holiday homes. We believe that should be mandatory. If you have a pool, it should come under the swimming pool regulations if you are operating a business. Properties must pay business rates for water, power, gas and sewer, as the properties are acting as businesses and not residential properties.

All OTA platforms must stop listing illegal and noncompliant rentals, and share the relevant data with authorities. I think you probably just heard from the City of Busselton about how important getting that data is. I have had many meetings with Paul Needham and I believe that that is crucial to what they need to do. I think, at the state level, that would be very important. Residential zones and long-term rentals must be protected. I believe neighbours to proposed Airbnb or short-stay rentals should be empowered and allowed to have a say for any new applications via advertising for new listings. But I do believe it could go a little bit further. I have seen in other regions, like Byron Bay

and places like that, where they are proposing to have limited time frames for short-stay accommodation. I think this would really benefit with the rental market.

The CHAIR: Do you mean nights?

Mr Johnson: I think a minimum of 14 nights' stay at short-stay holiday homes in residential areas.

The CHAIR: Per annum or period of total stay?

Mr Johnson: Period of stay. So if someone wants to come and stay, I believe a 14-night stay is what holiday homes were originally designed for. When people used to come and stay in the region and a friend would let out their house before they used online travel agents, it would be people coming down to use a house either for free or to use that house for a period of time. If you are advertising that as a business, I think they should have a minimum night stay to do that, which would stop parties coming down and being for one-night stays and stop weekend people just destroying the town's community. It would have families come down and stay in the region in the houses. I think that is a very important thing.

Mr D.T. REDMAN: Do you think the authority for that should sit with local government or have a statewide approach to it?

Mr Johnson: I cannot say that I am strong enough in government policy to understand where that should sit. It probably could be local policy I guess, but the problem with doing that is you kind of want to have a blanket thing for the whole state, out of this committee at least, or you have recommendations from the committee to the councils for what they should do. We have probably seen unsustainable growth compared to all other regions. I mean, we have got more holiday homes in the City of Busselton than in any single shire in Perth.

Mr D.T. REDMAN: Just before you finish on the numbers, the Chair was about to go to a question about compliance at the other end. In other words, is there a maximum level of days you think a short-stay should have over the course of a year?

Mr Johnson: Yes. I think 60 days' operation for a short-stay rental is fair. Sixty days is two months, so let us say that it was December–January, which is peak season. People could operate for a peak season in the year and then we would have more rental availability throughout the rest of that period, so that would help with our staffing. We would somehow have to find a way for those people that get evicted for that period of time from their rentals to be able to stay in the region, but I think that would probably be manageable. I am happy to let one of these guys —

The CHAIR: If you want to continue with your statement, then we can hand over to the other gentlemen.

Mr Johnson: I guess that is sort of where I stand. I think I have sort of covered all the points on how I think it can be regulated and the impact it has had to our business. I am happy for either Richard or Gav to sort of have a go.

Mr S.K. L'ESTRANGE: It is not necessary to go over again what you have submitted to us in the opening statements. If there is something you just want to cover generally, feel free to do so.

Mr Farrell: Look, our business is very much similar to Mandalay. We took it over in 1992; it was known as the overflow park, and within six years we had won Australian awards and we have been right at the top of the tree of doing everything like that. The last four years we are just on a downward trajectory. We normally have around 16 to 17 staff; at the moment we are down to 12 staff, mainly because of affordability. The only way we can cut our costs is through our staff expenses, and that is really not sustainable, because you can only cut so far and then everything starts to drop off, so we cannot go any lower than where we are. As a matter of fact, we really need

to be running with sort of 15 or 16; hence, we doing a lot more hours than what we should be, and quite a lot of our staff are covering and helping out that way. But I can only reiterate what Rhys has just said: it has just got a huge impact; it is unregulated; something has to be done.

The CHAIR: Thank you. Mr Jones?

Mr Jones: I agree with what Rhys has said previously, but I came from a different point. When I got into the business—I have only been in it for 12 months. Before that I was managing a vineyard property and I started doing short stays as a sideline. I renovated a house; I did it up. I had really no thought about the tourism industry or about the community or the environment, but through that I got a liking to sort of doing it. I thought I could do this, so I bought management rights, basically, short story.

When I managed my own private accommodation business, it was purely self-interest. It was me just making money for my own mortgage, pretty much. That was my initial sojourn into it. I did not pay commercial rates; I did not pay affiliation fees; I was not a member of any tourism body; it was just all about how much money I could make out of it. That was my ignorance. Then I bought into the business and I could sort of see how basically I was part of the industry that was cannibalising the tourism industry and small business, and how much all those other guys—clearly, small businesses—were relying on that customer base that people like me were taking from them. I have seen both sides of it.

Cynically, you can look at the other side and say, “Now you are complaining because it has happened to you”, but now I am interested in the tourism industry; I am concerned about the community and the environment. Dunsborough has a 0.3 per cent vacancy rate. My house that was short-stay accommodation now houses a single mother who works for a building company and her son works for me on the weekends. It has just given that much more to the community than it was before, and I think that is my worry. I think there should be a maximum percentage of private short-stay accommodation in an area because we have got to be careful that we do not undermine one, our community; two, our environment; and, three, our small business and then the tourism industry itself. We have got to have a standard set. Without a standard, our industry is nothing.

[3.20 pm]

You know, every industry has a standard, whether it is agriculture, tourism, hospitality or whatever it is, and if we become an area that becomes unregulated, then we get a name. People come from overseas and it becomes, “Margaret River–Busselton area, it is not very good”, that name is going to stick. For the people, especially like these guys who have been in for a long time, whether we are here—whether Mandalay or Geographe Cove or Halcyon—today or not, those areas will always be tourism, and that is what we have got to protect, because people like I was before, they are just fly-by-nighters. At that stage you can start it up for a whim and then pay your mortgage off and walk out tomorrow, and all you have done is used the industry; you have not added to it. That is my main concern, anyway.

The CHAIR: I think your example is very interesting. You were previously short-stay accommodation in Airbnb, and then you took the conscious decision to buy a traditional form of short-stay accommodation property, so you bought Geographe Cove Resort 12 months ago. When you were going through the decision to purchase the resort, did you factor in competition from Airbnb and the degree to which you thought, “I can take it on” or “I am offering a different type of product”? How did you perceive Airbnb as a threat as you were going through the decision to purchase a traditional short-stay business?

Mr Jones: I suppose I measured up—one, I bought the business cheaply.

The CHAIR: Always helps!

Mr Jones: So, I always thought I can improve on that. Two, I reckoned I had some other people skills that could add value, where they had not added value to it. As far as the Airbnb went, we are purely like an Airbnb, but we are hosted. We have an old dog that sits out the front. It is a family-friendly resort. I went in to competition. I recognise the fact that that they were competition—every resort is competition to me as well—but I just thought we could do it better. It was not probably until I got into it that I realised that we were the only ones paying commercial rates. Why is that? That is not the cornerstone of a fair economy. You cannot just open up a pub next door without a liquor licence or I cannot just start a security business without going through the proper protocols. If I run a farm, I have got to adhere to all the rules and measures set down by the ag department. I probably had not looked into that as much, even though I had not adhered to them in the first place. To me it was just like I saw an opportunity. I probably looked at businesses for a long time, and since I had experience in it —

Mr Johnson: Was it potentially cheaper because it had decreasing occupancy?

Mr Jones: It had decreasing occupancy, yes.

Mr S.K. L'ESTRANGE: Just on that, you had a vineyard, is that correct?

Mr Jones: I managed it. I am an ex-farmer. I looked after a guy's vineyard, pretty much, but to tell you the truth, it was a pretty cushy job. I could fix all the stuff for him in a short time and then I thought I have renovated this house that I bought and I will put it on short stay. This is before Airbnb really cranked up.

Mr S.K. L'ESTRANGE: So, the house that you are Airbnb-ing out was not on the property you were managing?

Mr Jones: Correct.

Mr S.K. L'ESTRANGE: Thank you.

The CHAIR: Just on this declining occupancy rate, do you think that is directly attributable to Airbnb or do you think that declining occupancy is also linked to just a general downturn in economic activity that we have seen over the last five years?

Mr Johnson: No, I think is directly attributable.

Mr Farrell: I have got to reiterate what Rhys has just said. Since Airbnb has started, we can stand on a front doorstep and throw bottle tops at five. I have got three directly opposite our front door. When Airbnb was kicking off, those guys were running—one of them just sold and they said, "Through Airbnb, we have been able to net \$47 000 on the property", so they were putting it up for sale that way. I said, "Geez, it would be lovely if I could net \$47 000 on some of my accommodation that I pay all these other extras to make sure that it abides by everything we have to we have to abide by."

Mr Johnson: With the caravan park side of things, we can see it is directly attributable, because obviously someone who is staying in a caravan is not necessarily going to stay in an Airbnb, and the two growths are completely different—completely. We are having a nice two per cent growth in caravan sites and so on, so that is continuing. Accommodation is the exact opposite.

Mr Farrell: Just to follow on from that, normally with you caravan sites, being winter, who wants to come down here in winter and pitch a tent or stay in a bloody van, whereas that is where you have your roofed accommodation. When your occupancy on your sites is outweighing your accommodation and, as Rhys said, they are both going like that, you have got a huge problem. It is not a small problem; it is a big problem.

Mr D.T. REDMAN: There are a couple of elements to your presentation, Rhys. A strong theme that has come to the committee so far, and I am a local member here, so I have got it locally as well, is the notion of being on a level playing field. A big proportion of what you presented was about that level playing field argument: the compliance to your pools, paying business rates, paying liability insurance and all sorts of things you are required to comply with. You have layered on another piece and put on top of that a minimum of 14 days and a maximum of 60 days. A lot of commentary, even on the radio today, was about a bit of competition is a good thing, and I guess you have got local governments that set the rules as to where you can and cannot have different sorts of accommodation. That is almost a new piece. What do you use to justify that distinction?

Mr Johnson: My reason behind that is that if we cannot do the regulation to make it fair, in a sense, with all the other terms, then we have to adjust that separately, so basically if all of those were done, so that the fair playing fields were levelled, then we would be completely sweet.

Mr D.T. REDMAN: Okay, I see. That is a bit of clarity on that.

Mr Johnson: Yes.

Mr S.J. PRICE: Along those lines, instead of lifting them up to your level, do you have any suggestions for what might be of benefit to you as the operators of the particular types of businesses you operate here, where if there is anything that could —

Mr Johnson: If we are going to go the other way, then we would quite happily not pay commercial rates or sewer rates or whatever, and just go for the cheaper option, and that would decrease all of our costs, but I am pretty sure that that is probably not on the agenda.

Mr S.K. L'ESTRANGE: The significant difference with your resorts is that I think each one offers three different types of accommodation; is that right? So you have caravans, villas and deluxe-style accommodation and a large footprint.

Mr Johnson: Yes.

Mr S.K. L'ESTRANGE: So, therefore, when we are looking at Airbnb places, they are a small footprint individually. Collectively they create a drama in the market, but they are assessed individually and, of course, they do not have a big footprint. Therefore—picking up on your point about going the other way—the government is probably unable to do that because of the big footprint change and differences.

Mr Johnson: Exactly, and we understand that, but that is why we feel they need to be brought to our level and not the other way around.

Mr S.K. L'ESTRANGE: Understood.

Mr Johnson: Plus a lot of our rates and stuff go back into investing in tourism in the region. There is a huge portion of that, and I think that is very important, because a lot of that is what has really built up this region being marketed as the place to come to in Western Australia.

Mr D.T. REDMAN: There is some legislation that is in place in New South Wales, I think, but we have not seen it play out yet, so the impact of it is yet to be seen. I think they put 180 days on short-stay accommodation. Having been a minister before and sitting in government, you would wonder how the hell you get compliance or ensure compliance for something like that. If you were to put a limit, I would have thought it would be challenging. Would that be your view?

Mr Johnson: One hundred per cent, and that is why the fair level playing field would be the way to go. If that cannot be achieved, then we have to find another way, which is sort of what the other options are.

Mr Jones: There is one thing that worries me. With the amount of unhosted, there has to be a percentage rate in a community-based area, because otherwise you could end up with large tracts that are just empty. We always have the police stay at Geo Cove and we have never had leavers, so last year I thought, "Well, I'm going to have leavers. I'm trusted enough to get them down there and I run a pretty good camp, and I'm on it all the time." So I rang up the sergeant in charge and said, "Look, I'm thinking about having leavers. What do you think about that?" I am thinking he is just going to say, "Forget about it. If leavers come, we're not staying." But he just said, "Go for it. We'd rather them in your resort than in private accommodation, unhosted, because that's where we get the trouble." I did not have any trouble in that resort. Mind you, I have half-a-dozen cop cars sitting there.

The CHAIR: And a dog on the front porch, just in case it gets really out of hand!

[3.30 pm]

Mr Jones: But really, the police are not there to police the resort. They are just there to sleep as well, but that was his remark. I was pretty surprised by that. I heard a big party one night and I got up and thought, "Bloody hell, who's having a party?" It was over the road and it was just going off. It was just a private house. That is what worries me. We are in a great tourism area, but if tourists come down at that point and they have to put up with that next door, then pretty soon you get a black mark against your area and it is hard to get rid of it.

Mr D.T. REDMAN: You talk about the unhosted accommodation. What about hosted accommodation, as in someone renting out their back room and being there, in B&B style. Is that a point of angst for you as operators?

Mr Jones: Not for me.

Mr Johnson: Not in the slightest.

Mr Jones: I think that is a great thing to have in any community, because it is a community feel. You go to stay in someone's back studio or whatever and you get the feel of the locals there, and they are showing people around and can give information, even if it is just emergency numbers or whatever. But it is the unhosted stuff. We have seminars now and people are renting houses out just to re-rent them on Airbnb. A friend of mine rang me up the other day and said, "Have you got into this? You can rent someone's house and re-rent it on Airbnb." It is just snowballing; it is getting bigger than you think. Where there is an opportunity, someone is just going to think, "Well, I can take it here."

Mr S.J. PRICE: Do you have the ability to offer long-term accommodation on your sites? Are you able to?

Mr Farrell: Ninety days. We are governed by the legislation, which is 90 days.

Mr Johnson: That is caravan park regulations from 1997, I think.

Mr S.K. L'ESTRANGE: You mentioned in one of your submissions the crowding-out of the rental market by Airbnb properties, which makes it difficult for your staff then to rent properties close by. Correct me if I am wrong: the major concern you have is with whole homes, essentially holiday homes, being rented out on Airbnb or the equivalent all year round?

Mr Johnson: Correct.

Mr S.K. L'ESTRANGE: Do you have a concern also for the primary resident who goes away on holiday once a year, lives in the house all year round apart from when they go on holiday, and rents it out on Airbnb to help pay their costs of going overseas?

Mr Johnson: Yes, that is a very similar thing. It is still unhosted accommodation, so we do have a problem with that. One example is someone I know who goes away during leavers every year and rents their house out. There are massive parties in the house; it is right near me. They then come back after their holidays and basically have cleaners turn up to tidy it all up before they get back. They may have paid for their holiday, but they have destroyed the amenity of the street.

All our businesses, we want to be in them for the long term. I can only speak from the perspective of my business, I guess, but we are third generation and I want my business to be able to look after my kids and their kids. We plan to be here for the long term; we love Busselton and we love the south west, and we do not want to be pushed out of what we do by something that is a completely unfair playing field. We want to be here and help the tourism of the region. I cannot stress enough how important this is to our business to survive.

The CHAIR: One of the things that has been put to us in other hearings is that in communities where there is not the scale of tourism to support the bankrolling of a new resort or a new hotel, Airbnb or short-stay accommodation homes in small regional towns are almost a stepping stone to encouraging the development of a tourism industry, hopefully to deliver scale that then justifies making a significant investment in larger-scale facilities. Do you have a view at all on that?

Mr Johnson: It should be the same. To me, if someone wants to open their house up as an Airbnb, it should meet the same level playing field as if someone wants to start a caravan park or someone wants to start up another business. You need to meet the regulations of that industry. It should be no different. Your regulation cost would be less if it is just a house than if you are doing a 100-room hotel, based on the scale, but you should still have those costs and jump through those gates.

The CHAIR: One other perspective: I often do this as a devil's advocate exercise, because this committee has received a broad array of positions, and of all the topics we have tackled so far, this has been one in which it has not been clear-cut; it has been group X versus group Y. There are a range of different perspectives, but one of the things that has been put to us is that Airbnb or the short-stay accommodation format makes holidaying more affordable for a whole range of people who otherwise could not afford to go away on holiday, particularly for families where staying in a resort or staying in a hotel becomes an incredibly expensive exercise if it is mum, dad and three kids, whereas if you are able to rent a house out, you have all the facilities there, it is a home away from home, and it is a very relaxed place for the kids to hang out in. There are not as many rules for kids running around pools and you cannot take a glass of wine out to the pool. It is just a different form of accommodation that offers choice and affordability for people who want a holiday in a different way. That has been put to us. What is your view on that?

Mr Johnson: I could go and get an electrician to wire up my house and it would be much cheaper to get the guy that is not regulated and does not have all the qualifications. That would be much cheaper, but I would much rather go to a regulated, you know, a qualified electrician to do the job. Why is our industry any different? Why should it not be regulated the same? The reason Airbnb is cheaper is because it is not regulated the same as our industry. They do not have the same costs.

The CHAIR: But it has been put to us that it is about choice and affordability for people to be able to afford to go on holiday that may not be able to stay in hotels. If you are a mum and dad and you have got three kids, you might have to take out two or three hotel rooms. You do not necessarily have a kitchen there, you have then got to take the whole family out for breakfast, lunch and dinner. It makes holidaying very out of reach for a lot of people that through using the short-stay platforms means they can afford to go away on holidays.

Mr Johnson: But is the affordability because they are not regulated? Because they are not having to pay all the rates and compliance costs that a registered business has to pay, so therefore they do not have those costs on the accommodation.

Mr Jones: And are they only operating in a peak season? So they do not have to carry staff the whole year, so they can start up, take the cream, shut down and then start up again, whereas the traditional accommodation providers are there 12 months of the year. In our resort I just put 10 kids in a house that cost \$30 a night. I would like to see anyone on a short-stay accommodation unregistered do it cheaper than that. They parked five cars there. Really, I think we are quite competitive.

Mr Farrell: You spoke about the families going away and they might have to book two or three hotel rooms. We do not have that. We have got fully self-contained units, two and three bedroom units, that have got all that in there, got everything: the playgrounds, the pools—everything like that. Yes, it does come at a cost, but there is a cost of putting all of that in. No-one charges any more than they have to. I mean, no-one wants to be charging up there. If you do not have to, you do not do it, but unfortunately as it is at the moment with the un-regular, unhosted homes and that around there, they are just cutting right into the profitability of our businesses and we have to invest very heavily in them. We invest very heavily into the communities. For argument's sake, the Black Dog Ride is taking off, which is for—you would know about it. That is going around Australia. We are just giving them free accommodation for the start and for the finish, because they will put their hands in their pocket to get it. It is how we help society. You do not get any of that coming from anywhere else. They take the cream off the top and put nothing back into society.

The CHAIR: I think that is a very important point to acknowledge. As I say, I am playing devil's advocate, because a number of different positions are put to us and it is part of our job to test the various different perspectives on this issue.

[3.40 pm]

Mr D.T. REDMAN: One point of deliberation at some point the committee is going to be looking at is what it chooses to put in the recommendations in terms of what the state might do in terms of a global bit of legislation or some sort of global platform for getting compliance or whatever it might be. And then there is the local government roles and responsibilities. You heard Busselton and Bunbury talk about what they are doing here now, and there are some lines between there. In most cases business people, and certainly the CCI, put this view to us around this issue was that they want government to stay out of it as much as they can and not over-regulate or not put any burdens on business to be able to make its decisions and work in its marketplace. Can you give us any feedback as to what the delineation might be between a state level involvement? That is, it might be as simple as what I put to the last group of presentations around ensuring that if an online platform puts up an accommodation, then it has got a registration number that is attached to it and that number means that someone has gone somewhere to get that registration number, which means all those lists of things you went through are presumably ticked off. I do not know if there are differences in those things between Busselton, Bunbury and Dalwallinu, for example—I suspect there might be, certainly in terms of the rating differentials that might be there. Do you have confidence in local government being able to do a level of compliance, if they may choose to limit the number of unhosted accommodation platforms within their particular local government, that might be different in other jurisdictions? Give us some view about the state's role and the local role.

Mr Johnson: I believe that you should have set guidelines, which is sort of all the main items I put together there that should be governed by the state, as these are the guidelines that each local government has to do to regulate, and then if they want to have other reasoning around that.

Mr D.T. REDMAN: You would expect that a lot of that is there actually now, wouldn't you? Because, there are regulations about pools and everything else.

Mr Johnson: Lots of it is, but lots is not. In terms of having the OTAs enforce the registration for their system, that has to be state level. Getting the OTAs to provide you with the data has to be state level. Requiring them to have the pool regulations, I think that should be there too, because the pool regulations is a state level policy. Basically, being a registered accommodation provider should be state policy, I think pretty well all the way through it. We have the caravan parks regulations that we have to comply with—why is it not the same?

Mr D.T. REDMAN: There is quite a bit of variability between local government jurisdictions as to how they are approaching this as well, which we are getting on the committee. That is going to be a bit of a point of deliberation for us. Some that want to have a greater level of charge and some that do not.

Mr Johnson: Yes. But I guess for an example—I keep going back to the caravan parks regulation because that is really what governs us. We have to have a fire hydrant in our park every certain number of metres. Our ablution block has to be a maximum of 90 metres away from any one site, and that is an Australian policy. That is a regulation there. I believe this should be a state policy, that should be the same for holiday homes, because it is a state issue.

Mr Jones: I think the other thing is—like, just on the weekend—and it happens all the time. I had a family right next to me and are now. One of the young guys went out for a run on the beach and he got stung by a stingray. They have come back and he has got a laceration in his foot and on his leg. It is a bit of a tense moment, but I am actually there. You get an unhosted situation, and maybe English is their second language or whatever, that is going to have huge ramifications right through our whole industry. But when you were there, you were just nipping it in the bud, all the time. I mean, that is just one thing that happens all the time, you know? Like a heap of guys came from Kojonup for a bowling weekend. One guy fell over and broke his wrist. You are there all the time. It is a big thing that you are doing. If you do not have that, if you have a big influx of unhosted accommodation—you know, I hate to see what our tourism industry is going to look like in 10 years' time. Even people say, "Look, the more the merrier", but you come to Dunsborough and try and get a car park at Injidup, Smiths, Bunkers, Meelup. You know, people are parking in the bush and on top of each other. There is not an overtaking lane between Busselton and Margaret River on Caves Road. I think there is all this thing about the more the merrier, but we do not want to have a boom—bust situation either. We will have a new brewery or new business start up in Dunsborough, then you go through the quiet periods, and you go, "What is going to happen to it now?" You guys have got a hell of a job, because it is just not about accommodation, because it is about community, it is about environment, it is about small business, it is about the whole growth and it has got to all grow together, because if it just goes accommodation is going off its nuts, then, you know, we are just attacking one part of the problem sort of thing. It has got to be a collective view. If they do not all grow together, then it is not going to be a very good pitch for it I think.

The CHAIR: Just one final question: do any of you use Airbnb or any of these short-stay accommodation platforms for your own facilities?

Mr Johnson: Yes. We have our stuff listed on there. We got one booking last year through it I think.

The CHAIR: One booking!

Mr Johnson: One booking through Airbnb. One thing that Airbnb will say, and have said before, is that it is us operators not getting with the times and using the new stuff. We are on every single online travel agent that there is. We have stuff with all of those. We market through Facebook,

Instagram, Twitter, all social media, TV, print—everywhere. We have availability on there for people to book through. It is all online. We have got apps and stuff like that direct, so we are completely on the cutting edge of the booking availability, but Airbnb just does not work for us.

The CHAIR: Why do you think people are picking other forms of accommodation when yours is appearing alongside them on Airbnb?

Mr Johnson: Firstly, we are only allowed to list one type of accommodation because we are only one property, so we cannot list our types. I think the reason behind it is because there is just a flood of properties on there and they are all extremely price undercut.

Mr Farrell: Just on that, we were on there. We have since gone off. We only had one booking, which we did not even know the person had made. They rolled up and said, "I've paid Airbnb", and we knew nothing about it. We were able to ring Mandalay and get them to put them up. Airbnb refunded the money to these people and did not pay Mandalay. We were doing the right thing to look after the guests. The only reason we got any bookings out of Airbnb would be the absolute peak time when there is nothing available anywhere. They will not look at our properties any other time. We were on for three years because I had this complaint. Someone said, "You need to get on there." I had one on there. I had one booking, but we did not even know we had a booking. You do the right thing. Someone rolls up who has paid X amount of dollars. We rang Airbnb and said, "Look, this is what's happened. We found alternative accommodation. Will you pay them?" They said, "Yes, we will." Then when we rang them back they said, "No, we don't do that." So Mandalay was out of pocket. We have to make something up for them and they do not care. Their care factor is zero.

Mr Jones: I have probably a different story. I am on it as well and I do quite well out of it. I am not here knocking Airbnb or any short stay. To me, Airbnb is just used because it is the most common one. It is the biggest one.

The CHAIR: It is shorthand, yes.

Mr Johnson: It is an OTA.

Mr Jones: It is an OTA. We should not really say Airbnb, because you could say Stayz or whatever.

The CHAIR: That is a good point.

Mr Jones: The interesting thing about Airbnb is that when you list on Airbnb, one of the clarifications that Airbnb want you to be is hosted. They supposedly give the tick-off to the people wanting to be on Airbnb that are hosted accommodation, because that is the old format of the original B&B. It is funny that there is so much on Airbnb that is unhosted. Most of the resorts use all of the OTAs anyway, whether it is Airbnb, Booking.com, trivago or whatever it is. They are not still sending out newspaper clippings.

The CHAIR: Great. Thank you. I will proceed to close today's hearing. Thank you for your evidence before the committee today. The 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 3.49 pm
