

24 January 2019

Committee Secretary  
Economics and Industry Standing Committee  
Parliament House  
Harvest Terrace  
PERTH WA 6005

To the Committee Secretary

**Re: Inquiry into Short-Stay Accommodation**

On behalf of Caravan Industry Association of Australia (CIAA), I wish to write in support of the inquiry made by the state government into short-stay accommodation sector in Western Australia.

The Short-Stay accommodation sector has long been associated with holiday home owners seeking additional and incidental income to cover the maintenance of the property when not in use by the owner. It has also provided benefits to destinations that had a large capacity of holiday homes in that it provided additional accommodation capacity in overflow situations, and particularly during high seasons and events where commercial accommodation was unable to cope with demand.

However, the increased provision of digital platforms facilitating peer-to-peer transactions (the 'sharing economy') over the recent decade, such as AirBNB, Stayz and booking.com, has led to unintended consequences within the short-term accommodation sector and business models being adopted by suppliers of properties into the system. As such, what once was the primary domain of 'mum and dad' investors earning a sundry income, has transitioned towards investors and entrepreneurs centred around Return on Investment (ROI) and property portfolio development.

It is the view of Caravan Industry Association of Australia, that the rapid increase in short-term rental has created unequal market conditions in that the caravan industry and wider accommodation sector are subject to the regulatory burden of compliance whereas short-term accommodation providers are not scrutinised with the same focus, despite providing a similar service to consumers. The limited legislation and regulations imposed on short-term rental poses the question of who has liability in regards to health and sanitation, fire, and personal security and safety.

Furthermore, short-term rentals when provided on mass in a destination, unfairly compete with commercial accommodation providers who abide by the regulatory environment imposed upon them, leaving them unable to respond to consumer expectations for price parity. This is in addition to the reduced profit that a commercial operator may make per night due to operational costs when compared to a short-term accommodation provider, even when price parity is achieved. It also should be noted that commercial operators also provide a wealth of economic benefits to local destinations through job creation, taxation, staff wages, supply chains and marketing cooperatives, which by enlarge, short-term providers are absent from.

Caravan Industry Association of Australia is of the belief that the peer-to-peer economy has a valuable role to play within Australia's and the state's visitor economy and is meeting the demands of certain market segments seeking experiential travel. However, the regulation surrounding these activities has not kept up with the new business models being created. Specifically, our strong view is that the provision of short-term accommodation must abide by the same regulatory burdens applied to commercial entities and/or have other additional checks and balances placed upon them to ensure the ongoing sustainability of a destination's economy, businesses and local community. This may include short-term rental licenses; capping the number of nights a property can be used as a short-term rental; additional tourism levies imposed upon digital e-commerce platforms to support regional marketing initiatives; and differentiating between owner occupiers providing excess capacity within their residence, against absent investors with property portfolio.

Short Term Accommodation has its benefits to a destination in that it can provide additional capacity during peak times, it can provide unique experiences to consumers and it can utilise otherwise idle resources. However, a balanced approach must ensure that both the needs of consumers and business owners are met to support sustainable tourism development within Western Australia's visitor economy. It is also recommended that a 'one size fits' all strategy to managing short-term rentals across the state is not applied, as the needs of a regional visitor economy is different from an urban based destination.

In summary of above, we support and recommend:

- Home sharing properties must be registered, with a fee payable to fund compliance monitoring and regional tourism marketing;
- Only a host's primary residence may be listed for sharing;
- Short stay accommodation must meet existing licencing regimes required of commercial operators, in addition to fire, safety, building and insurance requirements appropriate to short term rentals;
- Peer to Peer platforms should be required to stop listing illegal and non-compliant rentals, and share relevant data with authorities; and
- Neighbours, co-tenants and landlords must be empowered and allowed to have a say.

We look forward to further conversation and dialogue with regard to this matter.

Yours faithfully



Stuart Lamont  
Chief Executive Officer