

Ms Jessica Shaw MLA,
Chair Economic & Industry Standing Committee
Legislative Assembly Parliament House,
4 Harvest Terrace WEST PERTH WA 6006

**SUBMISSION TO THE PARLIAMENTARY INQUIRY INTO
SHORT-STAY ACCOMMODATION**

Dear Standing committee

My name is Debbie Noonan and after months of being the spokesperson for the fight by registered accommodation providers of WA's for a fair and level playing field there seems to be some glaring misconceptions about the subject of "short stay accommodation".

When broken down to its simplest terms, anyone who offers accommodation to the travelling public, on booking platforms or OTA'S (online travel agents) is simply renting out a bed for the night.

These beds are generally housed in different styles of buildings, in different locations across Western Australia, and they may come with a host (generally the owner) or a staff member on site or they might be unhosted meaning there will be no one on site other than the people who rented the beds.

For the purpose of this inquiry all these beds are currently being offered for rent to tourists and locals on online booking platforms (OTA's) like Airbnb, Booking.com, Stayz, Expedia etc.

In the case of our property Margaret River Guest House, it was once a convent.

When the nuns no longer wanted their rooms and moved on, the new owners advertised these rooms to those looking for a bed for the night. These bed rentals started back in 1967 and our property was one of the first accommodation properties in Margaret River and has been in operation ever since.

Our property now sits in a residential street surrounded with family owned homes. It has always been the owner's home, and all 9 owners over the past 52 years have lived onsite or in today's terminology been a "host" to those renting a bed for the night.

The dilemma as I see, is we have a percentage of this market who rent out beds on booking platforms classed as businesses who follow all the rules, regulations and costs involved. While the larger percentage thinking it's "their right to supplement their income" thereby not adhering to the same rules, regulations and costs. All the while both parties sell and operate on the same platform, to the same travelling public, selling the same product. "A bed to sleep in for the night".

For the purpose of this inquiry I would ask the committee to research some of these listings. Then ask yourself the question, what defines one advertised listing as a business and another not?

Giving a property terminology, such as short-term holiday let, hosted accommodation, shared economy or any number of names used by the booking platform Airbnb, should not allow the advertisers to bypass the fact they are running a business and therefore should adhere to local laws and rules.

Look at the listing as an observer from both sides.

- If you were a tourist trying to book accommodation, could you tell the difference between the advertised properties? Could you identify who is registered, thereby offering accommodation that complies with all the safety laws put in place for the purpose of protecting tourists?
- Now look at the listings to see if you can see the difference between who is operating a business and who isn't? Is there actually a difference?

I have read many computer-generated submissions to the inquiry, from hosts saying the same thing:

- If it wasn't for hosts renting out rooms the tourists wouldn't be travelling to WA.
- If they couldn't rent out their room they wouldn't be able to afford to pay their mortgage or rent.
- If it wasn't for their guests the local restaurants, cafes etc wouldn't be used.
- And the best, if it wasn't for the booking platform they couldn't afford to buy investment properties, thereby not needing the pension in the future.

One could argue all the above statements apply to every property owner offering accommodation on booking platforms. The simple question must be asked, why aren't all listings classed as businesses when they are selling and being paid for the same product on the same platform?

It must be pointed out, booking sites like Airbnb don't bring tourists to WA, Tourists bring booking sites like Airbnb.

WA has been in a down turn in tourism and it is very clear to see that while the numbers have been down and despite every claim booking platforms make about their influence on WA tourism, they do nothing to help drive tourists to our state.

Booking platforms do not offer destination marketing. They are not the first place a tourist visits when researching where they are travelling to. In fact, booking platforms are only used once the destination is decided and tourists are researching their accommodation options.

So, it's fair to say booking platforms do not advertise or market WA to the world and along with their hosts piggy back off the destination marketing funded by governments, tourism associations and tourism businesses, while giving nothing back to the very industry they are profiting from. In the process accommodation providers who pay tax, employee/train staff and put back into the industry they earn a living from are being forced to close.

If we were to allow these disrupters to dominate the world we live in, then they will change the very fabric of how we live.

Generally, businesses benefit by putting back into the industry they operate in. This investment in time and money ensures their industry continues to grow and thrive. If governments were to allow the tourism industry to become dominated by private residences renting out rooms, apartments and investment properties at the expense of professional accommodation businesses who would put back into the tourism industry? Who would join, fund tourism organisations and associations, who would employ and train hospitality staff? And who would pay the taxes and destination marketing to drive the tourists to WA?

The other misconceptions are that Airbnb “Hosts” fill a gap that didn’t exist or today’s travelling public want something new and different.

When you look outside of the metropolitan area, hosted accommodation, managed holiday homes, family run businesses or living like a local is nothing new or different. In fact, registered accommodation providers in regional WA have been offering tourists safe professionally run accommodation with high standards for decades.

Shires and regional cities have welcomed development of new accommodation and along with their destination marketing, grown the popularity of most tourism hot spots throughout Western Australia.

This was until 2 years ago when an oversupply of pop-up hotels and illegal operators had a sudden and instant negative effect not only on the registered accommodation providers, but to the growth in the tourism industry, within our region.

With the growing popularity of Airbnb as the go-to cheap accommodation booking site, our region has seen a massive increase in self-catering tourism, out stripping every other form of accommodation in the Margaret River region, and their empty spending habits flowing on to our local economy.

As mentioned, our business has operated in the region of Margaret River successfully for the past 52 years. We have always classed ourselves as a business and have always complied with our local government rules and paid our share of extra costs and taxes that go along with running a business.

Our property has always been members of Western Australian tourism associations, and as a tourism business we spend a proportion of our income on marketing our business and our region to the world, through our website, newsletters, blogs, paid advertisements and stories in travel media and forums worldwide.

As hosts we welcome our guests and showcase our region, we recommend daily itineraries and ensure our guests have both a safe and memorable holiday. As tourism professionals, we work 24/7 in our job and our life revolves around our guests having the best holiday and experience in our region. We have always thrived on a high percentage of return guests and word of mouth visitors.

In 2014 we joined Airbnb as a booking platform (please note this platform does not accept all types of businesses, so not everyone can join) In our world it was just another source of leads to our business.

After 5 years on this platform we sit on page 17 of 17 pages. Not because we don’t have a good product, but because as a business with all our overheads we can not offer nightly rates at the same price the illegal properties can.

This trend has followed through all our online booking platforms such as booking.com, Expedia, Agoda etc as each platform not wanting to lose its market share followed the lead of Airbnb and now allows unregistered and illegal properties to advertise on their platforms. It should be noted that an ABN does not provide proof a property is registered.

This growing trend over the past 18 months has seen cheap non-professional operators flood the market in our region with listings growing from less than 400 properties advertising on Airbnb in 2016 to over 2200 in 2019. This equates to over 8 Crown Towers hotels being built in our region over this period.

This amount of beds hitting the market so quickly, without our local government having the ability to measure the growth or the means to stop or slow the progress has seen non-professional accommodation with small overheads driving prices down thereby driving the travelling public to cheaper accommodation in the belief professional accommodation providers are gouging the market.

Like everyone else in WA our costs of living have increased. In fact, as a business the government often add extra costs or takes away incentives which again disadvantages registered accommodation providers.

An example of this, is our recent upgrade to solar panels. Our system helps us reduce the expense of power use. As a business we are then penalised when excess power returned to the grid is not compensated for. Yet many of these holiday homes operating as short-term accommodation have similar solar panels and are paid for the excess power they put back into the grid.

For our business it is not just a case of sharpening our pencil and dropping our prices. Our reality is cutting our costs. This means where a year ago we had 3 employees, this year we only have one.

It means dropping our memberships to associations and tourism organisations. Our downturn in occupancy and loss in income means less GST collected and taxes paid while our wider community and economy is impacted as our planned improvements are shelved. Our suppliers are impacted as we look for cheaper options which often aren't local.

We urge the government to save our tourism industry, its registered accommodation providers, and its residential areas. Just like business operators, residents must have a right to live in a community where they know their neighbours and are not impacted by pop-up hotels next door or in their apartment buildings. Our tourism business has always lived in harmony with its surrounds, yet now we have neighbours and communities being disrupted on a regular basis. Long-term rentals are disappearing as investors buy up housing in key tourism locations to make a quick dollar in the tourism industry, further putting pressure on employment and affordable housing.

The state government must look at how the world has been affected. Just copying and pasting what has been done on the east coast is not the answer. WA and more so the Margaret River Region are unique and as such should be treated differently.

Laws put in place in both NSW and Tasmania are not working and have seen residents becoming anti tourism and long-standing registered accommodation providers going out of business. This cannot happen in WA, we cannot throw out our full-time professional operators in favour of part-time accommodation operators who are only in it for the money to pay off their investment property and supplement their income.

It is a proven fact this portion of the industry leave when it's no longer fun or they are no longer making the money they want, without consideration to the tourists or tourism industry.

Unlike us, these operators are not in the business of tourism, but in the business of making money.

WA must ensure all accommodation listed on booking platforms are registered. As part of registration properties should be given ID's not unlike the building industry or trades. Booking platforms like Airbnb must be required to display these ID's on all listings advertising on their websites. Local authorities must have the ability to employ compliance officers to ensure properties operating in their jurisdiction are legal.

This identification will also give peace of mind to the travelling public who will be reassured they are booking a property in WA which complies with all the laws and provides a safe choice of accommodation. Booking platforms who do not comply or share data should not be able to operate in our state, or country.

Ideally holiday homes should not be able to operate in the one and two night minimum stays category, so they are not directly competing with hotels, motel, bed and breakfasts etc. Holiday homes have traditionally operated on a weekly basis, used predominantly during school holidays. The ability to now book these unhosted properties in the short stay market allows weekend party houses to disrupt residents and neighbours on a regular basis.

They are oversupplying the accommodation market and taking the "community" out of residential areas and disrupting residents lives.

While putting in place policies and laws that tackle the issue is vital, it has been shown world-wide that unless booking platforms are made to comply with these policies, the outcome will be a total waste of time and effort, with numbers continuing to grow.

Doing nothing to protect our registered accommodation industry is not an option. The state has invested a lot of time and effort in providing a safe and excellent product to our tourists. Allowing one illegal section to oversupply and disrupt this industry is counterproductive to everything this state has worked to build.

The registered accommodation providers across Western Australia big and small look to the government to save our industry and protect our travelling public, residential zones and community. It should be paramount all accommodation offered online should be subject to the same overheads so that everyone can operate on a fair and level playing field and provide all those looking for accommodation in Western Australia a safe and consistent choice.

Thank you for the opportunity to respond to this well timed inquiry and I would be pleased to provide the committee with further information in relation to our submission, should it be required.

Kind Regards

Debbie Noonan

Margaret River Guest House.