

Admin, LACO

Subject: FW: Submission to the Short Stay Accommodation inquiry- sub no. 43

From:

Sent: Monday, 14 January 2019 3:27 PM

To: Committee, Economics & Industry Standing

Subject: Submission to the Short Stay Accommodation inquiry

Dear Sir or Madam,

I appreciate the opportunity to put forward a submission towards your Short Stay Accommodation Inquiry.

The business I am submitting on behalf of is . We offer a range of studio, one, two and three bedroom apartments for Nightly, Weekly and Monthly stays. Our business accommodates almost a 50/50 mix Business and Holiday travellers, with the vast majority of our guests visiting us from within Australia. The key inbound tourist markets for our business may be summarised as United Kingdom, Singapore and Hong Kong.

As a business our issue is not with genuine 'shared' accommodation in a residential home. Our research and experience indicates to us that the vast majority of listings on AirBnB (and alike platforms) are not genuine 'shared' accommodation, but, stand alone houses and apartments that are used solely for income generating purposes. These houses and apartments were effectively approved and built for a purpose which is now quite different to their current and advertised use.

Generally speaking, the owners/managers of AirBnB properties derive a wide range of benefits through operating a commercial business without paying the costs of a commercial business.

As a business we are proud to contribute to our community by providing opportunities for employment. Naturally this comes at a cost to us, however the increased costs of compliance that we incur are frequently not borne by AirBnB owners. Some of these costs include: staff wages, workers compensation insurance, superannuation, payroll tax and work safe compliance.

As a commercial business we are required to comply with a wide variety of other regulatory requirements. We pay higher levels of Council Rates whilst needing to organise for our own waste disposal. An AirBnB operator that is able to "masquerade" as a resident, pays significantly lower levels of council rates which include the collection of rubbish. Hotels are exposed to maximum lengths of stay based on their zoning conditions, however, as the AirBnB business model is "out-of-sight" and "out of-mind" with local government compliance departments, many owners have no restrictions enforced on the minimum and maximum length of stay for their guests.

From a taxation perspective, our guests are exposed to paying GST on their nightly tariffs whilst many AirBnB guests are able to avoid this impost. Our business is exposed to a range of taxation obligations which are often not incurred by AirBnB operators such as Company Tax and State Government taxes such as Payroll Tax and Land Tax.

It is broadly accepted that every dollar spent in a Hotel by their guests offers a far greater economic multiplier effect than many other sectors of the economy. At a time of significantly increased supply in the local Perth Hotel market, we believe that the State Government needs to encourage visitors to stay in Hotels so that the benefit of their nightly tariff is more broadly shared throughout the community.

In summary, we would welcome a fair and more level playing field with only genuine shared accommodation in a residential home being allowed.

Thank you,

Kind regards,