

Dear Sir and/or Madam:

I am writing this submission relating to the WA Parliamentary inquiry currently underway into the effects of unregulated short stay Accommodation in WA.

Our Background My husband, [redacted], and I manage an apartment style short stay Accommodation business in Margaret River since 2009. We bought the business from a larger Hospitality Operator, who developed this property together with Margarets Beach Resort and The Break at Gnarabup. Though essentially now run as a smaller family operation, we are no strangers to obstacles in this time. We are always having to find ways to defend and protect our business, such as fluctuations in the market and new players coming onto the scene. However, in recent years, we have discovered an unpredictable and most damaging threat that is forcing our family and other small businesses to its knees. In our observation over the past 2 years in particular, we have personally witnessed how the vastly unregulated 'AirBnB' phenomenon has created a major disruption to the hospitality industry as a whole; locally, state-wide, nationally and world-wide. And despite our efforts, there appears to be very little we can do to protect ourselves from this disruption. This is why I am writing this submission. As it may appear to be a complex issue, I assure you that I am writing this, because I have faith that you can assist us greatly in resolving some of the inequities that have been allowed to occur in our industry.

Personal Experience At first sight, The AirBnB phenomenon seemed all a bit harmless and we were always quite accepting that we would need to acknowledge this new market player as a relevant modern tourism player in the field. They were mostly listing Holiday Houses and shared rooms, so we initially thought they would be a complimentary Tourism Service Provider rather than a direct threat or unfair competitor. By 2017, AirBnB was the talk of the town everywhere. The effects of this new player were really starting to show. Mothers, whom I encountered at school drop off and pick up times, were openly boasting to me how they had turned their spare room into a money earner. Some even moved out on the weekends to relatives or a campground, because this way they could get a return on renting their whole house in town for the weekend to help pay for the mortgage. Others would tell me how it helped with 'boredom' when their partners were away (Fly in Fly Out) for work and they could work the cleaning/bookings in around school hours and do all the work themselves without having to work for someone else or employing anyone. They were even doing it for friends or people who had property down here, not residing here permanently. They didn't have business cards or business names. They go by their first names most of the times. I didn't ask about their Tax obligations. I didn't question them if the houses they were now 'managing' were properly insured or even registered as short stay with the Shire. I now know, from anecdotal evidence that I was naïve about this 'work from home' platform and that the scale in which it has exploded suggests that a lot of their listings are not registered or following

any other protocol other than the AirBnB protocol when joining up. I knew this because it takes time and money, which would not appeal to the typical home operator, who wants to make a 'bit on the side'. The evidence that is now slowly coming to light strongly supports this is the case.

Unlike registered accommodation providers such as ourselves and the countless other businesses in the community and South West, who are kept under strict guidelines and required to comply with regulations under the scrupulous supervision of the local Shire and authoritative bodies such as the Tourism Council WA (In recent years, we all had to go through great expense and training to become accredited as it was a pre-requisite for any member of AMRTA/ now MRBTA). When this property was built, there was a compliance rule for development that for every 10 rooms offered there had to be 1 for Disability purposes. Since the rise of unregistered accommodation allowed to flourish on AirBnB, these regulations seem to have been brushed aside like they were silly ideas to begin with and it has become an open slather for anyone to present themselves as an accommodation provider. Somehow, these 'operators' have been able to slip between the cracks of authority. To add offence, they are even boasting about their ability to avoid any regulations or compliancy, not withstanding AAA star ratings, memberships of the local councils, registrations as lodging houses, insurance as part of accreditations and multiple other criteria. This has paved the way for guests being forced into conditions that would not pass basic health and safety requirements under the guise of a 'cheap deal', 35% of accommodation in Australia being mere illegal subletting. Under the unwatchful eye of its parent, AirBnB Accommodation has become synonymous for out of control house parties, illegal activity and unsavoury conditions for provider and visitor. In the meantime, trusted, legal and registered businesses have been left to perish and Accommodation as an industry in the South-West has been gravely wounded.

The Financial Effect At a glance it is pretty easy to see how AirBnB has affected . I have attached a document which shows how we had been building our business up until the rug was pulled from underneath us. By Mid 2017, our turnover consistently dropped by 10% each month. First, I adopted the attitude of: If you can't beat them, join them. So we did. We eventually listed a handful of our managed apartments (individually) on the site. The idea of AirBnB as an innovative idea to allow for people to "belong anywhere" (in their own words) could be applied to our business model just the same. Just like AirBnB listed properties, we had marketed ourselves as a 'home away from home' type setting for years. We are in the centre of town, our accommodation is self catering and we are onsite to give our guests advice on all things local. But the number of listings now on AirBnB are vastly stacking against us. By 2018 we had another significant 10-15% drop and occupancy numbers continue to drop. There is simply too much supply out there and too many ways for people to undercut the market.

Staffing We have (from 2009) always employed 12 staff. However, how we employ them has changed dramatically. There are only 3 Permanent Staff on now and we no longer have a Gardener and/or Full Time Maintenance Worker. We contract out our bookkeeping and our maintenance works on a strictly 'as required' basis. Cleaning Staff are all on a casual basis with exception of the Housekeeping Supervisor. The Reception Staff have dropped their hours by 30%. If the trend continues, keeping our reception open would be almost impossible. We would have to start operating from home, like all the other operators out there. It is our only last cost saving option available to us.

Finding a Solution Alongside many other accommodation businesses in the community and further South West region, my husband and I support the Australian Hotel's Association and its suggested reform for addressing unregulated short stay accommodation. If a property wishes to enter this competitive industry, they must be bound by the same regulations, safety requirements and monitoring authorities.

We support AHA's Five Point Plan to address unregulated short stay accommodation, which asks for:

- Home Sharing Properties to be registered, with a fee payable to fund compliance monitoring. This would make them more visible and identifiable as such.
- Home Sharing Properties to be allowed only if it is offered at the hosts' primary residence
- All Short Stay Accommodation to meet Fire, Safety, Building and Insurance Requirements as deemed appropriate to short term rentals
- Peer to Peer Platforms to be made part responsible for listing unregistered properties and a compliance to share relevant data with authorities
- Neighbours, co-tenants and landlords to be able to make a complaint or give feedback through the appropriate channels

I sincerely hope you can help us achieve a better outcome than under the current legislation to secure a healthy and law abiding community of hospitality providers. I ask for your help, because of the world I would prefer to live in, for the future of Australian small businesses in general and specifically for our future generation, who may prefer to take part of a real community, rather than a virtual one.

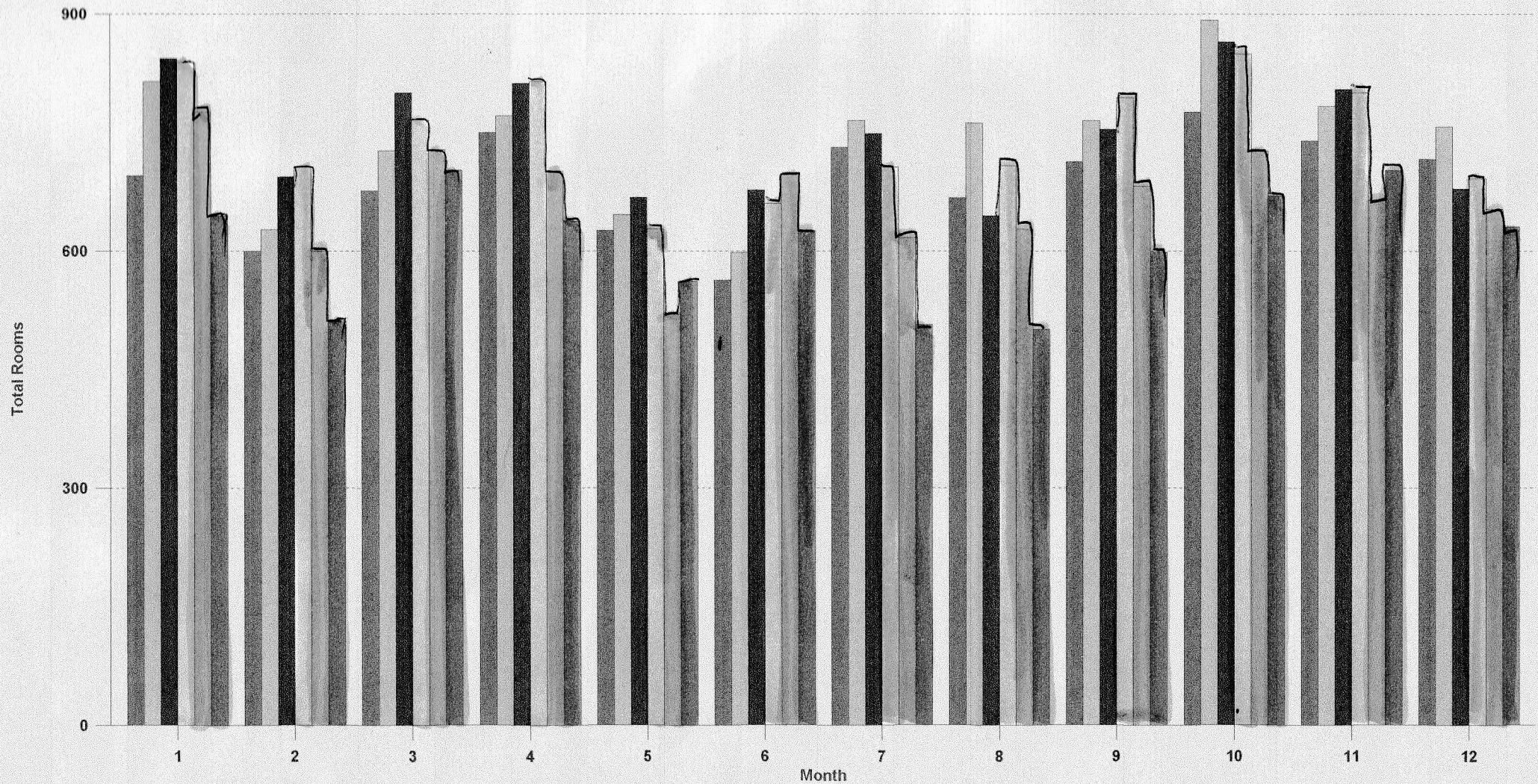
Thank you for your time in advance.

Kind regards,

Dated this 23rd January 2019 at Margaret River

Compare Years 2013-2018

BNB Submission 110



2013 2014 2015 2016 2017 2018

Business growing → Peak

Business rapidly declining