



7 February 2019

Jessica Shaw MLA
Chair
Economics and Industry Standing Committee
Parliament House
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Dear Ms Shaw,

UnionsWA submission to Inquiry into Short-Stay Accommodation

UnionsWA is the governing peak body of the trade union movement in Western Australia, and the Western Australian Branch of the Australian Council of Trade Unions (ACTU). As a peak body we are dedicated to strengthening WA unions through co-operation and co-ordination on campaigning and common industrial matters. UnionsWA represents around 30 affiliate unions, who in turn represent approximately 140,000 Western Australian workers.

UnionsWA thanks the Committee for the opportunity to make a submission on Short-Stay Accommodation in WA. The Australian union movement sees innovation, and the growth of new and smarter ways of working, as crucial for fulfilling a national agenda to genuinely lift productivity and improve living standards for all Australians. However, UnionsWA would also like to stress to the Committee the importance of not falling for the siren song of the so called sharing economy when considering what constitutes 'innovation'.

While there is no official definition of the sharing economy, most descriptions could be essentially reduced to 'an economic model in which individuals are able to borrow or rent assets owned by someone else.' This sounds innocuous enough, particularly when we dealing with an arrangement such as the Short Stay renting of Residential Dwellings.

Unfortunately, such Short Stay Accommodation has moved far beyond being a merely private transaction between individuals and property owners. The fact the WA Parliament is holding an inquiry demonstrates that it is having a broader economic and social impact on the WA community. Currently regulators and politicians around the world are struggling with how to respond to services being provided by large multinational corporations (such as AirBnB) who are part of the sharing economy.

The union movement's issues with the sharing economy are usually about the risks of workers within it being excluded from the protections of industrial law. With Short Stay Accommodation however, unions are concerned about the interests of workers in industries such as hoteling, which are being impacted by the growth of this sector.

The WA Labor *Plan for Jobs* proudly announced that it would be delivering a \$425 million investment over five years to establish WA as 'one of the world's great tourist destinations'. UnionsWA is fully

supportive of this initiative. However the growth of the market in Short Stay Accommodation raises the question of what is the actual benefit of this investment, if it does not lead to decent jobs and increased employment in tourism related industries?

In its submission to this inquiry, the Tourism Council of WA has made a number of observations about the impact of Short Stay Accommodation on its sector. They note that

- Short-Stay renting does not drive demand for tourism and visitor expenditure in the local economy
- Short-Stay renting in Residential Dwellings does not provide employment, in contrast to the commercial accommodation sector, and hotels
- Short-Stay renting does not contribute to tax revenue, either to the Commonwealth (because they do not pay GST), or to the State (because they do not pay Payroll Tax)
- Short-Stay renting creates a lost opportunity for the accommodation industry, given the scale of bookings going through AirBnB that might otherwise have gone to traditional accommodation providers.
- Short-Stay renting is completely unregulated by government.

The last point is of particular concern to UnionsWA. Hotels and other forms of commercial accommodation are required to comply with building codes and safety features such as fire sprinklers. They are also required to provide disabled access. That Short-Stay renting in Residential Dwellings does not provide these features is of course a concern for the people who stay in them. However we are also concerned that the competitive pressure on commercial accommodation by Short Stay may encourage owners and employers to 'cut corners' on safety – thus endangering the workers in the industry. There is a further concern that future governments may try to 'ease the pressure' on the commercial accommodation industry to compete with Short Stay by reducing the codes and regulations that keep workers safe.

UnionsWA argues that the 'return on investment' from the WA government's promotion of the tourism industry must be the growth of jobs in tourism related industries. This return is incompatible with allowing the unchecked, unregulated growth of Short-Stay Accommodation in Residential Dwellings.

Thank you for the opportunity to comment on this issue. Please contact me on 08 9328 7877 or if you would like to discuss matters further.

Yours sincerely



Meredith Hammat

Secretary