

Dear sirs,

I am writing to you as I believe you may well be at the forefront (or at least aware) of an issue that is now affecting too many local residents, as well as business owners, to be ignored. I happen to be one of those locals and my family as well as my business is now suffering unduly.

I am talking about the rise of the AirBnB multi billion dollar business (and bully...they are incredibly aggressive whenever any facts is being brought to light that may suggest AirBnB is only concerned with profit and couldn't care less about the community).

I have been running happily a little Lodge in Dunsborough WA for over 7 years now. My lodge rose from being unknown to being rated in the top 25 Lodges nation wide for the last 4 years with a top ranking of 4th best Lodge in Australia in 2015 and 2018. Despite this incredible popularity, my lodge has lost over 30% of its yearly income in the last 24 months and this can only be attributed to the fact that 1 in 11 home is an AirBnB property in our area... With a rise of over 200% of illegal and unregistered accommodation providers in the area (rising by more than 5% monthly), the future looks bleak to say the least. This is heart breaking on many levels. I take immense pride in the work I produce at my Lodge and I am afraid if things are allowed to continue and even worsen, well...I may well have to consider what I thought completely unimaginable a few years ago: To close or sell my business. At the present time, I am still able to pay my mortgage and feed my family, but what the future holds is frightening.

When I purchased my lodge, there were only 3 BnBs in Dunsborough, there are now over 400 Airbnb properties on the accommodation map (in Dunsborough alone). I have approached the local council to ask where they stood about this and all I got was a series of excuses as to why they presumably can't / won't / or don't want to do a single thing. Unlike the Byron Bay council whom has actively engaged in restoring its community by tackling the issue head on (for example).

The premise upon which AirBnB was built was not all bad. The idea was that lesser well-off families with a spare room could share that room with less wealthy travellers. On the surface, it sounds like a great idea, does it not?

The problem is that having started a business model based on this, AirBnB is a far cry to what it aspired at being. It is now a multi billion dollars business that is simply operating exactly like [Booking.com](https://www.booking.com) or Expedia. The difference is that they don't play by the same rules, yet pocket the same amount of money (via commissions paid by the clients as well as the accommodation providers).

You see, as a starting point, Airbnb properties are listed on a ratio of 25% hosted homes that have a spare room to hire out on a nightly basis, and a whopping **75%** of entire homes to hire on a nightly basis (on average an entire home can host between 8 to 14 guests...in other words, each time a full house is rented out for a single night, it takes away between 4 and 7 hotel rooms from a legitimate hotel, Lodge or the likes.

When AirBnB are claiming they are the champions of the Aussie battler, they are fully aware that this is far from being the case. They are the champions of investors with one, two or more investment properties. So rich people get richer quicker by having their investment properties' mortgages paid via a scheme that allow unregistered accommodation providers to flourish completely unregulated whilst affecting those who play and work by the rules.

Dunsborough is quickly becoming a ghost town as over 50% of the homes here are used as accommodation for tourists (AirBnB properties as well as Holiday Homes). This means that during the low season our community is dead. Homes are empty and not available for rent either as owners have quickly caught on the fact that they can make more money by claiming being a BnB on the AirBnB platform.

The rents are steadily going through the roof, making it impossible for the less wealthy people to elect or even consider Dunsborough as their home town. When one looks for a long term rental...well...there aren't any! Go to your local real estate agent and you will quickly realise how true this is.

Hosted Airbnb properties are less likely to result in unrest and parties in the neighbourhood, however, since 75% of Airbnb properties are **not hosted**, one can only feel for people whom have purchased a property in a quiet area only to be burdened by an unwanted flow of cars and party goers next door.

On a personal level, this illegal phenomenon which AirBnB called shared economy is devastating.

I assure you that I do not mind competition at all. It is a healthy thing to have, however, unfair competition is most surely not acceptable any longer.

Running a registered lodge, I have to comply with many state and local regulations. I had accepted this with good grace as to run a business one has to accept to play by the rules and pay the many fees that comes with it. Is it too hard to ask the government to lobby for its people instead of one of the largest corporation in the accommodation industry? I think not.

So, lets have a quick look at how the regulation differs for a registered hosted Lodge such as mine and an Airbnb property:

I have to be registered with the council and pay a yearly registration fee. VS the vast majority of AirBnB properties are not registered anywhere.

I have to complete a yearly application for obtaining authorisation from the local council (City of Busselton) to run my business VS no such things for unregistered accommodation providers

I have to pay a yearly inspection fee to the City of Busselton and make sure I make myself available when their officer comes to inspect my premises VS No Fee (for AirBnB properties) and no inspection whatsoever even for registered holiday homes with the city of Busselton (not even an initial inspection). When asked why not? The councillors indicated that holiday homes were not subjected to the same rules as Lodges or BnBs despite offering the exact same service and therefore competing unfairly...No explanations given here...

I have to Be present and live on the premise as otherwise I would not be allowed to operate my Lodge VS non hosted accommodations that are completely uncontrolled resulting in very unhappy neighbours that are subjected to unruly one night tenants...

I have a limit of 8 guests at any given time allowed to be at my place VS up to 12 guests or more allowed in registered holiday homes (uncontrolled in any way) and unlimited amount of guests with AirBnB

I have to have 4 extra car bays in addition to my own two bays (That is 6 bays!!!) VS No such thing with AirBnb properties resulting in large amount of cars pooling around the grounds of such properties; Holiday homes are allowed also less car bays (and again no inspections of any of these properties means that they can do as they please and not have any extra car bays at all as they will never get physically inspected).

I obviously have to have a personal liability insurance (Costing around 3K yearly) VS no such thing for either AirBnB properties nor registered Holiday homes.

I pay commercial rates VS do I need to expand here? Of course they don't pay such fees

I have to advertise the true cost of a nightly stay (including commission I have to pay to [Booking.com](https://www.booking.com), bank fees, cleaning fees, linens fees, etc...) VS Airbnb appears to have special dispensation from the government allowing them to advertise a lower price (commission and cleaning fees or the likes are not included in their advertised prices) for their nightly stays which is most definitely misleading and unfair competition once again.

I have to disclose my address and contact number to the local council VS AirBnB refuses altogether to provide the council with the particulars of their listed properties (which in turns see the local council claiming that they can't do a thing since they can't trace the properties listed on AirBnB...This is untrue of course, as they could easily trace these properties by simply making a booking for

each property and subsequently cancelling it or by sending a message to property owners on the AirBnB platform. This would need a little work but I thought the fees paid to the council by registered accommodation providers could be used to pay a single officer to work for one week on such a task and come up with results that can then be investigated...considering that my local council is earning about \$500K in registration fees, this does not seem an unreasonable proposition, or does it?

The latest kick in the teeth is that now all unregistered properties have found their way on professional platforms such as [Booking.com](https://www.booking.com) and [Expedia.com](https://www.expedia.com) which basically means that no one needs to be registered anymore nor obey the exacting standards imposed by state and Local governments for all registered businesses (accommodation providers). Is there a point in being registered other than pay more fees and have far more stringent rules applied to our businesses???

If you have an answer, that would be most welcome. Personally, I can't see it...

Our local government and state government have let things go unattended for too long and now an entire industry is being threatened, a community is being destroyed, and people cannot find any long term accommodation to rent in their own town (or at exorbitant prices).

Is anyone caring at all? Is any leader or so called public servant willing to actually serve and take the lead on an issue affecting so many? Or is it only Dick Smith that cares?

Will it take a legal class action against either AirBnB, local government or state government to see some regulation drafted, implemented and most importantly policed (as there is absolutely no point in creating a regulation that would only be tokenism and see all accommodation providers do as they please and see no consequences to their cheating the system over and over again).

There are many other implications to this growing issue such as the profit taken by AirBnB, [Booking.com](https://www.booking.com) and [Expedia.com](https://www.expedia.com) seem to have found a way to get their money overseas, meaning they don't pay tax...

The fact that employment is being lost as the legal accommodation providers are the second largest employers in the area...

The fact that properties that experience a severe loss of income can no longer afford necessary renovations to their properties (again when I would normally employ someone to conduct works on my Lodge...I can no longer do so and tradesmen are missing out on work).

The fact that the standards of accommodation are being dramatically lowered for the tourists visiting the area..

The list goes on...

Can you help in any way?

Regards,

Serge Le Goueff

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