

Admin, LACO

Subject: FW: Inquiry into Short-Stay Accommodation- Sub No. 25

From: Rod Quartermain

Sent: Friday, 28 December 2018 12:10 PM

To: Committee, Economics & Industry Standing

Subject: Inquiry into Short-Stay Accommodation

Dear Committee members

I note the concerns raised by a number of short stay accommodation operators in the Margaret River region regarding the impact of AirBnB and the impact of a proliferation of unregulated accommodation operators unfairly competing against the more regulated short stay B&B operators.

The regulation of these types of businesses is generally left to local government enforcing various types of legislation (including the Health Act) but struggles to provide the resources to manage the large number of operators and, quite often, the interpretation and application of that legislation varies across different local governments. There are calls for greater regulation within this sector of the industry to make it a "level playing field". With regulation always comes cost to both regulated and the regulator.

The government is to be congratulated on the approach it has taken to some of the regulation that impacts the tourism industry such as the freeing up of the liquor laws to allow a more common sense approach to small tour operators supply of alcohol on their tours. I would encourage you to consider a similar approach to how short stay accommodation could be regulated by perhaps reducing the complexity of regulation on short stay operators rather than overly increasing regulation on the AirBnB type operators.

In 2009, the then Government adopted the recommendations of the Nature Based Tourism Review, a process that had started under the previous Labor government and generally supported by both sides of politics. While this report focussed on tour operators undertaking activities generally in national and marine parks managed by Parks and Wildlife, one of the key recommendations implemented via the licensing system was the requirement to be accredited/certified by an approved tourism accreditation scheme. I believe this has worked well and represents a joint government/industry approach to standardising how tourism businesses operate in the nature based sector. There are probably 2 main accreditation providers, Tourism Council WA and Ecotourism Australia and this offered a choice to operators as to which program suited them best. While there is a cost associated with the accreditation schemes and this met some resistance, for the genuine and committed operators it provided an opportunity to ensure that all operators demonstrated a commitment to quality assure their business and that it reduced the incentives to casual operators to "cherry pick" the market to the detriment to fully committed operators.

The other challenge to many small accommodation operators are the requirements of the Health Act and Planning requirements that apply across the board no matter what size the business. I don't suggest that Food and Hygiene regulations be reduced to the extent that there was a risk to the welfare of visitors. However, the way the regulations are written can result in the becoming extremely difficult and expensive in some circumstances for smaller or remote operations to comply. In the early 2000's this was a problem faced by remote accommodation, particularly across the Kimberley and together with the operators, Parks and Wildlife worked with local government in that region to develop a remote health standard that addressed the main concerns and intent of the regulations without the need to conform with some of the requirements easily met in urban locations but impossible or unviable in remote locations. This worked extremely well and was used in other regions to allow satisfactory health outcomes while reducing the impact on the operators and assisting local government to regulate the operations.

I would encourage you to consider working with the industry, accreditation providers and the other government regulatory authorities to take a similar approach. Easier said than done. But I believe that there have been precedents that show that this approach could work and meet the needs of and be inclusive of all stakeholders. Provide the opportunity for the industry to be part of the solution instead of just highlighting the problems.

Best regards

Rod Quartermain