

Date: 23rd Jan 2019

To: The Members Conducting the Enquiry

Committee: Economics and Industry Standing Committee

Reference: Inquiry into Short-Stay Accommodation

Further to the above said inquiry; I would like to provide information and willing to appear before the committee to present any details required.

1.0 Background:

Our family has converted properties that were on long term stay to short term stay. We have listed our properties with Airbnb, Expedia and Booking.com. We have met many people who have done the same and we continue to collaborate with few people in our neighbourhood who enjoy hosting guest. Our typical clientele & demographics are as below:

- 1.1 Medical Visits:** Guest mainly from Regional WA & metro areas visiting hospitals for medical treatment. These families love staying at homes for a range of reasons.
- 1.2 University:** Parents and family attending graduation of family members cherish the opportunity to stay at our place.
- 1.3 Holidaymakers:** Mostly guest from overseas visiting close family members near our geographical location.
 - a. **Proximity** to Hospitals in Murdoch
 - b. **Family Support:** Where their family could stay at cost effective rates to support family members undergoing or recovering from surgical procedures especially Chemotherapy etc. There are many communications from guest we can provide that indicates that this support is essential for recovery.
 - c. **Homely environment:** Our guest like home stay as they can feel at home and mentally and psychologically feel relaxed in a homely environment after invasive procedures.
 - d. **Healthy Food Options:** Many of our guest ask what cooking utensils are provided in homes as they'd like a home cooked meal during their stay. Perfect healthy living and certainly helps with recovery.
 - e. **Quality & Value:** Quality of services with no pressure of upselling of food, free movies, free car parking, proximity to shops (fresh food for cooking) access to public transport and freeway.

Some reasons for the shift from long term to short stay are as below:

- a. **Market Condition:** Slump in rental market since 2015-16 at the advent of economic downtrend in WA
- b. **Oversupply:** Excessive property & unit developments driving the market down
- c. **Demand:** Increase in need for quality stay near our precinct – medical and educational
- d. **Asset Management:** Prompt & responsiveness to undertake repairs & maintain assets
- e. **Supplementary Income:** Investing towards retirement & be self-funded
- f. **Passion:** Passionate about helping guest in need and delivering quality service

2.0 Safety & Security:

Safety & Security has been widely touted as a concern by few stakeholders. The argument of hotels providing a better security feature than short-stay operators are false. There have been examples of theft and personal safety issues at many “approved hotel establishments”. Few guests have checked into hotels within 10km radius and have checked out overnight due to certain anti-social activities & behaviour in neighbouring rooms & not conducive for small children and families to be exposed to such activities. Families prefer home stay:

1. **Security:** Enclosed compound offers privacy and security for children.
2. **Privacy:** Further, having an entire home provides space for children to enjoy and privacy for parents. Separation from neighbours creates an environment and a wider personal space compared to a hotel.
3. **Safety:** We as host and many of our contacts who are host like us have provided many forms of identification to all Channel Partners and known to local government:
 - a. Councils have full details of owners of property
 - b. Channel Partners like Airbnb, Expedia, Booking.com etc. have Government IDs like Driving License, Passport, Bank account numbers etc.
 - c. Being a member of Tourism Council of WA, we have provided Police Clearance
 - d. We have Working with Children Card
 - e. Easily identifiable through Utility bills etc.

Home stay system provides a better security and opportunity to identify each stakeholder such as: guest, host & associated members who are involved in managing the listing as all personnel are identified by the Channel Partners.

The most important aspect is: ***Home owners who are host enjoy and love what we do, interact with guest on a personal level and communicate with them from booking to check out. While there is a commercial benefit the ulterior motive is not just profit.*** Unlike a commercial hotel where staffing is highly transient, short term, casuals & are working for wages. The personal commitment & involvement is greater in in-home stay.

3.0 Building & Planning:

Planning, Fire & emergency and building regulations is another factor quoted and touted as a risk factor in short-stay. I would like to highlight the following business models that are approved and pose greater planning, fire and emergency risk than short-stay. I would like to draw a parallel to the following examples:

- a. **Child Care:** There are many businesses running Child Care Centres. However, there is a strong demand for Family Day care
(Ref: <https://www.sbs.com.au/yourlanguage/filipino/en/article/2018/07/09/childcare-centres-or-family-day-care-which-better>)

Points to Consider:

1. Do we value our children & safety of our children as a society?
 - a. If so; why don't we start a formal enquiry into installing Fire Alarm panels, sprinklers and other paraphernalia in Family Day Care Homes as done in Child Care Centres?
 - b. Has there been any enquiry of safety and security of children in Family Day Care and or Day Care Centres especially in proximity to child sex offenders released in community living? (Ref: <https://www.watoday.com.au/national/western-australia/evil-8-child-rapist-omitted-from-child-sex-offender-registry-due-to-loop-hole-20160816-gqttc6.html> & https://bravehearts.org.au/wp-content/uploads/2017/01/Community-Notification-of-Sex-Offenders_2017.pdf)

To put it in perspective;

- a. Be ***it long stay or short stay***; a home approved by local government for 6 or 8 people as per bylaws should not have any additional impact on building & planning process especially when the short-stay is run from a home.
- b. If Fire & Emergency is posing a great risk for short-stay; should that not be an issue and concern in a long-stay home.

4.0 Other factors:

4.1 Insurance:

As a home owner we do our best to protect our asset, income and value. There are many competitive insurance options for short-stay and all our properties are insured and protected with insurance cover.

4.2 Planning & Control

The Local Governments currently have enough powers and bylaws to manage such aspects within their portfolio. Proposal to increase government intervention and bureaucracy as a pretext as concerns for safety, security, planning, terrorism etc. will only contribute to the decline of Tourism Industry & our Nanny State.

4.3 Changing Market:

Future & Forward Looking

- a. Initially the Customer makes their choice & buying decisions based on ***Perceived Value***;
- b. Once they have had an experience the repeat patronage depends on their ***Experience***
- c. Trending in Consumer approach to accessing this experience is through a ***Channel***

The changes in market condition to offer varied stay options, experience, value and reasons stated in Section 1 & 2 above have created this demand. Further, social dynamics and consumer expectations are major factors that are driving this trend and shift in the market.

Regulatory reforms to meet the market sentiments is required to support this shift in consumer expectations. Increasingly,

- a. Governments are interacting with public through social media
- b. Consumers have a range of choices & demand change – example Taxi industry
- c. Change in labour market – Airtasker and many more

4.4 Australian & International Jurisdictions

The approach to deliver customer choices & value by these emerging models are revolutionising the market place. Examples such as Transport (Taxi Vs Ride-share), Education (University Vs Open University Online), Telecentres (Contracting vs Off-shore) etc. are some examples where significant value has been created through strategy & emerging technologies. Restricting such development will only diminish the competitive advantage of Australia & reduces our spirit to innovate and export our solution on a global scale. Many of these platforms have provided significant boost to hotel bookings, rationalise market rates, share guest reviews and manage guest expectations strategically. Such changes are vital for the development of our tourism industry in Western Australia.

4.5 Emerging Models:

The emerging business models are built on simplicity, flexibility & efficiency in responding to market needs. A home owner or host of long- or short-term stay have similar taxation obligations. Capturing booking through a platform is a perfect opportunity to track bookings, rental income and expenses for income tax purpose. Surely, burdening & taxing a family visiting hospitals and universities with GST is counter productive and has adverse impact on society and economy.

Archaic approach to increase control & regulation would only diminish competitiveness and will have adverse impact as highlighted in section below.

Finally, it must also be noted that there are insufficient alternate service providers and options for guest visiting certain precinct such as medical, educational, niche tourism etc. Access to this channel should be free from government interference and control. Limiting, constricting or controlling the option to stay based on distance from a precinct, day of the week, days in a year or any such measure is an avenue to artificially prop up revenue for a certain sector of investors. The WA State Government should refrain from encouraging such practices.

Impact of such practice will have adverse effects on:

- a. Competitiveness & responsiveness of an industry that is resisting & reluctant to change
- b. Consumer sentiments & hence spend
- c. Delivering value & choices to consumers
- d. Tourism sector & industry
- e. Families and small investors who have invested their life savings, superannuation etc.
- f. Pricing & gouging by larger groups
- g. Small Business & competitiveness in the industry
- h. Increase out of pocket expenses of vulnerable guest accessing life-saving medical facilities

Please find attached views and perspective of MediStays; provider of information of quality accommodation for patients; especially Regional patients visiting hospitals in Perth. I sincerely hope and urge the Economics and Industry Standing Committee to refrain from any actions that may restrict the option of short-stay in Western Australia.

Thanking you



Yours Sincerely
Aravindhnan Rajaratnam (Vinnie)

MediStays

Accommodation when you need it most

7th December 2018

To whom it may concern,

Re: Short stay accommodation in Western Australia

Every year, thousands of rural and regional Australians travel long distances to access specialist medical care in major metropolitan hospitals. In addition to the physical and emotional distress of a serious health diagnosis, these geographical challenges present Australians with the complex and expensive proposition of coordinating accommodation and meals away from home. Finding suitable and affordable accommodation is a major barrier for Australians needing to travel for medical care. This is a significant issue, reflected by evidence reporting that Australians in rural and regional areas often experience poorer health outcomes, life expectancy and cancer survival than their metropolitan counterparts.

As a healthcare professional with more than 20 years-experience in oncology, I am passionate about equitable access to high quality, evidence-based healthcare for all Australians. Aware of the absence of a dedicated website to support Australians travelling for medical care, my co-founder and I created *MediStays, accommodation when you need it most.*

In contrast to other major travel websites, MediStays supports patients and carers to find suitable accommodation close to hospitals and medical facilities. MediStays provides access to discounted rates, accessibility information, proximity to hospitals, and facilitate the delivery of home cooked meals. MediStays also informs our users of financial assistance options, including links to government accommodation and transport subsidy schemes.

In February 2018, MediStays launched partnerships directly with Victorian accommodation providers to facilitate discounted accommodation rates. In August, we were contacted by the Sir Charles Gairdner Hospital in Perth, requesting we expand MediStays to Western Australia. We embraced this opportunity and are now partnering directly with commercial and private accommodation providers in Perth who are committed to supporting patients and their loved ones.

MediStays currently have several privately owned and operated accommodation partners near the Fiona Stanley Hospital and St John of God Murdoch campus. These properties are in high demand due to their close proximity to these major hospitals, fully self-contained facilities and affordable price-point.

Affordability and self-contained facilities are a high priority for medical travellers. The small privately-owned accommodation provides these facilities and, for patients eligible to claim the Patient Assisted Travel Scheme (PATS), there are minimal (if any) out of pocket expenses incurred. MediStays data inform us that the average length of stay is 8 nights (and up to three months), which is significantly longer than holiday and business travellers. These private accommodation providers have accommodated patients receiving treatment at the hospitals, families of children and teenagers admitted for specialist care and families of adults undergoing intensive rehabilitation programs. In addition to travelling for regional and rural WA, we have supported many families travelling from Eastern Australia to find close and affordable accommodation close to their loved ones at this difficult time in their lives.

We were recently informed that the Western Australian Government are considering limiting privately owned accommodation in Perth. For our community, this is very concerning and would be extremely detrimental. There is currently no commercial accommodation within close proximity to major hospitals in Southern Perth. Additionally, as we expand to support patients travelling to other hospitals in the Nedlands, Midland and Fremantle regions, we will need additional privately-owned accommodation options to provide this important and affordable accommodation option for patients. Small, privately operated accommodation is a highly sought-after option for medical travellers. It provides patients and their loved ones the opportunity to stay together as a family unit at a time when they need it most.

Finally, the need for short term accommodation will increase in the future. Legislative changes from government, hospitals and health funds demonstrate that novel approaches to health care are underway to minimize costs, hospital admissions and enhance patient experience. These include “in the home” programs, including rehabilitation, chemotherapy, blood infusions and post-surgical management. For patients living long distances from hospital, short term accommodation is an excellent intermediate step for patients transitioning from the hospital setting to their rural or regional community.

We would welcome the opportunity to discuss these changes with you further and can be contacted via the links below.

Kindest regards,



Dr Sarah Everitt

BAppSci Med Rad, PhD

Co-Founder, MediStays