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Economics and Industry Standing Committee
Legislative Assembly
Parliament House
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Friday 25 January 2019

Inquiry into Short-Stay Accommodation

Dear Committee,

On behalf of Retail and Trade Brand Advocacy (RTBA) I am happy to contribute to this enquiry and cover areas of interest for our brands and alliance groups which can assist growing tourism retail spend.

About RTBA

RTBA is a coalition of industry groups, businesses, retailers and trademark owners working to minimise the impact of illicit criminal conduct on the Australian trading environment. We strive to unite, mobilise and advocate for industry constituents, and promote effective change with regards to regulatory, financial and taxation issues affecting the supply chain, in this case growing the tourism retail economy.

Background

The rapid growth in the sharing economy – in both company start-ups and consumer uptake – suggests that these new models and alternative methods have satisfied a desire for a combination of lower costs, technology-based access for consumers and home sharers. Though as with most new business models, its rapid acceleration in popularity has overwhelmed government's ability to regulate based on traditional regulatory mechanisms. Imposing older regulatory regimes onto the sharing economy may not meet the primary objectives of efficiently maintaining a level playing field for all industry stakeholders to compete or effectively safeguard consumer and supplier welfare.

Most jurisdictions around the world place no restrictions on someone's right to share their home with a paying guest. Where such restrictions have been introduced, they have usually been designed to apply to properties being used exclusively for rentals to tourists (e.g. places where nobody lives at any point during the year).

For the most part, individuals who are sharing their primary residence with others on an occasional basis are not considered "businesses" and have not changed the use of their property. It remains predominantly residential, with some ancillary use as sleeping accommodation for visitors (whether tourists or not) from time to time.

It is with some note businesses welcomed the WA Government's commitment to grow the WA tourist economy and as a result increase retail tourism spend in the Two-Year Action Plan for Tourism Western Australia – 2018 and 2019 by Minister Papalia¹.

With event-based tourism and the need to accommodate tourists in regional markets during peak demand sharing platforms give options during high accommodation need periods and allow the market to flex with required needs. As an organisation which represents retail and supply chain needs, we know tourism spend is greater when tourists are using these new platforms at local retail.

Given the WA Governments strategy aims to increase visitor expenditure to \$12 billion by 2020, the fact that Airbnb has been highlighted in the Deloitte Access Economics Report into the economic effects of Airbnb in Australia² has guests spending more per night compared to average tourists is an important point to make. Airbnb guest data and Tourism Research Australia (TRA) survey data show that Perth Airbnb guests spend 46 per cent more per night. Not only do these platforms help achieve the Governments broad goals, but they also assist in spreading the spend across the economy.

Recommendations

RTBA supports sensible regulations that enable home sharers to rent their spare room or whole house or apartment, providing unique experiences for guests and inject income into local economies by tourists and home sharers who can increase their disposable income. The announcements by the Tasmanian Government to support the Sharing Economy is positive, the Australian Labor Party's National Sharing Economy Principals have also given a pathway moving forward. One core point about any regulation needs to be state wide consistency and clarity for homeowners entering the activity of sharing their home.

Ultimately, consideration needs to be given to the ways in which coordinated regulation will enhance the ability to create a more growth rather than stifling growth.

Many sectors benefit from the sharing economy which can only boost tourism and retail growth for Western Australia into the future.

Kind regards,

Heath Michael



Managing Director
Retail and Trade Brands Advocacy

¹

<https://www.tourism.wa.gov.au/Publications%20Library/About%20Us/Two%20Year%20Action%20Plan.PDF>

² <https://www2.deloitte.com/au/en/pages/economics/articles/economic-effects-airbnb-in-australia.html>