

Admin, LACO

From: Innkeeper
Sent: Friday, 29 March 2019 5:11 PM
To: Committee, Economics & Industry Standing
Subject: Inquiry into Short-Stay Accommodation - Submission - Kangaroo Inn

Dear Sir / Madam,

I am not sure if I am too late to make a written submission to this enquiry, I notice the last submission was in 12 March 2019 but in case there is still time, I wish to put my views across and get them heard by the Economics and Industry Standing Committee.

Kangaroo Inn opened in late 2012 and since that time we have established ourselves as one of the best Backpackers in Australia winning multiple WA Tourism Awards, the latest being Bronze for Standard Accommodation in 2018. It was not an easy task to start the business, there were plenty of regulatory hurdles that we had to meet which involved significant cost, including the installation of a Fire Brigade Alarm, Perth City council health approval, Water corporation special sewerage fees for a commercial kitchen/laundry the design and layout of the premises had to conform to regulations including ratio of beds to toilets and disability access. Furthermore, there are significant ongoing fees such as licenses, fire monitoring subscription, and high insurance premiums for public liability.

I believe in free markets and in competition; it constantly forces us to innovate and offer a better product to the benefit of the public. I also believe in fairness and an equal level playing field.

I feel that there currently exists an unfairness in the short-term accommodation market; bona-fide commercial operators such as myself are subject to significantly higher regulatory burdens and costs than 'fly-by-night' operators who blatantly disregard such regulations and rent out whole houses and rooms on a regular basis and at a significant discount to bona-fide operators because they do not have such regulatory cost overheads. In essence they are pricing out bona-fide operators out of the market because they do not subscribe to the regulatory requirements.

The blatant disregard of regulations by 'fly-by-night' operators is encouraged because:

- Online travel agents such as AirBnB, Booking.com and Agoda don't ask whether these operators are properly licensed prior to listing
- Local councils and the State Government seem to turn a blind-eye to their activities or are under-resourced to actively monitor the situation
- Loop-holes in the system

I recently was fortunate to travel to Amsterdam where my family booked through AirBnB a house boat. In the Netherlands there are certain regulations which help introduce fairness into the system. For instance I spoke to the owner as well as other operators and in summary the Dutch regulations included the following:

- Their operation is tax registered
- There is a maximum number of nights that can be let out per year
- There is a maximum number of guests at any one time
- There is a maximum size (square meterage) that can be let out
- The owner MUST ALSO reside on the premises
- Safety regulations

I believe a similar adoption of such criteria and strong enforcement of these rules will be for the benefit of all operators.

The committee should do well to introduce certain laws/regulations such as the above immediately and then spend the next few months tweaking the laws as opposed to an approach where they investigate and then implement as

this will only exacerbate the burden bona-fide operators are experiencing now. I think the priority now is to protect bona-fide operators who have done nothing wrong and have simply only acted within the law. Note as more and more bona-fide operators leave the industry it means that there will be a state-wide reduction in safety in the short-term accommodation sector - already the backpacking industry has lost 3- 4 operators in the last few years alone that is several hundred beds lost.

Kind Regards,

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