

**Admin, LACO**

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**Subject:** FW: Inquiry into short-stay accommodation- sub no. 149

**From:** N P

**Sent:** Friday, 25 January 2019 1:25 PM

**To:** Committee, Economics & Industry Standing

**Subject:** Fwd: Inquiry into short-stay accommodation

Dear Committee members

I am user of various platforms for short stay accommodation (such as Airbnb) and also for being a host in sharing my home in Perth.

I believe short stay platforms such as Airbnb are here to stay and there is sufficient steps and regulation in place to ensure are already working well. It gives people who come to WA, various options for when staying in the State. There is no need to make changes, as there are no fundamental flaws in the current regime, this is notwithstanding that any changes such be made to enhance this choice to consumers rather than hinder the industry. The digital age are there to cut barriers to entry for businesses, they should be allowed to thrive to the benefit of all.

To give you examples:

- Hotels or similar residences are not always suitable for people, they do not (or rarely do) have self-catering as an option for those who prefer not to eat hotel food or have diet restrictions.
- They provide a more cost effective option for large families who can't afford to book multiple rooms and need to stay together for cultural reasons
- Overseas families have different social dynamics when visiting here as their food and beverage requirements are personal/no of family visitors is large as compared to hotel rooms which generally cater for single or double occupancy.
- Location of hotels may not be suitable as they are generally located in main business areas. Short stay accommodation is more spread out geographically.
- There is likely to be less wastage in short term accommodation. (no unnecessary small bottles of shampoo, soap, stationery, tea/coffee packets).

- Short stay owners often engage with residents which boosts local tourism and connection with the trend towards more interactive trips.

Also short stay accommodation options that can cater for more than 2 people, that is not in the CBD or tourist locations are not in direct competition with hotel rooms. There is plenty of opportunities for all types of accommodation to co-exist. It provides the consumer choice and that is important. In many ways the location and type of accommodation available on platforms like Airbnb is not in direct competition. WA should not put itself in an overburdensome regime, that will drive the tourism visitors to other States, as there is less choice.

Owners who list on these platforms still have to take out relevant insurance, declare their earnings and pay local taxes. By restricting or making regulations onerous, too prescriptive, will drive tourists away from WA, as there will be less choice. In light of the push to encourage growth markets like tourism, its important visitors have choice.

Other factors to bear in mind for the WA economy.

- Most hotels are internationally owned, with their headquarters not in WA or overseas, their profits and revenue does not stay in the local economy.
- Short stay owners will keep their income to the benefit of the local economy and generate employment opportunities locally for cleaners etc
- WA should be on a level playing field with other States
- WA should be more innovative and if anything encourage all types of accommodation
- Cyclical factors may influence demand and supply of CBD hotel rooms occupancy rates, but when the next upswing comes we do not want to be in the situation like the mining boom that recently occurred when hotel rates were extremely high as demand was outstripping supply. Hotel business are highly cyclical, they should be able to face all types of competition at all times.
- To be a global city, international visitors expect Airbnb type platforms to be able to book accommodation, if the rules or regulations are changed, this will increase cost and reduce competition.

I am happy to provide greater information on my thoughts and view if required, but I was only made aware of the opportunity to comment and deadline yesterday. I hold a BSc (hons) in Economics and believe I do have a grasp of

the drivers of what consumers want and the cost benefit analysis that has to be conducted, the risk is a haste decision to over regulate that can decimate this emerging digitally driven industry.

Regards

Nish Patel

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