

Alex Hotel  
50 James Street  
Perth Western Australia

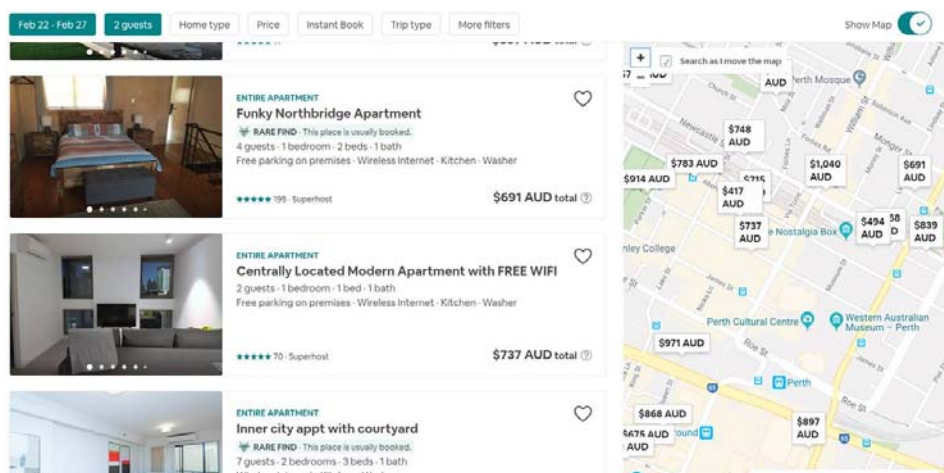
24<sup>th</sup> January 2019

To whomever it may concern,

RE: Short Stay Accommodation Inquiry

Cicero Management Pty Ltd T/A Alex Hotel would like to present the following points for consideration as part of the coming inquiry into the Short Stay Accommodation industry in WA specifically in relation to the impact we consider operators like Airbnb are having on our individual hotel and greater industry.

- Alex Hotel is a 74 room boutique hotel and hospitality operation located in Northbridge. We employ at any given time approximately 60 staff and work with over 100 various local, state and national suppliers for products, goods and services.
- Year on year we've seen declines in occupancy rates at our hotel. We know of some of our previous regular corporate customers choosing to stay at Airbnb listed properties on (then) future stays when in Perth completing their business projects. This is particularly true in the wine industry where a number of our previous interstate winemakers are choosing to stay in alternate Airbnb accommodation because it is more affordable. We've also lost quoted international leisure business to Airbnb listed properties over the past couple of years and anecdotally and you hear more and more visitors to our restaurant mention to our staff that they are staying in nearby Airbnb listed properties.
- Searches on Airbnb of a area within a 1km radius of our hotel show an increasing amount of listings.
- The majority of listings shown are for entire residences / apartments which is contrary to the idea of Airbnb being a platform to list shared living opportunities. See small excerpt below:



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- The majority of the listings sit around half of the cost of an entry level room at Alex Hotel on any given day.
- These operators are able to offer their properties at such a cheap nightly rate because they are not employers of locals within the community; do not have to adhere to regulations in relation to health and fire safety nor do they pay business registration or taxes. Alex Hotel contributes payroll taxes, local government rates and GST. In addition, Alex Hotel is required to maintain various licences – liquor, al fresco, APRA AMCOS and others that require annual payment of fees.
- Another reason why rates can be so low is that the revenue is generally undisclosed and untaxed – the cash economy
- It is our opinion that the properties need to be registered as accommodation businesses; be taxed in the same manner as other operators in the accommodation industry and at a minimum ensure that these properties are required to adhere to the same standards in relation to fire safety, insurance and the building code.
- Unregulated short stay accommodation is bad for users of the service, because of the additional security risks they face from properties that may not meet appropriate standards of fire safety or accessibility and the hosts have no obligation to ensure that basic hazards are addressed. Residential property insurance will not cover claims against an owner from running a business on the property. As a result, both the host and the guests are taking significant risks in the transaction.
- Unregulated short stay accommodation is bad for the local community, who may not have consented to their neighbourhood being turned into a dormitory where people they don't know are coming and going. This is particularly the case where an entire property is let, with the risk that guests will keep unsociable hours and create noise during periods when the community is usually quiet.
- We think that short stay accommodation should be registered and regulated, and agree with and support the AHA's five-point plan that would enable genuine home sharing to continue, while protecting Western Australian hotel jobs from unfair and unregulated competition
- We commend to the Committee the steps that have been taken by Councils such as the Shire of Augusta Margaret River and the City of Busselton, both of which recognised many years ago the imposition on the community, the inherent safety risks, and the damage to the business of regular accommodation providers caused by short stay accommodation. Both Councils have instituted a system of approval, through temporary rezoning, of short stay accommodation. The Shire of Augusta Margaret River's policy (see Local Planning Policy 7), which is substantially the same as the City of Busselton's, takes into account impacts on the amenity and character of the surrounding area, the primacy of the use of the areas for residential purposes, the management of the activity to ensure that nuisance or annoyance is not caused to the owners of nearby properties, and issues such as the bushfire risk in the area and the likely inability of short stay residents to respond appropriately in an emergency situation. All short stay properties are required to be registered and short stay accommodation is prohibited in certain residential neighbourhoods and fire prone areas. Short stay operators are required to register their contact



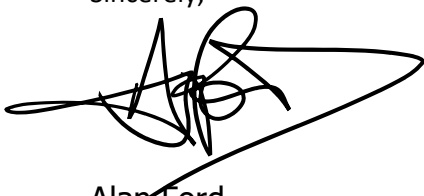
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details with the Council and to be on hand to deal with any issues, or to appoint local representatives if they live outside the area. The approvals are given only for short periods (up to 3 years), with the ability of the Council not to renew, or to revoke approval, if there are issues with the use of the property. Clearly, there would be additional considerations for the regulation of short stay in a more urban environment, but the principles behind the examples in the South West are equally relevant.

Thank you for the opportunity to provide a submission on this issue. We would be happy to provide further information or assist in any other way possible if deemed appropriate and requested.

Sincerely,



Alan Ford  
General Manager

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50 James St, Perth, Western Australia

