

To members of the Economic and Industry Standing Committee:

My husband and I have worked in and been owners and operators of accommodation properties in Margaret River, Albany and Nannup for the past thirty years. Currently we own and operate the following businesses:

- 7 room Bed & Breakfast in Nannup,
- A self-contained house in Nannup (sleeps 5 people), and
- A self-contained house in Busselton (sleeps 6 people).

I also work in Local Government in Economic Development, so I believe we have a good overall understanding of the issues surrounding Airbnb from different angles and would like to make the following comments on governance and community/economic issues:

1. The traditional Airbnb experience of staying with a host and engaging with the family is a wonderful way to travel. The reality is that the platform itself has evolved to encompass private homes. Staying at self-contained holiday accommodation particularly in coastal communities is now generational family experiences. Changing only Airbnb will enable operators who do not comply to simply list with other service providers including HomeAway, Real Estate agent, or Tripadvisor. We believe that all accommodation listing agents need to be included in the review.

I would anticipate that a number of private homes are marketed by Real Estate agents as suitable for short stay accommodation. Any outcomes from this inquiry need to consider Real Estate Agents training and accountability.

The shared economy is here to stay in one form or another. Airbnb is a global entity and has a promotional budget to ensure that their platform is consistently visible. In my experience most short stay accommodation owners live in Perth and have houses down south that are investment or holiday properties and renting through Airbnb/HomeAway helps to pay the mortgage when they are not using the house. Airbnb are really only interested in company profits. There is little thought to the rest of the industry or community in this decision making. Airbnb consistently send through emails and campaign offers to owners to reduce rates to increase bookings. This creates a price war within the industry and the only people that benefit are Airbnb.

Commercial operators need to incorporate Airbnb into their marketing mix. Tourism Council WA has a role to play in assisting with training and mentoring hospitality and tourism businesses. It would be great if this could be extended to the short stay market with workshops on cost analysis, demonstrating how operators determine the break- even point for accommodation which in turn may increase the current "pricing war" to viable levels.

Once this is completed it may be evident to short stay private house owners that they are better off to rent their property on the long term market, in turn achieving a balance of accommodation options and long term rentals.

2. There has been an increase in private houses let for short stay accommodation throughout the South West. This has impacted on both the existing properties and the way that guests book their accommodation. We purchased our Busselton property in 2006 and at that stage were listed 10/100 properties with a tariff that was comparable to hosted or strata titled accommodation. In 2018 there are in excess of 2000+ properties across the region and the

tariffs have dropped considerably to the point where they are much cheaper than hosted or commercial accommodation properties. A new requirement of both Airbnb and HomeAway is that linen is now included in the price, which further reduces the tariff the customer pays, making the hosted accommodation options much more expensive.

Many accommodation operators would not realize that they need to have tenant insurance in addition to home and contents and public liability insurance if there is no manager living on site. It is not a condition of listing on any sites to provide these details, and it is only listed in the small print that “you must comply with the local laws and legislation”.

The City of Busselton and Shire of Nannup requires that holiday homes register with the Council, have appropriate insurances, advise immediate property owners of their intent to have short stay accommodation and provide fire extinguishers and blanket in the property. Not every local government does this.

Commercial operators pay commercial water and electricity rates as compared to those renting out residential houses or offering Airbnb. There is a large difference in rates. If everyone paid the same base charge for electricity and water, accommodation costs might be raised at private houses to cover costs.

3. The increase in private houses being let for short term accommodation impacts on the affordability and availability for long term rentals. On a recent trip to Tasmania I noted that two rural towns (Maydena and Derby) with housing stock of 130 homes now has 50% of properties rented out for short stay. This has a massive impact on the community amenity and is not something that we would like to see happen in the South West of WA.

The City of Busselton has dedicated tourism zones that private houses can be located in. This preserves the amenity and availability of houses for long term rentals. As we do not live in Busselton we have provided our contact details to each of the neighbouring properties so that they can contact us if there are any issues with guests staying. We would not like to see that neighbouring properties have too much power in governance of short stay accommodation. In our experience in Busselton one set of neighbours is rowdier, has loud children and barking dogs and has more parties than our property would. In our case we specifically purchased a property that only slept six people, knowing that a larger property would enable parties and potentially be difficult to manage with us living in another town.

Recommendations to the Economic and Industry Standing Committee:

- That all accommodation operators are registered with their Local Council and pay the appropriate fees. This will also address the existing insurance issues.
- All accommodation properties are rated on the same base tariff from the Water Corporation and Synergy.
- Residential zones must be protected and short stay accommodation must only operate in dedicated zones as determined by Local Government.
- OTA platforms must include that neighbouring properties are provided the short stay manager or owner contact details so that any disturbances or issues can be addressed.

- The review is expanded to include all OTA's and booking agencies for short stay accommodation.
- Real Estate agents in the Busselton/Margaret River region are consulted through this process.
- Tourism Council WA undertakes a training program in the metropolitan and regional areas for members/non-members in Airbnb management including financial break-even point, governance and marketing.

Thank you for the opportunity to make comment on this issue,

Louise and Chris Stokes
16 December 2018