

**Admin, LACO**

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**Subject:** FW: submission on Short-Stay Accommodation regulation- sub 45

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From: Bernie Masters

Sent: Monday, 14 January 2019 4:49 PM

To: Committee, Economics & Industry Standing

Subject: submission on Short-Stay Accommodation regulation

Ms Jessica Shaw  
Chair, EISC  
WA Parliament

**SUBMISSION ON THE REGULATION OF SHORT-STAY ACCOMMODATION IN WESTERN AUSTRALIA**

Dear Ms Shaw,

I wish to make the following submission to your committee on the issue of regulation of short-stay accommodation in WA.

As background, I advise:

1. I am a former member of Parliament and was a member of the EISC for some seven year from 1997 to 2005.
2. My wife and I are regular users of short stay accommodation providers, both here in WA and in Europe during two visits we have made there in 2014 and 2017.
3. The dwelling located next door to our home at Peppermint Grove Beach near Capel has been used for short-stay accommodation via the stayz.com.au website for the last 5 or 6 years.

Submission points:

1. Disrupting industries or technologies are, by their very nature, disruptive to existing industries, businesses and technologies. The industrial revolution some 300 years ago was disruptive to the then prevailing agricultural society which prevailed in the UK and Europe and which saw a massive movement of labour away from agriculture into industries which ultimately paid higher wages and provided the opportunity for people to choose to move beyond a life of agrarian poverty. Today, we are seeing Amazon changing the way people shop, Uber is providing people with cheaper and more timely ride-sharing, and online short-stay accommodation websites such as AirBnB have changed forever the way that people book accommodation.

The future guarantees that we shall see more disruptive technologies for as long as human beings have needs which other humans assess as being able to be met by new, different and/or better methods. Blockchain has given rise to Bitcoin whose future may be highly questionable but the underlying encryption technology of information provided by Blockchain will forever change the way that information is shared and distributed around the world. The Internet of Things (IoT) is only now starting to be made available to businesses and individuals to better integrate the many modern computer-based devices we all rely on, regardless of whether we understand or even want those devices.

Existing and future disruptive technologies which will survive into the future will be those that meet market demands and needs. They will not be closed down because governments would prefer that they cease to operate: the harm done to the taxi industry by Uber has nonetheless provided so many benefits to the people who use Uber's services that most governments around the world understand and accept the need to encourage, assist and apply the lightest possible set of regulations on Uber's services so that the public can continue to enjoy Uber's obvious benefits.

I therefore submit that online short-stay accommodation websites such as AirBnB and Stayz.com should be accepted by your committee as being legitimate businesses providing services preferred by a large number of people who

have chosen of their free will to reduce or eliminate their use of traditional accommodation providers such as hotels, motels, etc.

Your committee should therefore conclude unequivocally that it supports such online accommodation providers continuing to operate within WA.

2. It is important to differentiate between:

- \* online short-stay accommodation provider websites such as AirBnB and Stayz.com and
- \* the owners of the accommodation properties listed on such websites.

The online websites in my experience do an excellent job of requesting and managing the essential information needed by potential clients to make good choices about which short-stay accommodation provider will best meet the client's needs. Over the past 5 or 6 years, my wife and I have stayed in 25 to 30 short-term accommodation properties and, with one exception to be mentioned shortly, we were either comfortable or completely happy with our choices. The one exception was a property in southern France where we believe a student attempted to obtain money from renters via AirBnB by offering for rent a property that did not exist. Within 30 minutes of us lodging a complaint to AirBnB, our money was secure and we had booked an alternative property.

My experience is that the companies that provide the online booking services - AirBnB, Stayz.com, etc - have refined their business models to a sufficient extent to be fully capable of looking after the reasonable needs of potential and actual clients. I see no need whatsoever for government regulation to change the way they do business except in one small but extremely important respect as suggested below.

Regarding individual accommodation providers and their properties, the most important way for potential clients to assess the various qualities (or lack thereof) of each property is via the review process, whereby past clients leave reviews on properties they have stayed at. While human nature is such that people often do not like to leave negative reviews about a property or their landlord, nonetheless my experience is that clients of short-stay accommodation providers have a strong motivation to leave accurate reviews because they in turn wish to see such reviews made about the properties they may be renting in the future. So the online websites may need to be regulated so that their websites cannot have negative comments removed or hidden by the owners of short-stay accommodation properties.

3. Much of the pressure for your inquiry has come from hotel and similar accommodation providers in Perth and the south west who have experienced difficult business conditions over the past year or two. However, whether the downturn in their businesses is due to the existence of short-stay accommodation providers or to a declining tourism market in WA needs to be fully explored and answered by your committee. For example, a number of Margaret River accommodation providers complained bitterly about poor trading conditions about 6 months ago but this summer is proving to be a boom for them as the attached article from The West Australian states.

In Perth, while I have no doubt Perth hotels and motels are experiencing relatively low occupancy rates, it seems likely that the drop in interstate and overseas tourists coming to WA and a drop in the number of nights such tourists spend in WA over the last two years is the major reason for tough business conditions for hotels and motels (and a number of new full-service accommodation providers have opened over the past two years, exacerbating already difficult trading conditions - room availability changes over the last five years need to be researched by your committee to determine if a significant increase in rooms is compounding other difficulties).

4. Controls need to be placed on the owners of short-stay accommodation properties to ensure the impact of their clients on neighbours is minimal. While property owners need to be encouraged to fully assess their potential clients to ensure they are of good character (our next door neighbour will not rent the property to younger people unless he is made a friend of their facebook page so he can assess them via their posts, photos, etc), government does not have a role in ensuring this assessment process is conducted carefully but vigorously.

Instead, any property owner offering their property for short-stay accommodation should be required by local government bylaws to provide all neighbours with :

- \* a phone number that will allow contact with the property owner to be made at any time of the day or night and

- \* a plain English explanation of local and state laws relating to noise, light and other potential sources of complaints, especially noise complaints which I understand are the legal responsibility of the WA Police Service to administer and
- \* contact details for the local government body within whose boundaries the property is located.

Local government should require each short-stay accommodation property to be registered and for written confirmation to be received from each adjoining neighbour to each property seeking registration to show that the above information has been provided by the short-stay accommodation property owner.

Local government should maintain a complaints register to record every complaint made against each registered property, with a policy adopted requiring the owner of each property receiving a complaint to be formally notified of the nature of each complaint. After three (3) verified complaints, the owner is to be notified that a further verified complaint will result in the property being deregistered, with suitable financial penalties to apply if the property continues to be used for short-stay accommodation.

5. I do not agree that local or state governments should have the power to ban short-stay accommodation properties from operating within geographical areas. To do so is an infringement on the rights of a property owner to use his or her property in legally allowed ways at the owner's discretion.

6. I do not agree that local or state governments should have the power to require that short-stay accommodation providers should be forced to have minimum stays of two nights. The cost of a one night stay is higher than for multiple nights because of cleaning and servicing fees so the occasional one-night renter of short-stay accommodation will be the exception, not the rule.

7. I do not agree with a requirement that short-stay accommodation providers should be limited to a maximum of 180 nights of accommodation per year. This unreasonably restricts the ability of a person's right to use their property in ways that they choose. In my own situation, having temporary neighbours in the short-stay accommodation property next door is desirable for security and social reasons.

8. Claims that some towns could 'lose their souls' if short-stay accommodation properties dominated urban areas is fanciful and emotional alarmism. As the City of Busselton has shown, if large numbers of tourists are in town, then events provided for the enjoyment of those tourists will also be available for local people to enjoy, creating opportunities for the social 'soul' of the town to be enjoyed by all.

9. Claims that lower cost long term accommodation for people working in communities containing large numbers of short-stay accommodation properties need to be researched and evidence provided to confirm or reject the accuracy of such claims. I personally doubt the veracity of such claims, recognising that Dunsborough for example has always been a higher cost rental town and, even from my days as the MP for Vasse from 1996 to 2005, complaints were being made by individuals and community groups that subsidised housing was needed to provide lower cost accommodation for people employed in some of the lower paid but essential service industries such as cleaners, tourist resort workers, shop employees, etc.

10. If the committee is provided with compelling evidence that short-stay accommodation providers have significant financial advantages not enjoyed by hotels, motels and other long-term or fully serviced accommodation providers, then the committee should examine what financial imposts placed on such full service establishments are unreasonable or not needed, with a view to reducing the regulatory and hence financial burden on them.

Regards

Bernie Masters