

Inquiry into short-term accommodation by the Economics and Industry Standing Committee

Personal submission to the committee - **expressing my views** and **addressing the specific terms of reference**

By Lyda Hayward
23 Jan 2019

Terms of Reference:

1. The forms and regulatory status of SSA providers in WA
 2. The changing market and social dynamics in the SSA sector
 3. Issues association with emerging business models using online booking platforms
 4. Approaches within Australia & Intn'l jurisdictions to ensure appropriate regulation of SSA
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Introduction

It is my view that Short-Stay Accommodation (SSA) in its many forms, outside of hotels, is an integral part of our culture and society, has always been around and should continue to be around for the future.

SSA generates a substantial income for WA and its local businesses in the form of rental income, taxes paid, job created, local businesses used.

SSA encourages tourists and visitors to WA that would otherwise have a very limited choice of accommodation or not come at all.

I fully support the provision of SSA accommodation via online platforms with responsible yet simple regulation in line with residential tenancies and using registered property managers and/or hosts.

I believe the provision of SSA benefits the community as a whole; including the owners and investors of properties, the visitors to WA who require accommodation, the workers who run the accommodation and engage with the visitors and everyone who benefits from having the money generated and spent locally, taxes paid locally and profits to local businesses, all of which stays locally in WA.

It is my understanding that this Inquiry was (at least in part) instigated by the Australian Hotels Association (WA) with their lobby to the Government asking for restrictions to be placed on short-stay accommodation.

The AHA (WA) cites that by allowing short-stay accommodation providers to operate, it is:

- Unfair competition to the hotels
- Lowering their accommodation rates
- Affecting their investment
- Loss of available jobs in WA
- Loss of tax revenue to WA

AHA (WA) have requested the government limit SSA by placing restrictions on the type of property, the number of available days, the safety requirements and registrations and subsequent monitoring of properties, with their 5 point plan...

1. Only a host's primary residence may be listed for sharing.
2. Listing of entire properties for stays under 14 days be prohibited.
3. Harmonise fire, safety, building code and insurance requirements with hotel industry.
4. Home sharing properties must be registered, to enable compliance monitoring.
5. Registration fee payable, to fund administration and compliance monitoring.

What the hotels actually mean is that after investing heavily in WA and building all those fancy new hotels, they'd like to eliminate any competition to fill their beds, then take their profits overseas.

I completely disagree with the hotel's claims and fully support the ongoing provision of short-stay accommodation, with my views expressed as follows...

My Views

Short stay accommodation is nothing new. There has been a demand and a supply of such accommodation since before any of us were around. What is new is the way in which we can now look for and book such accommodation.

SSA is not a threat to the large, upmarket hotels and operates on a completely different level to a different market sector.

People book short-stay accommodation for a huge variety of reasons and many of those bookings are by people who do not want to stay in a hotel, but have specific needs and/or wish to stay in the community.

Short stay accommodation takes many forms, eg.

- A room or share of a room in a private property
- A primary residence when on holiday yourself
- Part of a primary residence such as a granny flat
- An entire unit, house or apartment
- A holiday home
- A temporary home while looking for a permanent home

Many of these forms are now available to find and book online on a variety of different booking platforms such as

- personal websites www.myholidayhome.com
- speciality websites: www.waholidayguide.com www.dhh.com.au
- broad spectrum websites: agoda.com, TripAdvisor.com
- well know platforms: airbnb.com booking.com

From an Owners perspective:

A property owner should be free to choose how they let their property, whether its long term within the Residential Tenancy Agreement arena, or short term within the Tourism sector, according to the laws and regulations therein.

For some owners this may mean renting a part of their primary residence or a separate property.

The length of stay is irrelevant, in most cases it's just a few days but in some cases it's longer, for example people coming to Perth who need a base while they look for longer term accommodation.

In WA many Property owners and investors are unable to make their investment viable via the long term residential tenancy route and would otherwise be forced to sell if they could not find alternative pathways to a better ROI.

If SSA were regulated out the industry there would be a mass glut of properties on the market - probably at a substantial loss to their local owners, and a glut of properties in a market already saturated by apartments and units.

From a Visitors perspective:

Visitors to WA should be able to come and stay in WA without being forced to select their accommodation from a hotel or from a limited selection of Tourist style providers.

Many visitors do not wish to stay in a hotel but have requirements that hotels don't offer. Instead they prefer the self-catering and homely style accommodation, for a variety of reasons.

Visitors may wish to stay close to family or within an area such as close to university or the river or a particular event.

I've hosted families who come for kids soccer tournaments, frisbee championships, Festival performers, Drs, professors, PhD students.

Visitors with children may wish to stay somewhere that has facilities for children, such as a family home with high chairs, toys, a garden etc.

Visitors have limited \$\$ to spend on their trip, the less they have to spend on their accommodation, the more \$\$ they have to spend on other local businesses.

Jobs perspective:

There is no doubt that the SSA market provides jobs for the local community and brings in money to owners, local businesses and their workers.

New businesses are springing up that offer Property Management, Hosting, cleaning, styling, photography and so on.

Tax and local revenue perspective:

The online booking platform certainly make it easy to calculate earnings for owners and thus tax due, so the myth that people in the industry are not paying their tax is just that. Non payment of tax is nothing to do with the industry itself, more the individual.

Income from visitors to WA is being spent in locally provided accommodation, supporting the local property market. Profits by the owners are subject to tax in the unusual manner. Wages is being paid to local workers who in turn spend their money locally and pay their taxes. Visitors \$\$ is being spent locally and there should be more to spend if the accommodation is cheaper. More visitors are encouraged as it's easier to book accommodation.

Issues surrounding SSA in the local community

There are undoubtedly issues created by unregulated SSA such as people renting out their property to guests who are then left to run amok without anyone around to check them. Neighbours are inconvenienced with noise and parties and property is damaged.

An easy solution to this problem could be making it mandatory for all

properties to be correctly managed - such as using a licenced Property Manager - who can easily be contacted (their contact details displayed prominently) - who must be able to attend within a reasonable time frame - eg 2 hours max.

Self Regulation such as the model used in Tasmania would allow owners to follow a pre-determined checklist to ensure the property being let is of a certain standard with regards to safety and security, and a reasonable registration fee payable in order to cover the cost of the regulation. Minimum standards of safety should be in line with the same in the Residential Tenancy Act.

In some areas the number of days that a property can be made available for SSA is restricted. This is almost impossible to police and is easily circumvented, thus making it a ridiculous rule. Better policy would be ensure that the right properties are being made available and those properties are regulated and checked for safety and appropriateness and being well managed.

My Story

When trying to return to the workforce after a significant gap as a mother and home-maker, I found it very difficult to find my place again. Success came when I found a niche for myself as a Short Term Property Manager - something I was interested in as a holiday home owner myself.

I started and now run a small Property Management company which specialises in managing short-term rental properties on behalf of the property owners. This allows me the freedom to work the hours that suit me and my family while doing a job I absolutely love.

I have a wonderful relationship with all of my clients who sit back and watch me interact with an enormous range of guests who come to Perth for a myriad of reasons.

I am as registered Property Manger with the Dept of Mines, Industry Regulation & Safety and keep my qualifications up to date.

My clients are a wide range of property owners who all

- Need to improve the ROI of their investment property
- Interested in looking for new ways to do business
- Provide a safe, reliable and responsible place to stay for our wide range of guests
- Pay their taxes

Some of my guests have been

- Families moving to Perth who need a base while they look for long term home.
- Visiting university Professors or PhD students coming for a month or two.
- Families staying near hospitals when a loved one is taken ill.
- Overseas visitors on a budget
- Corporate clients in large multinationals
- Performers in some of the many arts festivals in the region

All of these guests deserve to choose where they stay and what type of accommodation they'd like. There is no one size fits all.

Families with young children need a safe place close to a park with a cot high chair and toys. Corporate guests want to walk to the city and restaurants etc.

Since starting my business, I've hosted over 500 groups into 20 properties and never had a single issue. The vast majority of guests leave with a highly satisfactory review of me, the property and their visit to Perth.

I'm a big supporter of arts and festivals, travel and tourism. WA has a lot to offer visitors and we must make it easy for them to come and enjoy.

What I think should happen as a result of this inquiry

As I said before, SSA has always been around, has a definite place in our culture and society and should be allowed to continue.

The money generated to the local economy is huge as backed up by recent studies commissioned by Airbnb and should not be allowed to be cut off.

There are owners, visitors, jobs and local businesses who all rely on the provision of SSA. And who among us has never booked a short stay accommodation themselves?

I do believe however, that we need to establish some industry best practices and regulations to ensure that the accommodation on offer is safe of the highest standards, so that all our guests can book with confidence.

- Minimum standards similar to those enforced in the Residential Tenancy should be laid out.
- Registration of property available to rent - Tasmania has a good self registration system I believe.
- Responsible person(s) nominated such as a Registered Property Manager appointed who should be able to attend to the property within a reasonable timeframe in the event of emergency.
- Contact details of the above should be available again ICE.

If we don't allow SSA or fail to regulate it simply, then it will force an

underground or alternative way to achieve the same results.

**Thank you for reading my thoughts.
I would be happy to be called into the inquiry in person at any point to
provide more information.**

Lyda Hayward
23 Jan 2019

Acronyms:

SSA	Short Stay Accommodation
AHA	Australian Hotels Association
PPR	Primary Place of Residence
RTA	Residential Tenancy Agreement or Act
ICE	In case of emergency