



Australian Hotels Association
WESTERN AUSTRALIA

‘Sharing’ the Future of Commercial Accommodation

January 2019

This document represents the Australian Hotels Association (WA)’s response to the WA Parliamentary Inquiry into Short-Stay Accommodation



Australian Hotels Association
WESTERN AUSTRALIA

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AUSTRALIAN HOTELS ASSOCIATION (WA)

Since 1892, the Australian Hotels Association Western Australia (AHA) has been the peak industry body representing the hotel accommodation and hospitality industry in Western Australia.

We intimately understand the broad range of issues that affect providers of short-stay accommodation, the economic and social issues, and the complex regulatory environment in which they operate.

Our membership is diverse. It consists of small and local hotels through to large national and international accommodation businesses and operators of three to five star accommodation. These include world recognised brand hotels, eco-resorts, boutique hotels, and serviced apartments, through to traditional pub-style hotels across metropolitan and regional areas of the state.



EXECUTIVE SUMMARY

The proliferation of unregulated short stay properties throughout Western Australia poses a real and growing threat to employment and the viability of the WA accommodation industry, necessitating action and leadership by government to properly manage this growing black market industry.

Whilst hotels, motels, bed and breakfasts, serviced apartments and hostels all comply with a myriad of regulations, many properties that are listed on peer-to-peer platforms, such as Airbnb, do not. This inequity is impacting the viability of hotels, putting employment and training opportunities at risk, undermining investment decisions and jeopardising the safety of guests.

The amenity and safety of communities is compromised as a result of quasi-hotels operating in residential areas. Neighbourhoods are being adversely impacted with little recourse for affected residents.

Governments around the world are moving to regulate platforms such as Airbnb as evidence mounts about the economic and social impact of unregulated short-stay accommodation.

This Parliamentary inquiry represents a timely opportunity for legislators to address the issue of short-stay accommodation. It is an issue that has morphed into a problem that cannot be addressed by Local Government authorities, who are at the coalface; yet do not have the appropriate policies or resources at their disposal.

The AHA strongly supports the introduction of a regulatory framework to capture all providers of short-stay accommodation. Our submission includes recommendations for a regulatory solution that outlines five key aspects for the committee's consideration.

Our recommendations are as follows:

1. A mandatory registration scheme

A mandatory registration scheme is a requirement to ensure transparency, accountability and enforcement of short stay accommodation properties across the state. It is a critical regulatory measure that has been agreed to by Airbnb in international jurisdictions, including San Francisco, the birthplace of the platform.

2. One Host, One Home Policy

Limiting hosts to only sharing their primary residence will facilitate genuine home sharing whilst ensuring multiple properties are not purchased as investments with the explicit purpose of competing directly with regulated, legitimate accommodation businesses without complying with the same regulatory, compliance and taxation requirements.



3. Appropriate fire and safety standards

To ensure guests are afforded adequate protections it is critical that currently unregulated short stay accommodation properties have appropriately equipped with minimum health, fire and safety provisions. The current gap in such provisions between unregulated and regulated properties presents an unacceptable risk to guests and hosts alike.

4. Data sharing requirements

A requirement for short stay accommodation platforms to share data with government will underpin the success of any attempts to regulate such platforms and their listings.

Presently, regulators, policy makers and agencies have no exact data on where short stay accommodation properties are located, unlike registered accommodation providers such as hotels. Jurisdictions around the world are increasingly insisting on short stay accommodation platforms to share their data in order to enforce regulation and policies relating to their activity.

5. Protecting community amenity

An issue of obvious concern regarding the current status of short stay accommodation in WA is the impact that these properties are having on affected neighbours and the community amenity. In many cases, neighbouring residents of short stay properties have no say on whether such activity should take place, nor do they have access to timely and effective recourse in the event of a problem such as noise, breaches of by-laws or anti-social behaviour. Requiring potential short stay hosts to engage with neighbours a consultation provision when seeking planning approval from local government authorities will empower communities.

Treatment of Holiday Homes

Holiday Homes that are registered with local government are already subject to local council by-laws (where applicable) which are guided by State Holiday Home Planning Guidelines. The AHA is not suggesting that compliant Holiday Homes be delisted from short-stay accommodation platforms.



HOTELS POSTIVELY CONTRIBUTING TO THE FUTURE OF WA

Hotels are an important part of tourism, the economy and contribute to the social fabric of the state.

In 2017-18, the WA tourism sector accounted for \$11.8 billion in direct and indirect Gross State Product, and employed over 103,900 people.¹ This economic contribution is generated from some 4,700 businesses, employing people across the accommodation, tourism and food sectors.

To realise tourism's potential, the *WA Tourism 2020* strategy set a stretch goal to double tourism spend to \$12 billion in 10 years.² Hotels are part of the state's destination infrastructure and identified as a key pillar of the plan. A 'Hotel Incentive Policy' was launched in 2011 to stimulate private investment. This included the release of Crown Land, discounted lease payments, funding infrastructure upgrades and the provision of favourable plot ratios.

Since the Policy was introduced, the state has benefited from over \$4.5 billion of new investment in hotels that have opened to date, and those currently under development, including new luxury five star venues such as Crown Towers, The Westin, QT by Rydges, and the Intercontinental.

In total, 3,322 new rooms have been added to hotel capacity since 2012, with 3,433 rooms under construction or committed to. A further 4,997 rooms are under consideration.³

In addition to employment created through the design, development and construction of new hotels, once operational the hotels will provide tens of thousands of new opportunities for Western Australians.

Positions available across the sector provide for people with basic, through to highly skilled qualifications, to gain employment in areas such as cleaning, wait staff, food preparation and sales through to skilled hospitality, functions and events, marketing, accounting, human resources, chefs and management roles.

The industry provides employees with a range of flexible employment options and are providers of on-going training and professional development with long-term career progression options. [See Table 6]

Hotels are a key component of WA's tourism offering. They provide accommodation and places for locals and visitors alike to socialise and be entertained over a meal or a drink.

The commercial viability of a hotel business is underpinned by its capacity to attract and retain patrons. Hotels achieve this by investing in advertising and promotion through a variety of channels – print, online, TV and radio. In this respect, hotels are partners with Government in tourism marketing.

A survey by the AHA to quantify the industry's investment in promoting WA found the total marketing spend of the WA tourism sector is estimated to be in the range of \$380 million to

¹ [Tourism Research Australia, State Tourism Satellite Accounts, 2016-17](#)

² Tourism WA, WA Tourism 2020 Strategy, 2010

³ AHA Hotel Development Intelligence Report, January 2019



\$515 million in 2014-15. The average business spent \$191,000 or 3.2% of their annual turnover on marketing. On average WA tourism businesses invest 22 times more of their annual turnover on marketing, than the WA Government.⁴

Tourism is a highly competitive market. The investment hotels are making in developing the future of people, infrastructure and the state should be recognised through equitable regulation.

⁴ Hotels or accommodation businesses represented 41% of all respondents to the survey - ACIL Allen Report, WA Tourism Business Marketing Spend Survey – Quantifying the Tourism and Hospitality Industry's Investment in Promoting WA, January 2016.



WHAT IS THE PROBLEM WITH SHARING?

The sharing accommodation economy is not new and has grown exponentially with the advancement of mobile technology. Online accommodation platforms have streamlined the marketing, management of bookings and payment and facilitated the explosion in commercialised short-stay accommodation in residential properties.

Unregulated short-stay accommodation is increasingly competing with traditional hotels. In 2016-2017, Australian-wide tourism data found that of the 306 million commercial (paid) accommodation nights, rented homes and apartments (often let through online platforms) accounted for 44%. In comparison, commercial hotels accounted for 38%.⁵ [See Table 1]

The cannibalisation of the regulated accommodation industry has resulted in excess capacity within legitimate licensed hotels.

The transfer of guests away from regulated accommodation and into unregulated properties has resulted in a myriad of negative consequences for guests, government, communities and industry that will be expended upon in this submission.

The pervasiveness of short-stay is having an increasingly visible impact on accommodation performance which is undermining the profitability and overall contribution of hotels. Occupancy and rate has declined, driven in large part by the increase in unregulated accommodation and the addition of new hotel room capacity. Over the past 6 years, hotel room supply alone has increased by over 3,000 rooms with occupancy dropping from highs of 84% to 76%. Average room rates have dropped by 27%.⁶ [See Table 1]

Regulation has failed to keep pace with the emergence of sharing platforms which has proven popular amongst hosts, some of whom are earning revenues into the hundreds of thousands of dollars. The creation of a black market has lowered the bar to entry for short-stay accommodation providers who evade planning approvals and requirements for adequate consumer and public safety.

The effect of allowing unregulated short-stay accommodation is recognised as having contributed to rising home prices, housing affordability, and damage to local amenity, and the fabric of local communities. It also undermines the economic contribution traditional hotel businesses make and to the many thousands of Western Australians who rely on hotels for their employment.

There are a number of online sharing accommodation platforms operating in the WA market - Airbnb, Expedia, Hotels.com, Stayz, and Trivago, HomeAway.com. In Australia, the best known platform is Airbnb. This submission will focus on Airbnb, as they are the principle retailer of unregulated short-stay accommodation in WA.

⁵ TRA State of the Industry Report 2016-2017, Figure 7 Share of Nights in Commercial Accommodation

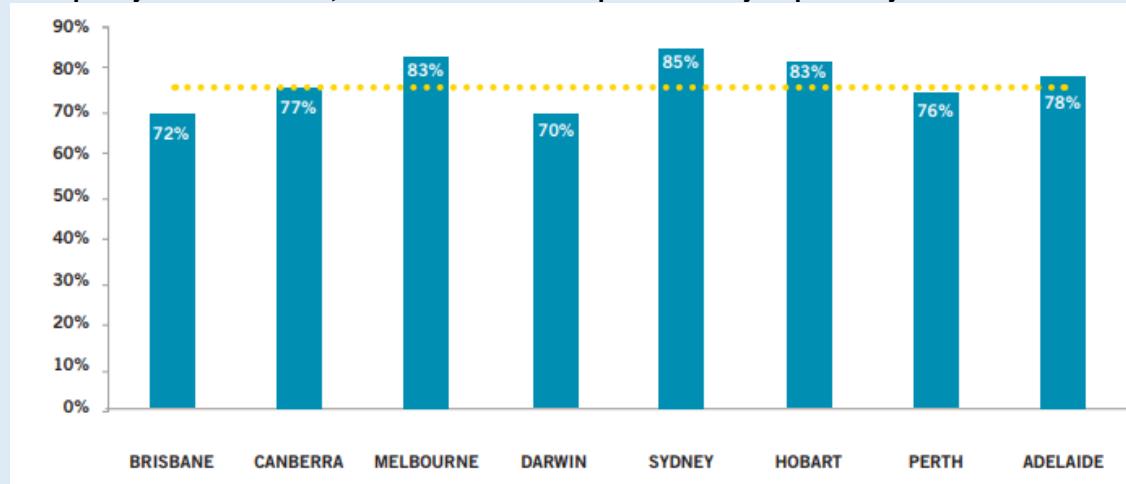
⁶ Hotel ADR reduced from \$220 to \$160, TWA Hotel Development Report, September 2018

Table 1: Key Hotel Performance Indicators⁷

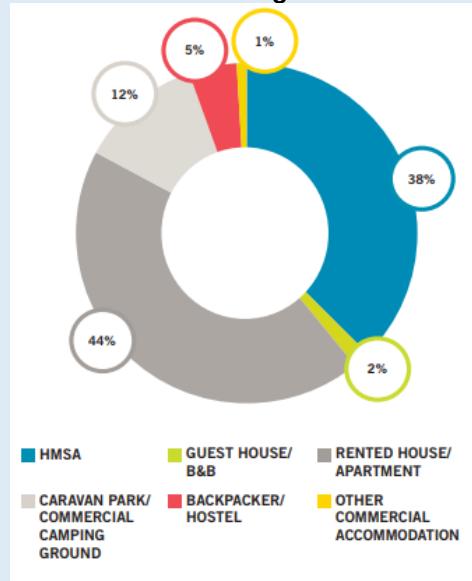
Total Rooms Supply and Occupancy Rates in Perth and Surrounds



Occupancy Rates for Hotel, Motel and Serviced Apartments by Capital City



Share of Australian Nights in Commercial Accommodation



⁷ TRA State of the Industry Report, 2016-2017



AIRBNB IN WESTERN AUSTRALIA

Airbnb was established in San Francisco in 2008. Originally conceived as a marketplace for people to ‘share’ or monetise underutilised assets (like a spare room or granny flat). They have evolved into the largest accommodation provider in the world, without owning a single hotel.

Since its launch in Australia in 2012, Airbnb has grown at a phenomenal pace with 12,119 listings in WA alone, made up of 7,916 hosts.⁸ This indicates a growth of 123 per cent in less than three years.⁹ In the last two months of 2018 (from October to December), there were 460 new listings in WA, an increase of 3.9 per cent.

Airbnb is enthusiastic to frame their platform as facilitating genuine, hosted home sharing.

“Whether it is a spare room, your family home when you are on holidays or a treehouse, it is free and easy to create a listing.”¹⁰

The available data points to a movement away from genuine home sharing towards unhosted accommodation. Private rooms and shared rooms make up just 30 per cent of all listings, while the number of entire homes and apartments has continues to grow, currently representing 70 per cent of Airbnb listings in Western Australia.

Together with the prevalence of entire residences, there has also been a jump in the number of hosts listing more than one property. This supports concerns about the increasing commercialisation of Airbnb.

Over the past two years, there has been a 40 per cent rise in the number of hosts with six to ten Airbnb listings. Over this same period the number of listings increased by 123 per cent while hosts increased by 102 per cent.¹¹

Table 2: Airbnb in WA from May 2016 to December 2018¹²

	May 2016	Mar 2017	Oct 2018	Dec 2018
Number of Listings in WA	5425	8133	11659	12119
Number of hosts in WA	3907	5761	7727	7916
Entire homes/apartments Listings (%)	55.9%	61.4%	69.0%	69.7%
Private rooms within house Listings (%)	42.7%	37.6%	30.1%	29.2%
Shared rooms within house Listing (%)	1.4%	1.0%	0.9%	1.1%
Hosts with 1 Listing (%)	82.2%	81.7%	80.6%	80.45%
Hosts with 6-10 Listings (%)	1.0%	0.9%	1.4%	1.4%

⁸ [Inside Airbnb, Western Australian data](#) December 2018

⁹ [Bankwest Curtin Economic Centre – Impact of Airbnb on WA Tourism, Page 19](#)

¹⁰ Airbnb Country Manager for ANZ, Sam McDonagh, Domain, [What you need to know before renting your home on Airbnb](#), 21 Dec 2017

¹¹ Percentage increase is based on data from May 2016 and December 2018

¹² Data for May 2016 and March 2017 is sourced from the [Bankwest Curtin Economic Centre – Impact of Airbnb on WA Tourism, Page 19](#) Data from October to December is sourced from [Inside Airbnb, Western Australian data](#)



DEFINING HOSTED AND UNHOSTED ACCOMMODATION

'Sharing' is a misleading representation of the type of accommodation provided by online providers. Generally speaking these including the following categories that are broadly defined as follows:

Shared or private rooms, where a guest rents a bedroom in a premise that is "hosted" (i.e. occupied) by the owner.

Un-hosted stays, where a guest rents out a person's entire primary residence. Because the property is a primary residence, it is only available to be let in an un-hosted capacity for a limited number of days each calendar year.

Un-hosted stays in vacant properties that are not primary residences. The property is either managed by the owner, or a professional management company. Owners may list one or more properties for rental.¹³

Only 'shared or private' rooms constitute genuine home sharing.

GENUINE, HOSTED HOME SHARING IS SUPPORTED

Shared accommodation where the host is present constitutes genuine sharing and is strongly supported. While unhosted stays and unhosted stays in vacant properties that are not primary residences present an increased risk and is a type of unregulated commercial activity.¹⁴

Claims by Airbnb that they are a sharing platform are not reflected in the movement towards listing sole occupancy accommodation which competes directly with traditional hotels and should be subject to regulation.

An Airbnb's Australian Public Policy spokesperson has described hosts as;

*"...mums and dads who rely on sharing a spare room in their own home to make ends meet."*¹⁵

When he visited Australia in 2017, Airbnb co-founder Joe Gebbia was specific when talking about Australia's Airbnb hosts;

*"When we go city by city, country by country, the majority of our hosts, our owners are simply renting out their spare bedroom."*¹⁶

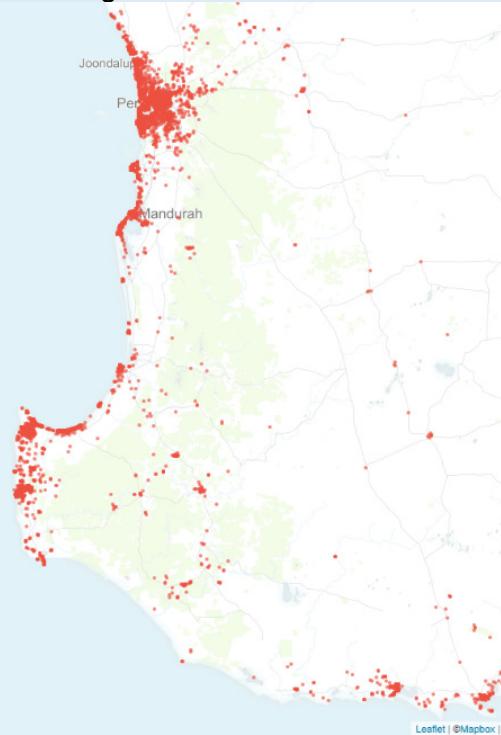
If this statement reflected the reality of Australia's experience with Airbnb, the AHA would have no issue with the company continuing to operate unimpeded. Sadly, the facts clearly show that this is not the case in Western Australia.

¹³ TAA Submission to NSW Parliamentary Inquiry into Short-Term Accommodation, 2018

¹⁴ TAA, Submission to Airbnb Inquiry

¹⁵ [NZ Herald, article, 16 July 2018](#)

¹⁶ [News.com.au, Article, 21 November 2017](#)

Table 3: Airbnb Entire Home Listings In Western Australia¹⁷

Trend towards Regulation

Around the world, decision makers are moving toward imposing stricter controls over short-stay accommodation. Barcelona, Paris, Miami, Amsterdam, Berlin, New York and San Francisco (the birthplace of Airbnb) are just a few of the cities that have adopted regulations to address the rapid growth of short-stay accommodation.

In these mature markets, where platforms like Airbnb have been operating for over a decade, there is a widespread understanding that sharing platforms are no longer just a place where mum and dad operators can rent out a room or their house for a few days.

Despite Airbnb's protestations, they have demonstrated a willingness to comply with new regulations, when forced to.

In response, governments have considered and in many cases adopted range of common features in introducing a regulatory framework for short-stay accommodation. These include registration of accommodation providers, payment of a registration fee, limitations on short-term letting of unhosted entire homes, enabling the collection of taxes and penalties for non-compliance.

While Airbnb has objected to the introduction of new regulations and argued for simpler rules, internationally they have demonstrated a willingness to co-operate when regulated by governments.

¹⁷ [Inside Airbnb, Western Australian data](#)



Table 4: Summary Of International Regulation Of Short-Term Accommodation

	Registration Requirement	Registration Fee	Limit on short-term letting of Entire Home	Collection of Govt Taxes	Fines for Non-Compliance
San Francisco	Yes	Yes	Yes (90 days)	Yes	Yes (\$1000)
New York	Yes	Yes	No	Yes	Yes (\$7500)
Paris	Yes	Unclear	Yes (120 days)	Yes	Yes (€50,000)
Miami	Yes	Yes (\$250)	Unclear	Yes	Yes (1 st violation up to \$20,000 – 5 th violation up to \$100,000)
London	Yes	No	Yes (90 days)	No	Unclear
Berlin	Yes	Yes (€250)	Yes (90 days)	Yes	Yes (€500,000)
Amsterdam	Yes	No	Yes (90 days – 30 by 2019)	Yes	Yes (€20,500)
Barcelona	Yes	Unclear	Unclear	Yes	Yes

International Principles of Home Sharing

Internationally, there is increasing agreement amongst regulators, politicians and stakeholders on how unregulated accommodation must be managed in order to better balance the interests of industry and the community. At a recent global conference, ReformBnB, attendees endorsed the following eight principles for a Socially Responsible Short-stay Rental Industry:¹⁸

- Home Sharing is for homes
- Registration is a must
- Neighbours, co-tenants and landlords must have a say
- Neighbourhoods must be protected from AirBnB-fication
- Short-stay lets must be safe, secure and accessible
- Compliance must be monitored and enforced

The professional STR industry must pay the same level of tax as hotels and other accommodation service providers

The peer-to-peer platforms are the key intermediaries in this industry and must take responsibility and be legally liable for collecting taxes and stopping illegal behaviour

18 ReformBnB



CURRENT REGULATORY FRAMEWORK – REGULATED VS. UNREGULATED

The regulatory framework for hotels is extremely complex and straddles local, state and commonwealth legislation. Developers and operators of hotels are required to meet standards that correspond with their responsibilities to ensure the safety and security of guests. This is reflected across key areas that impact on hotels including planning, accessibility and licensing requirements which are not imposed on unregulated providers.

The ability to reduce the cost of compliance for accommodation properties is limited, as a number of these costs are built into the development cost. These compliance requirements, once built, are then part of the costs of operating and maintain a property.

Key areas of regulation for hotels have been identified below and contrasted with regulation, if any, imposed on unregulated residential accommodation providers.

Planning

There is an exceptionally high barrier to entry into the regulated hotel accommodation market. Developers and operators are forced to navigate an intricate network of regulatory, environmental and planning processes. Securing the myriad of necessary approvals is a lengthy and expensive exercise even before the costs and added risks associated with construction are considered.

A 2015 Austrade Report on hotel development regulations in Australia calculated the standardised approvals timeframe for a three star, 300 room hotel development in the Perth CBD. The approvals process was estimated to be 25 weeks in duration for a development cost of \$131.1 million, or \$437,000 per room.¹⁹

Construction costs for hotels are significantly higher due to *Building Code of Australia* standards. Commercial short-stay accommodation is typically grouped as Class 2 or Class 3 buildings, and provide more stringent standards. These include construction and structural requirements, disability and accessibility requirements, energy efficiency standards, fire and emergency safety obligations, lighting and different parking ratios.

Enforcement of Building Codes is delegated to local governments. Planning applications and approvals are administered through local Development Assessment Panels which also consider compliance with environment, heritage and other local government considerations.

Once established, local governments retain primary responsibility for the regulation of hotels. Under a range of planning, public building and health and safety legislation, officers are empowered to inspect, require maintenance and improvements. These costs are recovered from business through inspection fees and work orders.

Unregulated accommodation is typically zoned for use as residential and are subject to significantly lower standards. Where an individual is seeking to conduct commercial activities at the property, local government should be guided by the Western Australian Planning Commission (WAPC) Holiday Home Guidelines which establishes “clear guidelines for the short stay use of holiday homes for tourism accommodation.”

¹⁹ When broken down, hard costs were assessed to be the highest component of development (\$89.3 million), followed by finance (\$20.4 million), professional fees and charges (\$20.4 million of which \$400,000 were attributed to direct regulatory costs) and land costs (\$5.25 million).



The stated objectives of the guidelines are;

To ensure that short stay use of residential homes occurs within appropriate locations to enhance the tourism experience and reduce existing or future land use conflicts such as impacts on residential amenity.

And; *To ensure that all new holiday home rental accommodation is in accordance with relevant legislation, local planning schemes and policies, and management plans.*

In addition, some local governments have issued short-stay accommodation policies. However for many years these policies have been brazenly ignored by those operating unregulated short-stay accommodation properties and furthermore, local governments have not enforced these requirements.

Clearly, even when local governments adopt a Holiday Home scheme or short-stay accommodation policy, the objectives of these policies are not being met. This failure can be attributed to a lack of appropriate enforcement and oversight, largely as a result of inadequate resourcing. The unprecedented growth of platforms such as Airbnb has manifested into a problem that is beyond the control of local government authorities with limited resources.

It is the AHA's position that more problematic situations arise from where there is no holiday home or short-stay accommodation scheme in place. Where short-stay accommodation properties are not registered they operate with little regard to the concerns of the community, the policies of the local government or apprehensions of neighbours. There is often no recourse available for those neighbours who object to having a quasi-hotel operating in their neighbourhood.

Despite the proliferation of short-stay accommodation in recent years, there are very few policies in place throughout Western Australia. Where a policy does exist, it is often ignored with impunity, rendering such policies impotent.

We note however that there are a number of holiday homes accommodation who comply with local council holiday home by-laws. These are developed in accord by State Planning Holiday Home Guidelines and should not be subject to new registration or approvals processes.

Accessibility

The demands of disabled guests are well catered to by hotels.²⁰ Hotels provide amenities that include accessible rooms, sanitary, signage, entry and evacuation facilities.

Under the Building Code, new accommodation properties or those that trigger the Standards are required to provide for access to common areas and a complicated ratio of accessible rooms depending on building classification and room capacity. Table 4 outlines the requirements for building classification.

Across the three classes of buildings²¹ that provide for short-stay accommodation, only single dwelling or residences (class 1A) are excluded from any requirement under the disability standards.

²⁰ Disability (Access to premises – Buildings) Standards 2010



The overwhelming majority of listings do not provide for disabled guests. Their use as commercial short-stay should trigger immediate reclassification to a Class 1b building.

The use of residential properties for short-stay accommodation use should trigger an immediate reclassification of buildings and require as a minimum, an accessible room, disabled bathroom facilities and a common area.

Table 4: Accessibility Room Requirements for Class 3 buildings (Hotels)

Room Range	Accessible Ratio
1 to 10	1 accessible unit
11 to 40	2 accessible units
41 to 60	3 accessible units
61- to 80	4 accessible units
81 to 100	5 accessible units
101 to 200	5 accessible units plus 1 additional accessible unit for every 25 units or part thereof in excess of 100
201 to 500	9 accessible units plus 1 additional accessible unit for every 30 units or part thereof in excess of 200
more than 500	19 accessible sole-occupancy units plus 1 additional accessible sole-occupancy unit for every 50 units of part thereof in excess of 500

Liquor Licensing

Liquor and beverage service are synonymous with the traditional hotel experience. Depending on the style and services offered by the hotel, they may be required to provide liquor for on premise consumption at bars and restaurants, in function rooms, in room mini-bars or for take-away.

Racing, Gaming and Liquor are responsible for the grants and administration of liquor licenses. While some properties may choose to be unlicensed, developers or operators of hotels typically apply for Hotel or Restricted Hotel Licenses, which prohibit off-premise sales. Applications cost \$3,567. As part of the process, applicants are required to submit to a public interest assessment, requiring extensive consultation with the community, often involving the engagement of private consultants and lawyers, whilst also securing approvals from local government, which can cost between \$7,000 and \$20,000.

There are currently 352 hotel and hotel restricted licenses in WA.²² They are required to comply with a range of regulations prescribed under the *Liquor Control Act 1988*. These provide the Director of Liquor Licensing with the power to investigate any matters relating to the operation of a licensed premise. Offences can result in infringements, conditions being places on licensed that can restrict hours or service of specified types of liquor. There is also the potential for suspension or cancellation of licences.

Food and Hygiene

Responsibility for ensuring kitchens support good health and public safety outcomes are shared by Local Government and Racing, Gaming and Liquor. Kitchens must be of a commercial quality, and are subject to inspection to ensure hotels are meeting safety and

²¹ Class 1a, 1b, 3 and 4 buildings

²² Sourced from RGL Data on all licences as at 8 January 2019



hygiene requirements.²³ Food offences carry heavy fines of up to \$50,000 for individuals and \$250,000 for body corporates.

The greatest risk for business is damage to their reputation through the publication of names of offenders on the health website which remains visible for 12 months. These stories are often reported on by media, and reflected in online reviews promoting accountability and transparency amongst operators.

Food services can be provided by unregulated short-stay accommodation hosts whether through the preparation of food for guests on arrival, or breakfasts, they are not subjected to the same scrutiny or regulatory oversight as hotels.

Case Study: WA Food Offences in 2018



The number of businesses found guilty of food offences doubled in 2018 to 15 outlets.

Breaches included the sale of unsafe food, operating an unregistered business, improper storage of food items, food contamination, cleanliness and temperature control. Fines range from \$900 – \$50,000.

Parking

Parking is a priority for Councils concerned about the impact of additional traffic caused by visitors and the impact on the community.

In the City of Perth where there is the highest concentration of regulated and unregulated accommodation, hotels are subject to restrictions on the number of permitted bays per room, and an annual Perth Parking Levy is calculated per bay. Fees ranging from \$1,038.90 for on-street drop-off pick-up bays to \$1,169.20 for guest or tenant parking.

In contrast, residential homes are permitted 2 bays and are exempt from the Perth Parking Levy.

Outside the City, hotels are required to pay levies for parking, if the specified ratio of on-site parking is unable to meet the required ratio. This is calculated according to the maximum accommodation of the venue.

Short-stay accommodation providers are not required to be licensed and are not impacted by a legislated compliance mechanism.

Case Study: Perth Parking Levy on Hotel Car Bays



A standard Perth CBD hotel with 300 rooms is permitted a maximum of 162 parking bays.

If solely for tenant or guest parking would attract an annual Perth Parking Levy Tax of \$189,410.40.

²³ Premises involved in the handling of food must adhere to the National Construction Code, Food Safety Standard 3.2.2 and may also be subject to separate licensing requirements pursuant to the Public Health Act, Food Act 2008, Local Authority by-laws and RGL Directors.



Taxation

There has been considerable public debate around the payment of taxation to ensure that the costs of delivering services are shared fairly by the community.

The regulated accommodation industry are significant contributors to the state and national economy through the payment of federal, state and locally levied taxes including company tax, capital gains tax, payroll tax, land tax, stamp duty, council rates and parking, in addition to GST on all transactions. However, the sharing economy has continued to work within a black economy where platform operators and hosts are benefiting from inequitable taxation requirements.

Sharing platforms

Internationally there has been increased scrutiny of off-shore profit shifting by large multinationals. While tax minimisation practices are not new, Governments have been alarmed at how effective large companies have been in avoiding the payment of taxes on local profits.

Avoidance of corporate tax represents a loss to Australians and results in an uneven playing field for Australian businesses.

The extent of tax avoidance by multinationals has been uncovered by a Federal Senate inquiry into tax avoidance.²⁴ Airbnb claimed they complied with Australian tax laws, but admitted that profits were directed through Ireland where their head office is domiciled, attracting a lower corporate tax rate of 12.5 per cent.

In evidence to the committee, Airbnb Spokesman Sam McDonagh confirmed the company made profits in Australia but stated that these related only to marketing and promotional services. Airbnb refused to disclose the company's profit or taxable income.

"As we are a private company, I am unable to disclose the amount of profit that we reported in 2014, but I can say that our effective corporate tax rate was 37 per cent on that."²⁵

Committee Chairman Senator Sam Dastyari observed that although new, sharing economy services still need to pay tax.

"There's a lot of buzzwords around at the moment in politics about disruptive technology and innovation... I'd also like to see us get back to the old-fashioned principle where companies actually pay their taxes in Australia."²⁶

In an interview with ABC Melbourne radio host Jon Faine, Brent Thomas Airbnb Public Policy spokesman struggled to respond to questions about Airbnb's payment of tax in Australia.

Jon Well you just said you wanted to be a responsible citizen, do you pay any tax in Australia at all?
Brent Well Jon, can I...can I...can I answer the question you asked me first?

²⁴ [Senate Inquiry on tax avoidance](#)

²⁵ [Senate Hearing Transcript from Airbnb and Uber on tax avoidance](#)

²⁶ [Sydney Morning Herald, Uber and Airbnb appear at Senate Inquiry, 16 November 2015](#)



Jon Well, we'll come back to it, just deal with this one
Brent ...Sure, um, we, we pay all the tax we're required to pay, so –
Jon - So what tax do you pay? -
Brent In Australia and right around the world, we're a, we're a private company –
Jon What tax do you pay?
BrentJon, we're a private company, and we're a new –
Jon Yeah and I'm asking what tax do you pay? Because you said you want to be good corporate citizens, those were your words, so what tax do you pay in Australia?
Brent Well I'm trying to answer your question, we're a private company -
Jon Yeah?
Brent Tax is paid on profit -
Jon Yeah?
Brent And most of our revenues go back into the company, and continue growing –
Jon In which direction do you generate profit?
Brent Well, Jon, as you know we're a global platform, we're in every single country around the world -
Jon Yeah-
Brent a part from (inaudible) -
Jon Which tax haven are you based in?
Brent Jon, I...I, you know, I don't accept the premise of your question, we...we're a global –
Jon I don't care about the premise, just answer the question. Which tax haven are you based in?
Brent Jon, your producer told me I was coming on to talk about mornings in –
Jon Well I'm sorry, I'm sorry, I guess when you're on air it's up to me to ask the questions, not my producer, which tax haven are you based in?
Brent Well, our, our global headquarters are in San Francisco, in –
Jon Yeah, but –
Brent In California –
Jon Yeah but where, where are you domiciled for tax purposes, is it -
Brent I'm trying to finish -
Jon is it the (inaudible) islands, the Channel Islands, Ireland, the Isle of Man, which one?
Brent I'm trying to finish my answer, our global headquarters are in San Francisco, California –
Jon Yeah, but where are you domiciled for tax purposes?
Brent And then we've got a, we've got a, a big, uh, a big operation in, in Dublin, in Ireland –
Jon Ah, right -
Brent Like a lot of global companies do –
Jon what, there's about 12% tax in Ireland, or something, isn't it?
Brent And then I personally work out of, out of Sydney, but I'm always getting around to see, uh, see hosts right around Australia and New Zealand, the people...the Australians who are sharing their homes, Jon, with, with other –
Jon So, what taxes do you pay in Australia?
Brent ...Well, Jon I've answered the question –
Jon No, you haven't, you said you answered...you pay all the taxes you have to pay, so, which ones are they?



Brent Well, we're a privately owned company, and we don't disclose the number, I've tried to tell you that
Jon Well, you don't pay any company tax here, do you?
Brent Well that's not true, there's a, there's a, um, there's, there's been a fact inquiry into this, um, about multiple company's from the senate and if you read the han –
Jon Well you said you want to be a good corporate citizen to tell me what company tax do you pay?
Brent Well I've answered that question about eight times, Jon, if you've got –
Jon No, you haven't, you've evaded it eight times, like you evade your taxes
Brent Well, I'm sorr –
Jon You want to be a good corporate citizen? Disclose and pay
Brent I'm sorry that's your perspective, there are laws in this country that require us to make, um –
Jon Well....(inaudible)
Brent Go on...
Jon The bottom line is that company's like yours are predators and parasites basically, Brent, you -
Brent Well -
Jon Want the benefits of operating in a country like Australia but you don't make a contribution and you make life hell for your neighbours²⁷

Airbnb has continued to avoid questions on the disclosure of information on the profit and taxation they pay in Australia, despite claiming to be a responsible corporate citizen.

It is worth noting that in 2015, Airbnb was estimated to be worth \$25.5 billion, well ahead of international hotel giants Marriott (\$20.9 billion), Starwood (\$14 billion), Wyndham (\$10.1 billion), and Hilton Worldwide (\$27.7 billion).²⁸ In 2018, Airbnb's valuation is estimated at \$31 billion and remains one of the largest accommodation providers, without owning or operating a single hotel.

The Federal Government has started work to address the prevalence of tax avoidance in the sharing economy. In January 2019, Federal Government Treasury and the Black Economy Division released a consultation paper into creating a sharing economy reporting regime. A key recommendation of the report supported a compulsory reporting regime.²⁹

Hosts

Rental income gained from letting out all or part of a host's home constitutes assessable income and should be declared. A lack of disclosure requirements on sharing platforms has contributed to the growth of a black market accommodation industry in Australia, and represents significant taxation leakage to the state government.

ATO advises short-stay accommodation providers to declare all income from rentals in their annual returns, allowing hosts to make deductions for associated expenses, such as claims on home loan interest.

²⁷ [ABC, Airbnb on tax evasion in Australia, 24 November 2017](#)

²⁸ [ZD Net, Airbnb argues that boost to economy makes up for tax evasion, 18 November 2015](#)

²⁹ [Australian Government Treasury, Implementing a reporting regime for sharing economy platform providers](#)



Airbnb encourage their hosts to comply with Australian tax laws and pay all required taxes.³⁰ However, the reality is that there is currently no way of ensuring accurate reporting. Airbnb recently released data that hosts generated a total income of \$105.2 million in WA over the past year.

Unregulated accommodation hosts are required to pay GST, but only if their annual income from the services exceeds the GST-free threshold of \$75,000.³¹ It is clear that there are many hosts earning above this threshold, yet there is no transparent mechanism to ensure they are paying GST on that income.

The ATO announced in August last year, it would commence collecting data from online accommodation platforms such as Airbnb, Stayz and Expedia. The purpose of this new program is not only to ensure taxpayers abide by their taxation obligations but importantly, to ensure they are meeting registration, lodgment and reporting responsibilities.

The Federal Government has estimated that the records of approximately 190,000 individuals will be obtained. Action by the ATO to secure data will provide the transparency necessary to allow for the fairer collection of tax from all providers of unregulated accommodation.

Insurance

Public liability insurance is mandatory for all hotel operators with policies generally providing protection for up to \$20 million. The practice recognises the high risk associated with operating a business that serves the public. Insurance provides both parties with confidence that all associated costs can be recovered, and is complimented by risk or house management plans, security, and workplace health and safety protocols.

Guests of unregulated short-stay accommodation cannot be assured of the same level of protection.

Sharing platforms have introduced insurance for hosts, after a number of hosts attempted to claim for damage, vandalism and theft found they were ineligible under their existing home insurance. Airbnb offer \$1 million US ‘Host Protection Insurance’ and ‘Host Guarantee’ to protect against personal injury or property damage claims. While Airbnb say “we’ve got your back,” both of the above mentioned protections are limited, subject to exclusions and do not cover the host’s home, which is what lenders require. Airbnb also specifically excludes cover in circumstances where injuries have occurred on common property, such as in a lift or hallway.

There is skepticism amongst hosts about the effectiveness of the guarantees, with hosts stating that even Airbnb recommends they “avail yourself of other cover options before trying to use this product.”³²

³⁰ [Airbnb Submission to the Senate inquiry on tax avoidance](#)

³¹ [Australian Government Treasury, Implementing a reporting regime for sharing economy platform providers](#)

³² [Airbnb Community. Home Hosting Insurance for Australian Hosts, 3 August 2016](#)



Case Study: Boy killed while staying at Queensland Airbnb

A four-year-old boy killed after a swing collapsed on him while staying at a Queensland Airbnb property in September 2018, is being investigated by WorkCover due to its classification as a business. The incident has prompted discussions about who is liable for death or injury at short-stay accommodation properties.

Who is liable in this matter has been publicly debated. Alison Barrett, principal lawyer at Maurice Blackburn stated that Airbnb's free Host Protection Insurance "would generally only kick in when the host or the landlord has been at fault or been negligent for the circumstances of the injury. For this particular [swing set] case, for example, you would need to prove that the owner of the property was aware or should have been aware that the swing posed a risk to children who used it — and in light of that knowledge, that they then failed to repair the swing or to maintain it or to remove it. If this was a tragic accident that was no one's fault, there will be no compensation payable to the family."

Sam McDonagh, Airbnb Australia and New Zealand manager, said liability-insurance claims (under its Host Protection Insurance program) were extremely rare, with liability-insurance incidents getting reported to the company "0.001 per cent of the time in countries where the program was active."³³

Public Safety in Hotels

Hotels are required to provide a safe and secure environment for guests, staff and visitors. Hotels must satisfy infrastructure, fire, safety and accessibility requirements that reflect the commercial nature of hotels.³⁴³⁵

Table 5: Examples Of Safety Measures In Hotels

Fire detection systems	Back-up generators	Emergency lighting in stairwells
First Aid kits including defibrillators	Secure locks on windows / doors	PA Systems
Hard-wired smoke detectors	Sprinklers on the ceiling	Evacuation procedures & trained staff
Fire extinguishers and blankets	Security personnel	Incident report registers
Fire doors and escapes	In-room safes	
	Electrical Safety Switches (RCDs)	

Required standards for hotels are predicated on an assumption guests will not be familiar with their surrounds and are intended to facilitate easy exit from the building. For example, fire evacuation plans are displayed prominently, doors are self-closing to minimise the spread of fire and smoke, smoke alarms are fitted in each apartment to allow for early warning and lighting and signage are connected to a backup generator. In addition, all information and signage is intended to overcome language barriers and be easily understood in the event of an emergency.

The development of regulations and protocols have been developed in response to recognised risks to public safety.

Unregulated short-stay accommodation conducted in residential accommodation are subject to lower standards and should be subject to minimum requirements including, fire evacuation information, fire blankets, and fire alarms in each room.

³³ [Insurance Business Australia. Liability for death or injury during an Airbnb stay? 27 September 2018](#)

³⁴ National Construction Code and Building Codes

³⁵ [Racing, Gaming and Liquor, Standards of Licensed Premises](#)



Case Study: Childers Backpackers Hostel Fire

In June 2000, an arson attack on the Childers Backpackers Hostel resulted in the deaths of 15 backpackers.

The resulting inquest found operators of the hostel, had installed a fire alarm system. But due to a system malfunction, it had been disabled. Breaches to fire safety standards included blocked exit paths, failure to keep maintenance records, and insufficient staff training in fire safety.

At the time, fire alarms were not required by law.

Discrimination

It is unlawful for a hotel to discriminate, harass or treat guests or staff unfairly. A number of Federal and State laws prohibit hoteliers from direct or indirect discrimination.³⁶

Hotels are responsible for the actions of staff and contractors and have policies and procedures in place to limit liability including:

- implementing Equal Employment Opportunity (EEO) policies, harassment policies and grievance procedures;
- training staff to ensure that they are aware of their rights and responsibilities in relation to anti-discrimination legislation; and
- making clear what is not acceptable behaviour in the workplace.

There are reported cases in the United States where accommodation has been cancelled on discriminatory grounds.

³⁶ [NSW Anti-discrimination Guidelines for Hotels](#) and [Dept. of Commerce Fact Sheet - Discrimination and Harassment](#)



IMPACT ON JOBS

The regulated accommodation industry plays a vital role in Western Australia's economy.

A recent report by Deloitte Economics shows that there is a national average employment vacancy rate of 7%.³⁷ This equates to approximately 38,000 positions in the industry. By 2020, there is expected to be 123,000 additional workers required to fulfil the growth demands of the industry.

The future of employment in the tourism and accommodation sectors will be based around the successful retention of existing staff, whilst also attracting new and well-trained workers. The training of new staff in tourism-related sectors is more effective and successful if the training is trailered to the tourism sector's needs.

With the unfair competition from the unregulated short-stay accommodation sector, the confidence for businesses to develop these training opportunities is at risk.

Table 6: Hotel Employment Categories

Executive Management	Food & Beverage
<ul style="list-style-type: none">• Hotel General Manager• Chief Financial Officer• Department Directors• Revenue and Sales Managers	<ul style="list-style-type: none">• Chefs (Executive, Sous, Demi, Chef-de-Partie, Pastry etc)• Food preparation and kitchenhands• Food and beverage attendants
Guest services	Sales and Marketing
<ul style="list-style-type: none">• Concierge• Housekeeping• Receptionists and front office staff• Clerical and administrative staff	<ul style="list-style-type: none">• Marketing• Reservations and sale• Banqueting & Functions
	Engineering and maintenance
	<ul style="list-style-type: none">• Warehouse• Security officers

Hotels that are being actively undercut by an unregulated competitor will need to make the necessary business decisions in order to survive, including;

- Reducing staffing levels
- Postponing maintenance and/or capital improvements
- Deactivating rooms
- Reducing or discontinuing food and beverage offering or other guest services
- Reducing or cancelling training opportunities
- Reducing investments in community or industry organisations
- Reducing or cancelling orders with suppliers

The consequences of properties reducing staffing levels results in a significant impact on the community. Affected employees will likely be required to change industries, reskill or retrain, or become underemployed or unemployed.

³⁷ [Australian Tourism Labour Force Report: 2015-2020. Deloitte 2015.](#)



The accommodation industry also plays a pivotal role in delivering a variety of training and apprenticeship opportunities for Western Australians. Their ability to continue to do so is being undermined by unregulated short-stay accommodation listings.

The consequences outlined above are the cause of serious concerns by WA hoteliers, as reflected in the following comments provided to the AHA.

Case Study: Hotel General Managers on the Impact of Airbnb

1. *"Home sharing is having a direct effect on our employee levels. We like to keep a local touch with our employees from the local area, especially taking advantage of return to work programs. But with less demand for rooms, we have had to lay off and hold off on recruitment drives."*
2. *"We are a developer and operator and have recently completed our second investment into WA. After spending money on town planners to assist us to jump through all the hoops required to open and operate our first hotel, we have received a complete slap in the face to have next door a building that is 90 per cent home sharing, operating without any requirements. Why would we continue to invest in Perth hotels when someone can open next door and destroy it without spending a cent?"*
3. *"As a commercial business, we are required to comply with a wide variety of regulatory requirements. We pay higher levels of council rates and need to organise for our own waste disposal. A home sharing operator is able to "masquerade" as a resident, paying significantly lower levels of council rates."*

IMPACT ON FUTURE INVESTMENT

In recent years WA has seen unprecedented investment in hotel accommodation across the state.

In any industry there is an expectation that all play by the same rules, without being allowed to operate in grey areas. Allowing a cheaper unregulated competitor to enter the market, and failing to address the loopholes they operate within, directly undermines the future and value of the industry.

For Western Australia to continue to grow international visitation, it is imperative that the accommodation industry can attract investment. Investment in this industry ensures the quality of accommodation on offer improves, customer expectations are met, employment opportunities grow and WA remains an appealing destination.

Investment cannot be taken for granted. If an element of the industry deters long term investment, it can be assumed that investors will find industries or jurisdictions that do not carry the same risk.

IMPACT ON COMMUNITIES

The growth of unregulated short-stay accommodation is having significant impact on those that live next door to these properties.



As properties are increasingly being used for short-stay accommodation, it removes housing stock from the long-term rental market. In addition to the detrimental impact on community amenity arising from Airbnb properties in residential areas, studies have also determined that the platform is placing upward pressure on rental costs.

The Impact of Airbnb on NYC Rents, commissioned by New York City Comptroller Scott Stringer, found that “New York City renters had to pay an additional \$616 million in 2016 due to price pressures created by Airbnb”.³⁸ The report also found that Airbnb was exacerbating homelessness and that between 2009 and 2016, approximately 9.2 per cent of the citywide increase in rental rates can be attributed to Airbnb.

The Australian Housing and Urban Research Institute also found that prospective property owners and tenants are likely disadvantaged by unregulated short-stay accommodation. Their report, *Technological disruption in private housing markets: the case of Airbnb*, concluded that it was likely that short-term letting is removing properties from the long-term rental market and that this is in turn contributing to increasing unaffordability.³⁹

The impact on the rental market, although significant, is not as significant as the impact on the amenity and wider community. The issue is often worse for those living in apartment or strata complexes. There has been wide spread reporting regarding party houses, with destruction of common property, noise, parking, and the security of the building, often a huge concern for neighbours. In conjunction with antisocial behaviour, there have been incidences of illegal activities, such as drug houses and brothels operating in unregulated short-stay accommodation properties.

The proliferation of Airbnb properties has essentially placed quasi-hotels in every neighbourhood. Legitimate, regulated accommodation businesses are located in specific zoned areas, reflecting the fact that hotels can impact on the amenity of neighbours. A lack of regulation is allowing commercial businesses to operate in residential neighbourhoods and there are clear negative outcomes on community amenity arising as a result.

A survey conducted by the AHA in conjunction with WA Apartment Advocacy showed that the majority of neighbours living near to unregulated short stay accommodation properties are experiencing problems such as excessive noise, parties, disrespectful behaviour and breaches of property by-laws.

Of respondents living near to a short stay accommodation property (such as an apartment, flat, villa, unit or house):

- 67% experienced problems with holiday guests not complying with relevant by-laws
- 66% experienced with excessive noise
- 60% experienced problems with disrespectful behaviour
- 58% experienced problems with parties being held at the property
- 52% experienced problems with excessive rubbish

Of the respondents who own a short stay accommodation property:

- 73% are concerned about damage being done to their property
- 69% are concerned about guests making excessive noise
- 60% are concerned about parties being held at their property

³⁸ [New York report: The Impact of Airbnb on NYC Rents](#).

³⁹ [Australian Housing and Urban Research Institute: Technological disruption in private housing markets: the case for Airbnb](#)



- 56% are concerned about guests being disrespectful to neighbours
- 52% are concerned about guests not complying with relevant by-laws

Results highlight the spectrum of issues impacting on communities. These are not being effectively resolved through existing regulatory and complaint resolution processes due to the temporary nature of short-stay accommodation.



AHA RECOMMENDATIONS ON SHORT-STAY ACCOMMODATION

A fairer shared approach to short-stay accommodation

Consistent with agreed international principles developed by ReformBnB, the AHA has developed five key principles, endorsed by industry. It enables genuine home sharing to continue, while protecting the economic and social benefits that are derived from the regulated accommodation industry.

1. Home sharing properties must be registered, with a fee payable to fund compliance monitoring.
2. Only a host's primary residence may be listed for sharing.
3. Short-stay accommodation must meet fire, safety, building and insurance requirements appropriate to short term rentals.
4. Peer-to-Peer platforms must be required to stop listing illegal and non-compliant rentals and share relevant data with authorities.
5. Neighbours, co-tenants and landlords must be empowered and allowed to have a say.

Key features of the AHA's recommended regulatory approach are outlined below.

A mandatory registration scheme

Home sharing properties must be registered, with a fee payable to fund compliance monitoring.

A mandatory registration scheme, coupled with a requirement that online sharing platforms provide access to data, will ensure transparency and traceability across the currently unregulated short-stay accommodation sector.

A registration system would be most appropriately managed at a State Government level. State Government agencies have the appropriate infrastructure to develop and maintain online reporting systems. Local government authorities would be responsible for distributing registration numbers.

A registration system could operate as follows;

- A host applies with their relevant local government council/shire
- Local government authorities issue a registration number
- The central registry is managed and maintained by a State Government authority (such as the Department of Planning, Lands and Heritage)

Local Government authorities will have (through the collection of registration fees) resources to monitor non-compliance.

The funding of compliance and enforcement is a critical concern for local governments. Effective regulatory controls around the world have been underpinned by a centralised registration system, and the adequate resourcing of responsible agencies.

Short-stay accommodation platforms have complied with similar obligations to register properties in a number of other jurisdictions they operate in. Registration will provide



information on supply of short-stay properties, as well as a mechanism to enforce any regulations.

Case Study: Japan introduces Mandatory Registration⁴⁰

Japan and Airbnb have entered in a registration scheme and data sharing arrangement since June 2018, with the introduction on new short-stay accommodation laws. All hosts must register their properties, and display a registration number on the listing. Following the implementation, more than 30,000 illegal listings were removed by Airbnb, as they did not provide a registration number.

One host one home policy

Only a host's primary residence may be listed for sharing.

To ensure that sharing occurs in only a hosts primary residence, Airbnb has implemented a 'One Host One Home' policy in a number of international jurisdictions.⁴¹

The adoption of this policy in WA, requiring registration of properties on a platform, will assist with compliance monitoring. It will address the prevalence of multi-listings, which are a feature of commercialised sharing and commercial hosts.

Limiting listings to primary residences only will ensure that investors don't purchase properties in WA, with the intention of renting the property on short-stay accommodation platforms. It will ensure the amenity of local communities and residents is preserved, while safeguarding properties for long-term rentals.

For the purposes of keeping a uniform definition with other government agencies, it is helpful to adopt the Australian Taxation Office definition of a host's primary (main) home.

The ATO considers a dwelling is to be considered a primary or 'main' residence if:

- you and your family live in it
- your personal belongings are in it
- it's the address your mail is delivered to
- it's your address on the electoral roll
- services such as gas and power are connected.

Appropriate fire and safety standards

Short-stay accommodation must meet fire, safety, building and insurance requirements appropriate to short term rentals.

The use of a private residence as a commercial accommodation property is not compliant with a number of regulations nationally. It is posing a significant risk to public health and safety, and threatens the lives of thousands of visitors to Australia.

⁴⁰ <https://www.japantimes.co.jp/news/2018/06/21/business/airbnb-showing-illegal-lodgings-japan-week-start-p2p-rental-law/#.XFEYo1UzaM8>

⁴¹ [One Host One Home Policy from Airbnb's website](#)

All unregulated short-stay accommodation properties should have the appropriate planning approval from Local Government. This is not currently the case, and they should also be required to be compliant with relevant regulations relating to operating a commercial accommodation business, as outlined throughout the submission.

Data sharing requirements

Peer-to-Peer platforms must be required to stop listing illegal and non-compliant rentals and share relevant data with authorities.

A requirement for short-stay accommodation platforms to share data with government will underpin the success of any policy or regulation.

Online platforms must be obligated to comply with new regulations, remove non-compliant listings, and provide data on host and listings to the relevant authorities. The data provided must not be aggregated data, as aggregated data is not specific or accurate enough to allow identification of listings, hosts or properties.

Registration numbers on all listings will assist with compliance monitoring and enforcement efforts. It is essential that the hosting platform is held responsible for the listings on the platform.

Data sharing arrangements with listing platforms and government agencies are increasingly common throughout the world. Airbnb has provided host and listing data to the Australian Federal Government, and recently the ATO, to assist with reporting taxable income.

Case Study: Barcelona-Airbnb Data Sharing

Barcelona and Airbnb have a data sharing arrangement that allows city officials to receive host data, including property locations and who the property is registered under, to assist with compliance monitoring.^{42 43}

The screenshot shows a listing for an 'ENTIRE APARTMENT' located '2 BLOCKS FROM EVERYWHERE.' with 'WIFI.NEW'. The listing is in Barcelona and can accommodate 5 guests in 1 bedroom with 3 beds and 1 bath. It features 'self check-in' via a lockbox. The price is \$78.25 per night, with a 4.5-star rating from 275 reviews. The listing includes a photo gallery, guest reviews, and booking details. The listing is identified by license number HUTB-009961.

⁴² [Barcelona and Airbnb Data Sharing arrangement, article, June 6 2018](#)

⁴³ [Airbnb Barcelona Listing](#)



Protecting community amenity

Neighbours, co-tenants and landlords must be empowered and allowed to have a say.

The obligation for short-stay accommodation to submit to planning approvals will ensure adequate consultation with impacted neighbours. It also provides for an objection process. This will allow concerns relating to noise, parking, amenity, and security, be considered before approval is granted.

As with the NSW inquiry into short-stay accommodation, neighbours, particularly those living in strata complexes and apartments, were given stronger rights and entitlements to have their say on short-stay accommodation within their building. The allowance for body corporates to pass by-laws prohibiting short-stay Accommodation would empower residents.

Neighbours need an effective avenue through local government to report non-compliant properties so that issues can be remedied and repeat offenders penalised.



CONCLUSION

The unimpeded growth of unregulated short-stay accommodation has failed the WA community.

Employment, training and investment opportunities are being placed at risk, neighbourhoods are being negatively impacted and short-stay accommodation platforms have not demonstrated a willingness to adequately address these issues independently.

A strong, timely response from Government is required in order to shield the regulated accommodation industry from further economic damage and protect the tens of thousands of local jobs who depend on a fair, properly regulated sector.

The AHA is supportive of measures that will continue to see platforms such as Airbnb play a role in WA's accommodation industry, however it is important that they are allowed to facilitate genuine, hosted home sharing services and not enable homes to be turned into quasi-hotels.

Only a strong, fair regulatory model will secure the above objectives and deliver an outcome that is in the best interests of all Western Australians.