



## Summary – Regulation of Tourism Accommodation

- The rapid growth of sharing economy platforms which facilitate the purchase of tourism accommodation by Australian consumers, such as Airbnb, has prompted state/territory governments and local government authorities to consider if existing regulatory models are still adequate.
- The fact that the growth of Airbnb and other similar sharing economy platforms is now having an impact on housing affordability is also forcing state/territory/local governments to act.
- For example, recent data (compiled using information from the Australian Bureau of Statistics, insideairbnb.com and the Real Estate Institute of NSW) showed in the City of Sydney and the Waverley Council (which includes Bondi Beach), the number of entire houses listed on Airbnb for 90-plus days per year is more than the number of vacant rental houses.
- The figures are: City of Sydney – 1268 houses on Airbnb, 876 vacant rental houses; Waverley Council – 821 houses on Airbnb, 232 vacant rental houses.
- The explosion of Airbnb has resulted in the emergence of quasi-hotels – when one operator owns a residential apartment building and lists as many as possible of the vacant apartments on Airbnb, making the building a virtual hotel; the key difference between this type of set-up and a compliant hotel is the quasi-hotel does not conform to the same building fire safety standards, disability access requirements and insurance levels as compliant hotels, posing significant risks to consumers.
- In NSW and Tasmania, there have been major public consultation processes to determine the most effective regulatory model for the accommodation industry moving forward (a new, relatively balanced regime in Tasmania commenced on 1 July 2017), while the SA Government undertook virtually no consultation when it changed its laws in favour of Airbnb in June 2016.
- Key policy positions of the Accommodation Association of Australia are:
  - There should be less regulation for businesses in the accommodation industry, not more.
  - Every local government authority in Australia should formally establish a regime to ensure compliance with building fire safety requirements for any building in which tourism accommodation is offered.
  - Each regime should be funded by significant fines for non-compliance of not less than \$1 million per property.
  - Companies which operate online platforms for Australian residential properties to be used for tourism accommodation are avoiding payment of taxes in Australia and are, effectively, “free-riding” on Australia’s tourism industry.
  - The presence of global offshore giants in Australia’s short-term letting market has the potential to significantly diminish the economic benefits to Australia of short-term letting and is driving up the prices of residential and rental housing.
  - Sharing economy platforms, such as Airbnb, do not employ staff under the same conditions as bricks-and-mortar tourism accommodation businesses.
  - In most areas, providing such accommodation demonstrates a flagrant disregard for planning laws, building fire safety requirements, disability access and insurance requirements.
  - Lower levels and lack of compliance with these standards is placing the safety of consumers, including international visitors, at risk.
  - Companies headquartered overseas which operate online platforms for Australian residential properties to be used for tourism accommodation on a broad-scale basis are reluctant to publicly disclose key contact details, income earned in Australia and taxation paid in Australia.