

**Submission
No 11**

**ADEQUACY OF THE REGULATION OF SHORT-TERM
HOLIDAY LETTING IN NEW SOUTH WALES**

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Date Received: 10/10/2015

Airbnb

There are a large number of people who only require short term accommodation.

Staying in a hotel, backpackers, hostel or pub is quite often not acceptable. What happens if you are travelling as a family; it is not very convenient for 2 adults and 2 children to all sleep in one room, and not having the ability to cook at least breakfast and lunch and possibly dinner for the children.

In addition, in some areas there are very few places for families to stay. On the Northern Beaches, for example, if you do not want to stay in Manly, which becomes an unruly zoo at night, then your options are a pub at Narrabeen; generating loud music on the weekends, a couple of properties at Newport and some near Palm Beach.

This is a long way to travel for anyone who wishes to stay around Collaroy.

With the effective dismantling of our manufacturing industry and the rise of tourism, the “build it and they will come” has a reverse side; if there is no accommodation, then they simply won’t come or won’t return. The employment and business multiplier effect of tourism is enormous and this aspect certainly cannot be ignored. Maybe the residents in various areas would rather not have short term visitors, however they also want their kids or grandkids to be employed.

If there is more than adequate accommodation based on current accommodation methods, then there would simply be no market for Airbnb type accommodation. The fact that it is growing only reflects the demand, not an artificially created environment.

Just remember, that you can try to legislate against change, but it never works for very long. Once the Genie is out of the bottle, there is no going back. Think Uber, iPhones, digital photos, the list is endless with technologies that were bottled up and then over ran the establishment, due to customer demand.

I have been renting out properties for over 30 years and have had my selection of good, bad and ugly tenants. Real Estate agents generally are not very proactive, but reactive, so if a problem occurs, they will follow it up. I feel that Airbnb and its copy cats will certainly be a disrupter in the Real Estate industry and a precursor of what will eventually evolve into a new industry, irrespective of government influence. One only has to look at Uber and the senseless artificial government market on taxi licences.

I think that if you wish to run an Airbnb establishment, then there should be a set of reasonable government standards, that everyone needs to comply with. Accommodation vendors would need to display this standard and registration. Anyone wishing to transact within this method of business would also need to pay tax on the income (in the same manner as declarable rental receipts) and obtain a licence to rent out either a house, apartment or room.

Insurance is also an issue and government accreditation would certainly assist with this.

There should also be a taxation determination or ruling on the effect of the tax free cgt status on your home if you are conducting a business from it such as Airbnb.

If the players in the market wish to enter this arena, then they should do this with the correct level of professionalism that any business demands. This is also very relevant to ensure that the tourists that visit our region do not leave with a bad experience due to either being ripped off or have found themselves dealing with a very unprofessional operator. Airbnb are proactive in this matter with the ratings systems that they use. The NSW government could also emulate this by running a board which uses not only Airbnb, but Stayz, HomeAway and others to allow visitors and landlords to rate each other.

Don't let this be another Uber moment, where the market has decided and the government is trying to protect vested interests and only ends up looking either very foolish, or worse, compromised. This should be the dog wagging the tail, not the other way around. Take charge and do this professionally, give a level of certainty to a grey area rather than playing ostrich and you will be applauded.

Robert Wiggins