



Hollow Spin on Airbnb Should Be Disregarded

Following is the opening statement delivered by the Chief Executive Officer of the Accommodation Association of Australia, Richard Munro, at today's public hearing in Launceston as part of the Legislative Council Select Committee inquiry into short-stay accommodation in Tasmania:

Thank you for the opportunity to appear today.

The Accommodation Association of Australia is appearing on behalf of our Tasmanian members, indeed our members across Australia.

The Accommodation Association is the national industry body for Australia's accommodation industry. Members of the Accommodation Association include major hotels, resorts, motels, motor inns, serviced and holiday apartments, bed and breakfasts, guesthouses, backpackers and timeshare establishments in metropolitan, regional and rural Australia, across all states and territories.

The Association's members include major hotel and motel chains, and serviced apartment groups.

The Association's membership base includes almost 2000 properties and more than 110,000 guest rooms.

There are 88,800 people employed in the accommodation sector of the Australian tourism industry.

By comparison, Airbnb directly employs very few people in Australia...most likely in the hundreds.

Airbnb's claim that it supports Australian jobs is "spin" in the extreme – the reality is the rapid emergence of this offshore global giant has directly resulted in less jobs in the traditional accommodation industry.

Unlike the traditional accommodation industry which pays millions of dollars in taxes in Australia to the Federal Government, state/territory governments and local government (including council rates), Airbnb has refused to publicly state how much tax it pays in Australia.

Our industry wonders if Airbnb actually pays any substantial amount of tax in Australia or if it is merely funnelling its fat profits towards offshore tax havens to deliberate avoid paying taxes in Australia.

There isn't much doubt the explosion of Airbnb is raising consumer safety issues – last week we saw the tragic death of a young boy who was hit by a swing at an Airbnb property in Queensland.

Also, a teenager died after being stabbed at an Airbnb apartment in the Melbourne CBD in late July.

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Another significant negative consequence of Airbnb is the pressure it is placing on housing affordability.

It should be particularly unpalatable to public policy decision-makers that Airbnb is spending thousands of dollars on expensive consultants to deliver major reports which support its hollow spin on the housing affordability issue.

The Accommodation Association respectfully urges the committee to disregard any report by a third-party which is paid for by Airbnb on the basis that it is not independent evidence.

Housing affordability a serious problem which should be treated accordingly.

Tangible evidence of how the likes of Airbnb are damaging housing affordability can be found in University of Sydney research which has just been released that shows in the Byron Shire Council area of NSW, over 17 per cent of all housing is listed on online holiday rental platforms.

Let's be clear – our industry welcomes competition, but it's hard to compete with the likes of Airbnb when the regulatory playing field is not level.

In terms of the way forward, as our submission to this inquiry states, the number one priority when considering the regulation of tourism accommodation/short-term letting in Tasmania must be the safety and security of guests.

Traditional accommodation providers are stringently regulated such that they have to meet high standards for building fire safety, disability access and having the relevant insurances in place – very few, if any, Airbnb properties meet these same requirements.

It should be compulsory for any property which sells accommodation to be registered with the Tasmanian Government and failing to do this should attract a fine of not less than \$1 million per property.

Our industry does not support any scenario which permits a group of residential apartments to operate as a quasi-hotel.

The emergence of quasi-hotels is one of the most significant negative consequences of the lack of regulation of sharing economy accommodation in Australia.

A point-of-consumption tax on sharing economy accommodation providers, including Airbnb, should be introduced, with the tax to be imposed according to where the transaction to purchase accommodation takes place – which would capture residential properties in Tasmania being booked through Airbnb and other sharing economy platforms.

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Lack of regulation of sharing economy platforms in Australia has resulted in Airbnb management companies gaining a foothold in Australia, further eroding income and investment from existing operators in the Australian tourism industry.

Thank you again and we look forward to receiving your questions.

- ENDS -

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