

MEDIA RELEASE

Tourism Accommodation Australia calls for government action on unregulated short-term accommodation to stop 'sharing' economy from becoming a 'taking' economy

20 July 2015: Tourism Accommodation Australia (TAA) has called on governments at all levels to act against non-compliant accommodation providers who are putting guests' safety at risk, threatening jobs and contributing nothing to the Australian economy.

TAA has made submissions to Federal and State Governments to introduce legislation to require the registration of rooms that are let on a commercial short term basis by individuals.

In the submissions, TAA argues that there had been an explosion in the number of unregulated accommodation providers in Australia due to the rise of easily-accessible online distribution channels such as Airbnb, which is reported to already have over 35,000 rooms in Australia for rental.

TAA is calling for Federal, State, Territory and Local governments to agree on a national system requiring the registration of premises that are used for commercial short stay accommodation so that they meet a range of health, safety, insurance, tax and regulatory requirements.

Chair of TAA and former Federal Tourism Minister, Martin Ferguson, said there was an urgent need for governments to address the issues to ensure that guests and legitimate operators are protected.

"We are not against the 'sharing' economy, but we are opposed to the 'taking' economy, where unregulated commercial short-term accommodation providers take lots of money without meeting their obligations to guests, the community and the wider economy, said Mr Ferguson.

"TAA has no issue with new entrants who meet their regulatory requirements, but we do not believe that non-compliant accommodation providers should be allowed to ignore the rules set down to protect travellers and legitimate operators.

"If there is rampant growth of illegal short-stay commercial accommodation, it will significantly reduce the likelihood of investment in tourist accommodation, which has the potential to be one of the most sustainable generators of future employment in Australia.

"While city authorities overseas are beginning to crackdown on non-compliant accommodation, Australian councils have found it difficult to act on breaches, despite the operators clearly contravening building code and development consents. This can potentially threaten the validity of insurance policies for both the property owner and – in the case of an apartment block – all unit owners in the building.

"In order to address the situation TAA recommends the introduction of model legislation, agreed by the Federal, State and Territory governments that would require the registration of accommodation that are let on a commercial short term basis by individuals and companies.

"We believe that regulations should apply in a proportionate way, in that resident landlords should not be subject to the same regulations as non-resident commercial landlords of privately rented property, or houses in multiple occupation. However, it is vital that health, safety, tax and other regulations apply when non-residential commercial landlords are commercially letting out rooms or apartments through sharing economy platforms.

"We would advocate for councils to have greater powers to manage and monitor registrations of shorter term rentals/residential accommodation. The letting out of individual rooms by non-resident commercial landlords needs

to be separately classified to permit application of any relevant agreed regulation, to differentiate from commercial accommodation. For example it could be classified as 'special residential', with a distinct and separate category for 'short stay' commercial accommodation.

"Distribution companies listing share accommodation on their sites will be required to ensure that all rooms listed are registered, indicating that they are compliant with Australian laws and have in place consumer protections.

"Ultimately the accommodation industry is seeking to provide certainty for those who invest in legitimate accommodation in Australia, protect jobs and ensure a high-level traveller experience that generates repeat visitation."

For further information

Further information:

Carol Giuseppi,
Chief Executive (acting), TAA
Tel: +61 2 8218 1816
Mob: 0403 452 177
Email: carol@tourismaccommodation.com.au

Peter Hook
Communications Manager, TAA
Tel: +61 407 462213
Email: peter@tourismaccommodation.com.au