

Waterview Gardens B & B

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The Chairperson

Legislative Council Select Committee enquiring into Short Stay Accommodation in Tasmania

Legislative Council

Parliament House, Hobart Tas 7000

Dear Madam

I wish to provide input into the above enquiry.

My wife and I own a traditional Bed and Breakfast in Margate. When I say traditional I mean it has council approval to operate as a B & B. We have 3 guest rooms under the same roof as the main living area of the house. The previous owners applied and received Development Approval from council in 2006 and among other things the following measures were implemented:

Networked fire alarms (i.e. if one is triggered they all operate)

Battery powered emergency lighting

Adequate parking for 3 guest vehicles on the property.

We wish to bring the following points to the attention of the committee:

Point 1: Deleterious Effect on Established Players

With the change in legislation implemented a year or so ago a B & B of our type is no longer required to have council approval. A house on a "sharing" website such as Airbnb with 3 guest rooms is not required to be registered. With the new open slather rules our trading position has deteriorated markedly. Our turnover has dropped about 50% from last year. I had planned to

give up my day job to fully concentrate on the running of the B & B. However, this is now not possible. We have worked hard to build the business since we took ownership 4 years ago. Soon after buying the property we spent approximately \$60 000 on renovations to guest rooms including new ensuite bathrooms. If we had foreseen the rise in “sharing” websites such as Airbnb and the open slather approach of government we would not have made this investment.

Point 2: Uneven Playing Field

As we are registered with council we are rated as commercial. This means our rates are almost double a normal residential house. We feel it is unfair that a B & B operating on Airbnb does not pay commercial rates as we do. This does not constitute a level playing field. We urge the committee to initiate policy to charge all accommodation properties at commercial rates.

An interesting case study is Auckland New Zealand. (Information from the *New Zealand Herald* 3 August 2018).

Auckland Council wrote to all homeowners using online accommodation websites and asked them to declare how many room/nights were booked in the last year. A new tax was imposed on all rooms rented for greater than 28 days in the year. Single rooms in a larger home were exempted. There is also a review process for special circumstances. We urge a similar approach here.

Point 3: Loss of Reputation for Tasmania in the Tourist Market

Lack of regulation has increased the quantity of not up-to-scratch accommodation. We have received many stories from our guests of bad experiences in sharing website properties. This does not do Tasmania any favours in the tourist market

Traditional accommodation providers have been adversely affected since the change in legislation. More importantly long term accommodation seekers have been shut out of the market due to lack of lettable properties. We urge the committee to effect change to bring the regulations back to more align with the traditional accommodation licencing scheme.

Yours Faithfully

Tim Krushka