

The Secretary of the Committee
Standing Committee on Employment, Workplace Relations and Workforce Participation
House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600
AUSTRALIA

25 August 2006

Dear Secretary,

Re: Inquiry into workforce challenges in the Australian tourism sector

Thank you for the opportunity to make a submission to this Inquiry on workforce challenges in the Australian tourism sector.

In particular we would like to address the terms of reference relating to: *Current and future employment trends in the industry.*

Summary & Recommendations

We are concerned about the employment prospects in the tourism sector as a result of recent moves by local councils across Australia to ban short term rentals.

We urge the Standing Committee to:

1. recognise the contribution made to employment, national income, and the tourism industry by short term rental properties including holiday homes and furnished apartments;
2. assess the economic impact on employment in regional areas from banning holiday rentals; and
3. support employment in holiday rental areas by, referring this matter to the Hon Fran Bailey, Minister for Tourism and Small Business, to develop a Code of Conduct to address local council concerns.

The short term letting of furnished apartments is a distinct market that delivers considerable benefits to Australia.

It should be supported in the interests of consumers, businesses, local communities and the workforce that supports this tourism accommodation service.

Background

There are over 600,000 holiday homes in Australia and they're a part of the great Australian family holiday tradition. Since the 1880s, Australian families as well as Heads of State, have enjoyed the comfort and affordability of holiday rental properties. Australians should continue to enjoy holiday home accommodation.

Local councils across Australia from Sydney, Byron Bay through to Margaret River and other coastal areas are moving to ban short term rentals. The rationale for their bans are that short term rentals cause disturbance to residents.

Allegations made by local Councils are unsubstantiated. In fact, data collected by the Furnished Property Industry Association shows quite the opposite case.

During the calendar year 2005, out of 183,000 holiday properties in New South Wales, the Office of Fair Trading received just 284 complaints relating to holiday rentals. Assuming an average letting of 1 week, this represents just 0.003% of 9.5 million letting weeks.

Only 91 complaints related to the quality of the property or presentation, the remainder were general complaints relating to cancellations, billing or booking issues.

A similar study in Byron Bay shows 7 complaints in a 3 month period, just 0.1% of out of 6500 letting weeks.

The truth about holiday rentals is that they provide significant economic and tourism benefits, yet generate little, if any, negative impact.

Local councils have not conducted the necessary economic impact including the assessment of the affect on employment in the region.

Local councils are placing this integral part of Australian culture and vital source of family accommodation, and regional employment at risk.

The short term letting of furnished properties for short stays is a distinct market that delivers considerable benefits to New South Wales. It should be supported in the interests of consumers, businesses and local communities.

The Standing Committee should make recommendations necessary to protect the rights of short term tenants, property owners, operators, as well as secure the economic future and employment for the workforce in this vital accommodation sector.

About the Furnished Property Industry Association

FPIA is a membership based organisation established to represent the furnished property industry.

FPIA members include real estate agents, property managers, property owners and persons providing goods and services to the industry.

The FPIA is an industry group representing over 5,000 furnished properties, including furnished apartments and holiday homes. FPIA properties are not commercial serviced properties rather they are rental properties available for short to long term rental.

Furnished properties have a well established tradition in New South Wales. Holiday homes and furnished metropolitan apartments have been available to consumers since the mid 19th Century. Data from Tourism NSW shows that there are around 183,000 furnished properties in NSW.

Sincerely,

Justin Butterworth
Chairman
FPIA