

## Submission to Productivity Commission enquiry into Business Regulation Benchmarking-Role of Local Government

Hosted Accommodation Australia Ltd formerly Bed & Breakfast, Farmstay and Accommodation Australia Ltd is the peak industry body representing hosted accommodation providers throughout Australia. Hosted Accommodation Australia Ltd is a not for profit Company Limited by Guarantee whose objective is to assist, strengthen and advance the charitable purpose of providing bed and breakfast farmstay and accommodation in Australia and apply its income to this objective. A key requirement of membership is for the owner/manager to be contactable for guests at any time

The company is managed by a board of Directors and has over 400 members representing over 500 properties in all States and Territories. It therefore has a significant interest in the activities of Local Government in implementing the many laws and regulations pertaining to the small accommodation industry. During the course of its involvement in the industry it has been notified of many instances of Local Government being unable to effectively and economically implement regulations because of economies of scale and /or misunderstanding and interpreting the purpose behind the regulation.

We understand the need for a process to be in place to implement the many regulations that have been put in place. However it is evident that many councils lack a policy towards the development and management of the small accommodation industry, choosing in some instances to either ignore it or over police its activities. In some instances it is considered to be a nuisance value and non development factional interests control council policy towards Tourism.

In some instances the regulation requirements established at a state level are not being followed correctly resulting in either charges being made for services that are not being delivered or over interpretation of the regulation's requirements. Some users are being instructed to carry out regulatory functions beyond the required regulation at their own expense, whereas others are incurring costs on instruction from council officers to undertake expenditure that is not required under the regulation with the proviso that not to comply would result in further action .

A further major problem is the lack of transparency of costs and charges made by councils for services. Confusion exists as to what is being paid for and the service provided. The differences in charges that exist across many Councils effectively creates a deterrent to the development of an accommodation business in one shire as opposed to an adjacent shire which has a more lenient approach to recovery of costs.

The costs attached to the implementation of regulations for the provision of accommodation are disproportionately allocated to the providers and do not give allowance for the benefit received by the whole community of expenditure by Tourists. A more even allocation of those costs would encourage the development of Tourism facilities.

In an effort to comply with state and federal regulations there is a tendency for local government to outsource services thereby creating a further layer between the legislative body and the user. For example some local government planning departments require users to appoint a building surveyor instead of the local authority proving that service. Many Councils do

not now employ a building surveyor. Management of food handling requirements and interpretation of classifications by outsourced third parties also causes accommodation providers to incur unnecessary costs.

Our view is that the legislating authority needs to be more involved in the implementation of the legislation both in regard to compliance with the regulations and recovery of costs of application. Charges for services provided by local government should be standardised and set by the legislating authority and specific instruction of the implementation of the regulation would prevent confusion that users are presently experiencing.