

Ms Jessica Shaw MLA, Chair  
Economic & Industry Standing Committee  
Legislative Assembly  
Parliament House, 4 Harvest Terrace  
WEST PERTH WA 6006

**SUBMISSION TO THE PARLIAMENTARY ENQUIRY – THE REGULATION OF SHORT-STAY  
ACCOMMODATION MARGARET RIVER**

**BY MARRI LODGE, 167 ROSA BROOK ROAD, MARGARET RIVER**

Marri Lodge & Cottages is an Accommodation provider and has been operated by myself (John Cooper) since 1994.

The Accommodation consists of 3 x Cottages and 9 Guest Rooms with a total possible occupancy of 37 persons.

The business relies on Short-Stay visitors from both Australia and Overseas.

We are marketed on Booking.com, Expedia, our own Direct website and recently Airbnb & Facebook.

Previously, regardless of economic variations, the introduction of Cruise Ships, the improved marketing of the Northern Western Australia region (Geraldton, Broome & the Kimberleys), and varying tourist numbers, our business had maintained a steady and largely predictable income until 2016. However, we have found that since the full Calendar year of 2016 to the full Calendar year of 2018, our revenue has declined by 31% (i.e. in just 2 years) (from 2016 to 2017 it declined by 16.5% and from 2017 to 2018 it has again declined by a further 17%)

I am an Approved Accommodation provider and pay full insurance coverage (protecting both our asset and our guest's potential liabilities), Commercially loaded Council Rates and all associated expenses (at a Commercial rating) to maintain our premises to a minimum Regulatory Standard (this involves using licensed tradespeople at considerable cost. With the decline in revenue all of these costs are becoming increasingly onerous and financially untenable.

Because of this decline, I have recently employed a live-in Professional Manager, meaning that I must now provide off-site accommodation for myself in an attempt to improve the business. Again, another cost to me which I have had to finance from sale of personal Assets.

In addition to this, because my Revenue is greatly reduced, I cannot sell the business as the Capital outlay for a potential buyer Vs the Revenue they would achieve would not be a Commercial proposition. Moreover, my bank (Westpac) has informed me, they would not provide Mortgage facilities for a potential buyer. So here I am with my back against the wall. I cannot sell, unless I suffer a **major** Capital Loss for the last 25 years of working my business.

Additionally, my concerns for the Registered Accommodation Industry in the Margaret River Region, where Investors can no longer justify new investment in Accommodation property. For my particular business, a Licensed Valuer has valued the replacement cost of the Buildings (without the Land Component) at \$2.3 Million, so you see the Industry is probably now unsustainable for any new investor in existing or new builds. I estimate the Return on Investment for my business is realistically less than 1% and that is a business that trades 24 hours a day, 7 days a week.

Up until 3 years ago we know that private owners quietly rented their own “holiday homes” which subsidised their Mortgage payments. Whilst not desirable, the problem has now become a major problem. From that time there has been an unparalleled acceleration of “private rentals”, many of which I understand DO NOT necessarily meet even the existing weak and inconsistent Shire or State Government Regulations.

Apart from being an unfair playing field, the unapproved sector of these various types of Rental Accommodation (out of 3000+ , 1900 are actually Shire Approved and 1500 of these are in Busselton and were basically “rubber stamped” for \$60 with little or no understanding of the property being approved – this figure has been obtained by the Registered Accommodation Providers of the Margaret River Region) This opens a huge array of issues relating to the safety of both guests and neighbouring residents, increasing the ongoing economic downturn to Margaret River Regional Businesses, money does not necessarily stay in the Community, it reduces affordable housing for Local Renters (e.g. Hobart has clearly demonstrated this), issues such as excessive noise and safety problems ensuing from visitors that are not regulated, overcrowding etc.

## **RECOMMENDATIONS**

To attempt to rectify this very destructive situation, I believe all Shire’s involved should work within new guidelines promulgated by State Government to provide consistent standards of approvals, enforcement and levies and ongoing inspections to Accommodation providers.

Also, I am sure there’s a need for more discipling of booking websites to meet the same standards, because it seems some Overseas based booking websites push the boundaries of how they advertise the accommodation for which they are agents.

Signed

John Cooper

Owner Marri Lodge & Cottages