

Admin, LACO

Subject: FW: : Submission to the Short Stay Accommodation inquiry
- Mandalay Holiday Resort and Tourist Park

Importance: High

From: Mandalay Holiday Resort Office

Sent: Sunday, 13 January 2019 2:16 PM

To: Committee, Economics & Industry Standing

Subject: Private and Confidential: Submission to the Short Stay Accommodation inquiry - Mandalay Holiday Resort and Tourist Park

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To whom it may concern,

Please find below submission to the Short Stay Accommodation inquiry from Mandalay Holiday Resort and Tourist Park, in Busselton, Western Australia:

About us: Mandalay Holiday Resort

Mandalay Holiday Resort and Tourist Park, located in Busselton, was established in 1964, and has had three generations of my family working in the business over that period. With 54 self-contained accommodation units and 118 caravan and camping sites, we are one of the largest resorts in the South West region. Mandalay is Located opposite the beach in Busselton, and only 4km from the Busselton town centre.

Mandalay has been consistently voted as one of the best holiday resorts in Australia, and boasts immaculate gardens and lawns alongside facilities including 3x heated pools (including an indoor pool), waterslide, 4x playgrounds, jumping pillow, games room, campers kitchen, 3x guest laundries, 4x BBQ areas, 2x ablutions, disabled facilities and accommodation.

Mandalay Holiday Resort is an accredited tourism business with the Tourism Council of WA and is also a bronze member with them. We are also a member of the Caravan Industry Association, and are a member of the Margaret River and Busselton Tourism Association.

Mandalay also fundraise for the Royal Flying Doctors service, hold various public events such as our annual Christmas Carols, Markets and also hold regular Family Fun Days for schools and local youth groups such as the Geographe Education Support Center. We also donate accommodation to local events and charities, such as the Busselton Ironman event, and many local and city based fundraisers.

Mandalay Holiday Resort employs 41 staff, many of which have been with us for over 15 years. We highly value our staff, and try to keep them long term however a significant decrease in available long-term rental properties, and increased long term rental prices is making it difficult for our staff to stay in the town. Last year we paid over \$1,500,000.00 in wages, to our local staff, living in the Busselton region.

A large number of local businesses rely on our business operating in the area through both direct business, and also indirectly through our guests visiting throughout the year. Mandalay is a strong promoter of local businesses to our guests, and book tours, restaurants and services for our guests on a daily basis as

requested. We estimate that over 100 local businesses receive earnings as a result of Mandalay being in operation and either using or promoting them.

The impacts of unregulated, and semi-regulated short stay accommodation:

Over the past 2-3 years, the City of Busselton, and the south-west region of WA as a whole has seen an exponential growth in residential homes being listed for short stay accommodation as 'holiday homes'. The latest data shows that there are over 2000 Airbnb listings alone, when in 2016 there were less than 400. Many other online travel agents, such as homeaway.com.au and stays.com.au have a lot more. The number of short stay accommodation listings are growing at 6% per month, with most listings (over 88%) being listed for entire homes and for home shared or hosted short stay accommodation.

To put this growth in perspective for the volume of growth, it is the same as if over 30x major hotels with more than 100 twin share rooms each, had opened in the region in a two year period. As a result it is having a dramatic effect on our business and future ability to operate.

Unfortunately, the exponential growth of these listings, has been at a pace where regulation on the part of the local government and state government has not been able to keep up, but it needs to be fixed, and the growth slowed so it does not destroy existing businesses.

If growth continues at the current pace, Mandalay Holiday Resort may cease to operate, as not only is our occupancy rate lowered, but also our ability to maintain rates which allow us to operate the business at the high standard we do, and also pay our staff and suppliers.

Over the past two years, we have been forced to cut room rates in order to be able to get acceptable occupancy levels to keep our business going forward. If we have to cut further, due to further increases in un-fairly or unregulated competition, we will be forced to lower the standard of our resort in order to reduce costs and maintain the business.

Also, as previously mentioned, it is becoming increasingly difficult to find staff during the busier Summer months, due to a significant decrease in the supply of long-term rentals – as many houses are put up for short stay accommodation. Our long term staff who rent are finding more pressure from their landlords, and having their rents driven up as a result.

The City of Busselton has in place a mechanism for regulating short-stay holiday homes, via their local planning policy, however it does not reach far enough to slow the growth in the region. Regulation costs are too low, there are no responsibilities or requirements for the regulation, and there is a lack of ability of the local government to locate and act on the unregulated properties.

What can, and needs to be done:

All listings for short stay accommodation are businesses, and should be treated as such. If a residential property lists on an online travel agent such as AirBnB or Homeaway.com.au, they are listing as a tourism business so they should be required to meet all obligations of any other tourism business.

Compliance costs, regulatory burdens and licencing requirements should be equal for all businesses, mandatory and should include:

- All properties must be registered, with identification and an annual registration fee, payable to fund compliance monitoring
- All businesses/properties must be accredited tourism business (with the Tourism Council of WA)
- All must have public liability insurance

- Short stay accommodation must meet fire, safety, building and insurance requirements appropriate to all other accommodation providers.
- All properties with pools must meet pool regulations for public/business swimming pools (class 3), including having regular audits as we do, by local government
- Properties / businesses must pay business rates for Water, Power, Gas and Sewer, as the properties are acting as businesses, not residential properties
- All OTA's platforms must stop listing illegal and non-compliant rentals and share relevant data with authorities.
- Residential zones and long-term rentals must be protected. Neighbours must be empowered and allowed to have a say.

However, regulation could go further, to assist renters in getting better rental availability and rates, and improved community feel by enforcing the following, which would also be good for the tourist accommodation industry:

- Minimum of 14 nights stay at short stay holiday homes in residential areas (which would also decrease houses being used for parties)
- Maximum of 60 days of operation for short stay holiday homes in residential areas (freeing up more homes for long term rental)

It is very important that the online travel agents (OTA's) such as AirBnB are held accountable, and responsible for the properties they list. They must be required to stop listing illegal and non-compliant rentals and share relevant data, such as property addresses, owner names and contact details with authorities, and financial takings (for taxation and rates) with the ATO and/or state/local government.

Action needs to be taken on this issue, with results such as those listed above, or the Western Australian tourism industry might be damaged by the loss of significant businesses and drawcards to WA. High quality accommodation providers, such as our business are hurting, and may struggle to survive, if corrective action is not taken.

We would be happy to provide any further information, evidence or advice for the inquiry, as it is of such importance to us.

Thankyou and Best Regards,

Rhys Johnson

Mandalay Holiday Resort and Tourist Park

Busselton, Western Australia

Ph: (08) 97 521 328