

**Admin, LACO**

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**Subject:** FW: Submission to the Short Stay Accommodation inquiry  
**Attachments:** Air B&B Mindarie Area.png

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**From:** David Bornmann  
**Sent:** Thursday, 20 December 2018 12:35 PM  
**To:** Committee, Economics & Industry Standing  
**Subject:** Submission to the Short Stay Accommodation inquiry

20 December 2018

Ms. Jessica Shaw MLA, Chair  
Economics and Industry Standing Committee  
Legislative Assembly  
Parliament House, 4 Harvest Terrace  
West Perth, WA 6005

Dear Ms Shaw MLA,

RE: Submission to the short stay accommodation inquiry

My name is David Bornmann and I am the Director of Operations at the Marina Mindarie. The property has 18 accommodation rooms, although not of significant size in comparison to most accommodation providers, we are the largest accommodation and function facility north of Joondalup Resort and as such provide a facility to service both the local community for visiting family and friends as well as tourists and corporate functions. It has been a worrying trend over the past years that as short stay accommodation providers such as Air B&B have taken off, our accommodation occupancy and rates have declined. This compounded by the mining boom downturn, has put significant strain on the business that the owners have invested considerable capital expense in improving the facilities and amenity for our guests.

In the past two years we have refurbished the function centre, upgraded food and beverage facilities and public areas, upgraded fire services for compliance, with in excess of \$7m injected to improve the experience of our guests and provide facilities for weddings and corporates needing better event space. We also provide festivals and events throughout the year to provide the community and tourists entertainment and an enjoyable experience in this location. All these are at our expense and when consideration is made that there is ongoing overhead costs for the insurances, compliance, local government commercial rates, water rates, GST, payroll tax and other expenses that the private residential operators do not need to make; it is very uncompetitive. On top of this, the residential providers of Air B&B and short stay apartments are not providing tourists with the type of experience that one would want to be portrayed for Western Australia and what can be provided by professional hospitality providers.

As one of the largest hospitality providers in the region, we provide employment to over a hundred fifty employees; we provide professional training, proactively employ apprentices in our kitchen and buy from local suppliers, using fresh local products in particular WA Snapper, Barramundi and fresh catch of the day that to not only promote WA seafood but emphasise our location as a premier destination for tourism. Last year we were proud to be the recipient of The Best Hospitality Venue in WA at the AHA WA Awards for Excellence. This and the hundreds of thousands we spend on marketing including employing full time marketing, sales and festival personnel is conducive to try to counteract the trend of Air B&B cannibalising our business. When viewing the attached snapshot of Air B&B operators in Mindarie, you will see how many surround the Marina over twelve on this map, maximising from

our efforts to our detriment. An indication of this in our accommodation results is our occupancy results in the 15-16 fiscal year was 62%; 17-18 dropped to 55% with no other hotel accommodation being built in the area.

It has long been the opinion of commercial accommodation providers that residential owners who participate in short stay businesses should be regulated with compliance measures that are penalised for nonconforming. These should be in line with commercial accommodation suppliers to ensure safety, fairness and what is made available is of an acceptable standard for tourism. The residences available should be the prime residence not an investment property where the entire property is made available; letting out under 14 days should be prohibited – a maximum number of days should be set in place that rooms can be let; participants should be registered and a registration fee applied to assist with compliance regulations, insurance, rates, fire safety standards, building codes and health standards should be in line with what hotel operators must comply with including regular inspections in accordance with what the commercial operators meet.

Tourism is major source of revenue for Western Australia that has suffered in past years; struggling accommodation and related hospitality businesses that have gone into administration with the economic downturn, need the government to assist to stem the growing trend of this unregulated form of business that to date has had no control measures in place. It would be both a positive outcome for the hospitality businesses that provide these services as well as employment for young people leaving school or going to uni as well as a positive outcome for tourism in WA.

Yours sincerely



**David Bornmann** | Director of Operations

P: +61 8 9400 1177 |

The Marina, Mindarie, 33 Ocean Falls Boulevard, Mindarie WA 6030 | [www.themarinamindarie.com](http://www.themarinamindarie.com)



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