

Inquiry into Short-Stay Accommodation

Response to the Inquiry into Short-Stay Accommodation 25/1/2019

Our business -

I own

with my husband at

in the middle of the Margaret River wine region of WA.

We bought the property for establishing a tourism business in 1988, opened our first self contained chalet in 1992 & over the next approx 8yrs built 5 x chalets in total on our 100acs.

We do employ local casual staff to help us clean the chalets as demand arises.

We have a strong eco tourism focus holding the highest eco certification in Australia since Dec 1999.

We choose to support local businesses where possible for all purchases, then state services, then Australian goods & services where possible.

Eg – Baythe Linen for laundry services in Vasse only 12kms away.

Building supplies from Busselton

Stock feeders in Busselton

Downsouth Wholesalers in Margaret River

Local Printers Precision Print in Busselton

Local webmaster for websites

Local fuel depo in Busselton

Local contractors for trade services – eg electrical, plumbing, drainage, mulch etc:

You can see we do actually practice what we preach about supporting local as much as possible.

The growth of unregulated short stay accommodation –

Since we opened for business in 1991 we have seen a tremendous growth in all types of holiday accommodation in the area. The last huge impact was when Strata titling approx 10 to 15yrs ago came on stream when large amounts of self contained accommodation mainly in Dunsborough, Busselton & Margaret River came online, however this type of accommodation had to comply and was regulated & conformed to local government & state regulations. Busselton has always had a small range of holiday homes for summer holidays near the beach.

Since the Internet has taken off especially with Online Travel Agents/booking engines now moving from a local or state head office to now being large multi-national corporations usually based in Luxemburg or Ireland for tax benefits is taking all the profits offshore paying minimum or no taxes in Australia.

We currently have troubles with many OTA's manipulating prices by forcing us to give a flat rate & not allowing us to display lower prices on our website, then they discount the commission they charge us for the booking making our website prices seem higher than theirs to get the guests to book with them. (Currently paying between 12-20% commission)

Since Airbnb arrived there has been a huge explosion in unregulated hosted & self contained accommodation from caravans in backyards to luxury beachfront houses & everything in-between.

Latest data shows there is approximately 2,000 listings in the local region on Airbnb but in 2016 there was only 400 listings, now that is massive growth. Airbnb state they have 30,000 reviews for this area on their website indicating the vast amount of rentals on the platform!

The City of Busselton told me they only have 700 registered Holiday homes in their shire.

Most Air BnB listings are for entire holiday homes (88%) leaving the balance for their so called home sharing. But then you need to consider that official registered Bed & Breakfasts have so many rules & regulations plus large ongoing costs they are greatly effected and can't compete.

Our property is on Airbnb with only about 7 bookings so far, as we seem to be priced as we rely on this as our income and not just paying off the mortgage on a second property or holiday home .

Impacts

Our business for the first time in 26yrs of operation had a vacancy on New Years Eve!

Jan 2017 was 64% occupancy

Jan 2019 was 48% occupancy quite a reduction for a holiday peak time. Our occupancy % has reduced by another 5% over the last 2 yrs.

This is not allowing us to spend back into our business in upgrading infrastructure as we normally would.

It also has had a significant detrimental effect on the value of our property and saleability.

Compliance Costs

We have to do our annual commercial insurance in instalments now as to help our cash flow balance. We do have an annual bill as we have basically 6 houses to insure with contents, public liability & infrastructure of around \$11,000.

Workers compensation for the casual cleaners.

Rural commercial rates payable on entire 100acs not just the small portion used for the chalets.

We pay commercial power rates for the chalets.

We pay GST each quarter to the ATO & employ a book keeper to help preparation & lodgement via the local accountant.

Our property has Swimming pool inspection requirements with the City of Busselton for our outdoor spas.

Upgrading to Chemigens for each spa.

Water testing from City of Busselton for our water supply.

What we would like to see

Residential areas to be just that except for registered B & B's / holiday homes that comply .

We want to see is a level playing field for all.

All tourism properties to be registered with identification & a fee taken from our commercial rates we currently pay to fund compliance .

Share data with relevant authorities eg; ATO.

Have public liability insurance for guests protection.

Online Travel Agents need to take down unregistered tourism properties, just having an ABN is not enough they need to be registered.

If a property is in the suburbs the neighbours need a say if having a pop up hotel is ok nextdoor, like the B&B operators have to conform to now.

Other Comments

This pop up hotel theme is stealing long term rentals from locals. There is a serious shortage of long term rentals in our area, we need long term rentals for locals / families etc.

Japan had a good way to deal with Airbnb, the federal government told them in 6 months they all had to be registered with approx 65,000 listings in Japan when the national regulations came into force only 1,200 listings were on Airbnb with another 700 waiting processing.

This restored balance back into the system.

When a large multinational company with deep pockets writes to all the Australian Airbnb hosts asking them to write to their local members of parliament to ask them to not change how holiday homes/home sharing is currently done or their will be trouble at the ballot box this is dangerous. I would call this bullying.

Kind regards