

## Admin, LACO

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**Subject:** FW: The Regulation of Short-Stay Accommodation in WA – Parliamentary inquiry submission- sub no. 132

**From:** Jenny Martin

**Sent:** Thursday, 24 January 2019 6:09 PM

**To:** Committee, Economics & Industry Standing

**Subject:** The Regulation of Short-Stay Accommodation in WA – Parliamentary inquiry submission

I wish to make a submission to the Parliamentary inquiry on the regulation of short stay accommodation.

I own a house within the Bunker Bay Resort, south of Dunsborough, that is rented on a short term accommodation basis year round. The property is in a strata development that is zoned for short stay accommodation. 4 years ago, I appointed Private Properties, a professional property management company that manages around 100 properties in the South West, to manage the property as part of their portfolio of holiday rental properties. Private Properties is a family owned business based in Dunsborough that runs its properties like a decentralised hotel. It employs a substantial number of cleaning and maintenance staff, operates a sophisticated booking system and provides excellent service to its guests.

Over the past 4 years the occupancy of the property has dropped significantly. Where initially it was occupied most of the year, including through winter, this year it has solid occupancy through summer but has no bookings during winter. This is partly due to the economic times, and also possibly a tendency of guests not to book as far in advance as they once did. But it is also due to the significant increase in unregulated short stay accommodation available in the area.

I believe it is very important that short term holiday accommodation is properly regulated and monitored. This will ensure that short term accommodation is not provided in areas that are inappropriate, such as residential areas, that housing supply for long term residents is maintained, and the amenity and community of residential areas is preserved. Unregulated short stay accommodation is bad for the local community, who may not have consented to their neighbourhood being turned into a dormitory where people they don't know are coming and going. This is particularly the case where an entire property is let, with the risk that guests will keep unsociable hours and create noise during periods when the community is usually quiet. It is also important that business owners and property owners who have invested in providing short term accommodation are able to make a decent return on their investments and maintain the quality and service levels that guests expect. This is critically important for the quality and reputation of the tourism experience enjoyed by visitors to the region.

In the South West in particular, there is a further issue of fire safety. The whole of the south west is fire prone, and becoming more so. Many of the properties for rent are in rural or semi-rural areas or in neighbourhoods that are surrounded by bushland. Many of these properties do not have bush fire management plans, or emergency response plans, and renters will generally be unfamiliar with the area and what to do in the event of a fire. This is a dangerous situation that could easily lead to loss of life in an emergency. The Shire of Augusta Margaret River has prohibited short term accommodation being offered in certain areas of the Margaret River townsite where the bushfire risk cannot be mitigated and it is regarded as too risky for short term guests who are unfamiliar with the area and what to do in an emergency.

Another issue is that residential property insurance will not cover claims against an owner from running a business on the property. As a result, both the host and the guests are taking significant risks in the transaction in the event of accidents occurring on the property.

Local laws regulating short stay holiday rentals have been implemented by Councils such as the Shire of Augusta Margaret River and the City of Busselton, both of which recognised many years ago the imposition on the community, the inherent safety risks, and the damage to the business of regular accommodation providers caused

by short stay accommodation. Both Councils have instituted a system of approval, through temporary rezoning, of short stay accommodation. The Shire of Augusta Margaret River's policy (see Local Planning Policy 7), which is substantially the same as the City of Busselton's, takes into account impacts on the amenity and character of the surrounding area, the primacy of the use of the areas for residential purposes, the management of the activity to ensure that nuisance or annoyance is not caused to the owners of nearby properties, and issues such as the bushfire risk in the area and the likely inability of short stay residents to respond appropriately in an emergency situation. All short stay properties are required to be registered and short stay accommodation is prohibited in certain residential neighbourhoods and fire prone areas. Short stay operators are required to register their contact details with the Council and to be on hand to deal with any issues, or to appoint local representatives/managers if they live outside the area. The approvals are given only for short periods (up to 3 years), with the ability of the Council not to renew, or to revoke approval, if there are issues with the use of the property. Clearly, there would be additional considerations for the regulation of short stay in a more urban environment, but the principles behind the examples in the South West are very relevant.

The main issue that remains in the South West is the lack of enforcement by these Councils of the rules that they have in place. The current position is unacceptable, as those owners who have done the right thing are wondering why they bother. It involves significant additional expense to prepare the emergency management plans, apply for and maintain the approvals required by the Councils, properly equip the property and put in place appropriate professional management, as required by the Councils. It is patently unfair to those who do the right thing for unregulated operators to be allowed to get away with not doing the right thing.

Short stay accommodation should be registered and regulated. Genuine home sharing should be allowed to continue, but offering whole properties for any short-term stay should be regulated.

Regards  
Jenny Martin