



By Email

16 January 2019

Dear Sir/Madam

We are writing to you in relation to the Short Stay Accommodation Inquiry currently being undertaken.

We are the owners and operators 10 caravan and holiday parks throughout regional Western Australia. We currently employ over 100 people in towns spreading from Esperance to Tom Price. We spend c. \$4,000,000 in regional Western Australian towns at over 100 different suppliers. In addition, we pay over \$250,000 in local rates and taxes for the properties.

We have operated in the industry for 23 years and have seen the state change, grow and reinvent itself over this time. We are concerned about the long-term tourism industry in regional Western Australia due to the increase in non-compliant short stay holiday homes being offered.

Over the previous 2 years, we have noticed a dramatic increase in Air B'n'B properties in most of the locations our parks operate. The statistics show that there are currently over 11,500 listings for Air B'n'B in WA, a 100% increase in just 2 years.

A vast majority of these are homes offered for sole occupation, not the 'sharing of a spare room' that the platform was started on. This has become a business for a number of the hosts of these properties, but they are able to operate without any of the statutory or compliance costs traditional operators must carry. They also often operate without paying the correct rates and taxes.

While the nature of business is dynamic and we understand that we must continue to evolve our offering to stay relevant, the disparity in regulation is causing hardship to traditional operators who have been abiding by the legislation and bearing the cost of compliance.

In order to operate our businesses, we are required to be audited by the Shire bi-annually where they review everything from our pool, our shop (where we require a food license which costs \$350 to provide cool drink and confectionary) to our phone access for guests. We also provide 24 hour a day staffing to guarantee the safety of the guests who choose to stay with us.

We are also required to pay taxes such as GST, higher Rates, Corporate tax, License Fees as well as employment costs of Superannuation and Payroll tax. Then there is workers compensation insurance, public liability and the ever-increasing costs of complying with occupational health and safety regulations.

As a business, we are penalized with higher rates for water, electricity, sewage and even our phone and internet connections.

We understand that this is the cost of doing business, all we ask is for a level playing field when it comes to those competing with us. We ask that they are held to the same standard that we are and that they are required to pay the correct taxes, rates and fees that we are asked to do.

We have seen up to 20% declines in our roofed accommodation in some parks in periods over the last 18 months and we directly attribute this to the unregulated short stay accommodation being provided around the state. In particular our tourist parks in Margaret River suffering due to the prolific rise of holiday homes in the region.

This causes delays in capital expenditure and has seen us delay the installation of new ablution blocks and renovations to units, which bring money and jobs to the town. While we continue to invest in our properties, the cost of compliance means we cannot compete with those who are operating with little to no regulation and often paying no tax or other holding costs.

We would strongly urge that you consider the AHA recommendations. The request only closes the loopholes that Air B'n'B hosts seem to operate under. The following 5-point plan is fully supported by us:

1. Home sharing properties must be registered, with a fee payable to fund compliance monitoring.
 - a. This is the regulation traditional operators must work within. We currently pay a fee for our caravan and camping licenses each year.

- b. Looking after the safety of the guests and neighbors, has a cost, which this fee would offset.
2. Only a host's primary residence may be listed for sharing.
 - a. Otherwise the property must have the correct zoning and operate under the same legal structure as registered business.
 - b. This returns Air B'n'B to its traditional concept and still allows guests to experience 'living like a local'.
 - c. This removes the possibility of people listing full homes and apartments on Air B'n'B and strangling the supply of long-term rentals in towns.
3. Short stay accommodation must meet fire, safety, building and insurance requirements appropriate to short term rentals.
 - a. This guarantees the safety of the guests and the hosts.
 - b. This is a cost a registered business operator must pay.
4. Require Peer to Peer platforms to stop listing illegal and non-compliant rentals and share relevant data with authorities.
 - a. This puts the burden of responsibility onto the platform to ensure adherence to the rules.
 - b. Most platforms are charging upwards of 12% commission on all room sales, paying little to no tax in Australia and forfeiting all responsibility as they 'only host' the platform. It is time to make them accountable for the platforms that they have created and work with Shires to manage the non-compliant hosts.
5. Neighbours, co-tenants and landlords must be empowered and allowed to have a say.
 - a. It is unfair that strangers are able to stay in communities where people have chosen to live full time and have a reasonable expectation not to have a revolving door or next-door neighbors.
 - b. Often guests of short stay accommodation are not monitored or policed and there are countless cases of noise complaints, theft and other anti-social behavior.
 - c. This removes the loop hole the short stay market has found in zoning requirements.

We hope you consider our comments in relation to the Short Stay Accommodation Inquiry. We would welcome the opportunity to discuss this with you further and provide more statistics and data if required.

Kind Regards

John and Dani Layman
Directors – Summerstar Tourist Parks