

Admin, LACO

Subject: FW: Submission to the short stay accommodation inquiry- No. 23

From: Brian Spitteler

Sent: Friday, 21 December 2018 5:01 PM

To: Committee, Economics & Industry Standing

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Brian Spitteler, Managing Director, Hideaway Unit Trust trading as...

Margaret River Hideaway & Farmstay

4 star rating and with a manager's residence and 6 X 2 bedroom cottages & 3 X 3 bedroom cottages

We employ 2 on-site managers, 6 (casual) cleaning staff and a part-time farm hand; and also share the services of a local marketing person

Our main sub-contractors include plumbers, electricians, a graphic designer and an IT consultant

Our suppliers include linen providers, laundry service, local supermarket, veterinarian, supplier of animal feed, supplier of cleaning equipment, bedding company, furniture company and a variety of small (local) services

We have noticed a steep rise in the number of properties offered via platforms, such as Airbnb, in the area in which we operate; and understand that these listings have grown from 400 in 2016 to somewhere around 2,000 – in the Margaret River region alone. We also understand that 88% of these listings are for entire homes and not for shared (or hosted) short stay accommodation. Most of these “entire” homes have not been approved by the Shire and many are located in residential areas. We understand, also, that some owners have more than 1 unregistered property on offer.

This ever-growing provision of unapproved short stay is having a negative effect on our business, in a rising market. Our average rate has fallen by 5% and our occupancy has reduced by (roughly) 1% in this calendar year. Trading remains tight.

As a registered business, we are required to pay Workers' Compensation insurance as well as having to abide by Occupation Health & Safety provisions and noise restrictions.

We also have to pay shire rates, land tax, GST and corporate tax, as well as accounting fees; and as a bona fide tourism operator, we have heavy costs associated with power, water, maintenance & improvements.

Many of these costs do not have to be borne by unregistered owners who sell their services via such bodies as Airbnb.

I am not opposed to increased competition, but would like to see the following restrictions to be placed on owners:-

- All properties must be considered and advertised by the relevant Shire, before any approval to operate
- Short stay accommodation must meet standard fire, safety, building & insurance requirements; and have emergency exit strategies in place
- There must be a local contact (manager) who resides within 10 kms of the accommodation and who is on call 24 hours a day
- Only those properties which can furnish an approval notification from the relevant Shire should be permitted to be uploaded by any on-line travel agent
- Residents who have bought into areas outside short stay accommodation zoning must be able to have their say in respect of any incursion into their environment

The writer, a tourism professional of 50+ years' standing, has owned major travel companies in Western Australia and has been involved in short stay accommodation since October 2001.

I am prepared to present to the inquiry as I believe my experience may be of use to the committee.

I now make another comment which, I believe, is of great social importance. Of the 2,000 properties mentioned, a considerable number would (previously) have been available for long term rent. There are currently only 29 properties available for long term rent in Margaret River and, with few exceptions, they're priced at more than \$400.00 per week.

So, this move towards short term rental has reduced the availability and has forced up the costs for youngsters, few of whom can afford to do anything but couch surf or share tenancies (which can be difficult).

Brian Spitteler