

The Honourable Members of the Economic and Industry Standing Committee

Ms Jessica Jane Shaw MLA

Mr Sean Kimberley L'Estrange MLA

Mr Yaz Mubarakai MLA

Mr Stephen James Price MLA

Hon. Donald Terrence (Terry) Redman MLA

25 January 2019

RE: Inquiry into Short-Stay Accommodation

Dear Committee Members

Introduction:

- As the owners/operators of Margaret River Chalets we are pleased to provide the following submission to the Parliamentary Inquiry into Short-Stay Accommodation in Western Australia.

About our Accommodation Business

- We have been operating our small chalet business, one of the first to be established in the area, for the past 16 years. I have yet to hear of anyone who made a lot of money from running short stay accommodation but our reasons for being in the game have always been about family values, making a modest living and being a part of the community. We have enjoyed some recognition over the years through local tourism associations, media outlets and booking platforms for the high level of service we provide and the positive feedback our guests consistently give.
- Throughout these 16 years, we have provided employment for a cleaner, used local book keeping and accounting services and purchased our cleaning products and supplies locally. We have used local services and contractors in all aspects of maintaining our business and educated our children locally. My wife has taught in a local primary school throughout this time and I have held numerous coaching and committee positions within junior sporting and community volunteer groups.
- The flexible nature of the business and the fact that all four family members have been engaged in, and understand, the business has enabled me to be heavily involved as a volunteer in the local State Emergence Service, managing the service for 3 years and being on call 24/7. My service to the community has been acknowledged with several awards.

The Issues:

Online booking platforms promoting residential properties for tourism accommodation have experienced rapid growth in the past couple of years. I have been writing to the Augusta-Margaret River Shire Council regularly during this time, urging them to level the playing field by forcing the operators of these quasi hotels to apply for planning approval and be required to meet the same standards for fire safety, water quality, public liability insurance cover and ATO registration as the rest of us. The issues caused by the growth of these unregulated short stay accommodation businesses are primarily due to them being able to be listed on booking platforms such as Airbnb while being un-hosted as well as unregulated and often operating in inappropriate locations. Un-hosted tourism accommodation provided by online booking platforms severely compromise the safety of guests, and display a flagrant disregard for:

- **Planning laws**
- **Fire safety**
- **Disability access**
- **Insurance requirements**
- **Workplace regulations**
- **Neighbourhood amenity**
- **Destination marketing**
- **Sustainability of the sector**
- **Tax obligations in Australia**
- **Supporting local services, suppliers and volunteer organisations**
- **Providing local employment**
- **Affordability and supply of long term accommodation**

The Consequences:

As a consequence of the oversupply of short stay accommodation in this shire and the fact that I am now competing with the unregulated operators who do not pay the overheads I am paying, I have experienced a marked downturn in the profitability of my business. I have had to drop my rates to an unsustainable level in the hope that this situation is resolved before I am forced to close my business down and look elsewhere for work. I have resigned as local manager of the SES as I can no longer afford to spend time and pay wages while away from the business volunteering. I have had to sack the book keeper and reduce the cleaner's hours. I have also cut back on the amount of linen I hire from the linen service - the driver tells me that he is operating an almost empty truck which is, of course, unsustainable.

I am a founding member of RAPMRR (Registered Accommodation Providers of the Margaret River Region) and regularly listen to stories of members who are reporting occupancy declines of over 30%. Related room rate reductions have led to businesses planning to sell or close but of course the values of these businesses have dramatically fallen because of the current situation, a cruel double blow for those doing the right thing and trying to make an honest living.

The solution:

The short stay accommodation sector must be fully regulated - the playing field must be levelled to enable all operators the same opportunity to compete and to protect our community from the dangers of operators who don't conform to fire and safety regulations. It is clear that any regulations must be backed up with proactive enforcement at a local government level. State Government should assist local governments by putting legislation in place which would create fines large enough to deter illegal operators.

To this end we would like to see the following policy principles considered for all online booking platforms;

1. New laws holding online booking platforms operating in Western Australia **legally** accountable for listings compliance with local and state laws and share relevant data (e.g. permit numbers, number of nights rented etc.) with authorities.
2. All properties must be registered and compliant with local laws, with identification to be displayed on the booking platforms and fees payable to fund compliance monitoring.
3. Any property offered on any online booking platform like Airbnb should be classed as an "accommodation business".
4. All properties offering tourism accommodation on online booking platforms must meet fire, safety, building and insurance requirements appropriate to current compliant accommodation providers.
5. Local government to have the ability to refuse registration to comply with local planning schemes or restrict to specified zones. The Minister for Planning should direct Local Authorities to address the suitability of the use in their residential zones with regard for supply and demand balance in the industry.
6. Tourism accommodation classed as "Un-hosted Holiday Home" accommodation (no owner or manager onsite) should be restricted to a minimum stay (e.g. 7 nights has historically been the case with traditional holiday homes) so as not to compete with hosted (owner or manager onsite 24/7) accommodation and cause an oversupply in the market.
7. Protection for residential zones and long-term rentals. Neighbours and surrounding properties must be empowered and allowed to have a say to protect the amenity of their residential area.

8. The AMR Shire should immediately amend its scheme to restore the use class table to reflect “holiday house” and “caravan park” to be an “X” use in the priority agriculture and general agriculture zones

We believe the Planning Minister must intervene to remedy the situation. The Shire is not coping with the many issues that have evolved over the last few years and are looking for leadership and guidance to resolve the issues. The WAPC has endorsed the AMR Shire Tourism Strategy which foresaw the possibility of the present crisis in oversupply and gave clear directions to avoid it.

It is very clear that without new legislation these bad corporate citizens will continue to grow and negatively impact not only the compliant accommodation providers, but the community at large.

We thank you for the opportunity to respond to this well-timed inquiry. We would be pleased to provide the committee with further information in relation to our submission by appearing at a public hearing or through another appropriate form of engagement.

Yours sincerely



Lewis Hawkins and Jane Taylor

Margaret River Chalets

432 Bussell Hwy Margaret River

WA 6285

stay@margaretriverchalets.com.au