



BUSSELTON'S BOUTIQUE RETREAT IN THE FOREST

22 January 2019

Economics and Industry Standing Committee
1st Floor, 11 Harvest Terrace
WEST PERTH WA 6005

Email: laeisc@parliament.wa.gov.au

Dear Members

Re: Inquiry into short-stay accommodation

We have been owner operators of initially a 6 room then an 8 room guest lodge on 9 acres in the Ludlow Tuarts Forest in Busselton for the past nine years and have hosted many guest stays both as individual guest bookings and large group bookings who book the entire lodge.

We live and work on our property 7 days a week and up to 70 hours a week on duty and on calls 24 hours a day.

We have been awarded many great reviews, return guests and are proud of our accommodation and business reputation. Having achieved 4 Star ranking through AAA and run accommodation and hospitality business for over 25 years, we are experienced and competent business operators.

Our occupancy rates have been up around 67-70% for the past 7 years with a very steep decline in bookings from around September this year. Our booking figures are down as is our turn over. Our occupancy hovers under 50%.

We employ a full time and a part time worker at 20 hours, a casual at around 12 hours. If this trend continues, we will have to let our full time staff member go or reduce her hours to part time only. She is a young woman of 25 who has just purchased her first home on the strength of a full time job.

With the downturn, we are unable to carry out any planned refurbishments for which we use local suppliers and tradesmen. Our spend in the community on average over the past 9 years is approximately \$200,000.

We have seen dramatic changes in our accommodation market demand and are having to reduce our rates to the point that we are just covering the costs and wages to keep a cash flow to pay our staff. Our average night rate has been reduced by 30% to secure bookings.

We understand that all business is competitive and as such have offered our property to more group stays to compete with Airbnb and obtain bookings albeit at a greatly reduced nightly rates.

To get our property fully registered and licensed with the City of Busselton and open our house for accommodation 9 years ago with just 6 bedrooms, we had to;

Apply and pay for planning approval by way or several copies of building, land, landscaping, and parking plans, application paperwork etc.

Advertise and pay for the Shire to contact all our neighbours for their approval or concerns

Meet fire safety regulations with 24 hardwired interconnected smoke alarms,

Install Fire separation doors

Ensure that all rooms have outside egress and had to cut through 2 walls and modify the building at a cost of approximately \$10,000 to meet this requirement.

Engage a fire engineer at \$8000 fee,

Submit fire safety plans to the local shire,

Put in fire extinguishers and blankets,

Provide Exit signs which operate when the power fails

Provide an evacuation plan and a meeting point plan to the shire and install in every room

Provide Emergency lighting,

Provide a parking plan with lined bays and enough parking for each bedroom and ourselves,

Provide and plant a landscaping plan to their approval which was inspected after planting,

Provide for a possum corridor,

Provide a dishwasher that washed at 80 degrees and provide a proof test

Provide correct kitchen and food sanitising chemicals and equipment for use

Provide a separate hand washing sink for staff

Meet all lodging house requirement in accordance with the shire regulations

Install a disable bathroom at a cost of approximately \$7500 above a normal bathroom

Install 900 wide doors at additional cost for wheelchair access

Pay all the application fees and for licenses required initially and annually

Have annual inspections from food handling and pay the inspection fee

Have annual inspections from health department and pay the inspection fee

Have our fire extinguishers and fire blanket tested and tagged **twice** a year

Have our water tested every year

We are required to live on site or provide a registered manager

Have insurance to protect the property, guests, their belongings, public liability, professional liability and workers compensation which costs approximately \$6400 per year

And that was just to open our doors and welcome guests.

We have no objection to anyone opening an accommodation business but we do want to see them subjected to that same rules and regulations that we are.

We consider it unconscionable that anyone can set up a “quasi hotel” without any of the due process that we were subjected to for a bed and breakfast with 6 bedrooms. And with no neighbour consultation, applications or approvals from the shire, insurances, fire and health inspections and public protection, pay any fees, or licences. We were buried in red tape, regulations, inspections and fees and still are even though we have been operating without incident and to the highest standards for the past 9 years.

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All we are asking for is level playing field. Or to be compensated for all the extra cost that we have incurred in our business that is not required by anyone else wanting to open their house for accommodation.

We consider that the local shire has failed to act to protect the public in allowing unlicensed and unregistered accommodation to operate in Busselton. We also consider that they are at fault in creating a situation where they charge and insist we pay their fees and licenses when they fail to stop others from carrying out the same business at no cost. We feel we are owed compensation from the shire for this.

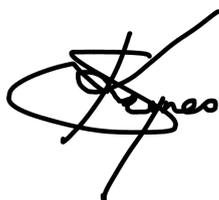
The City of Busselton is able to identify all the properties that are not local residents by way of the rate notice address. Check on the Airbnb and Homeaway/Stayz websites to see if they are listed accommodation and contact the owners to ensure that they meet the same requirements that we do in order to protect the public and the accommodation industry that they themselves impose and enforce their regulations on. The fines and fees alone would more than meet the cost of a property audit and enforce regulation. They have no trouble policing and enforcing our business to meet compliance. We have to pay for every inspection and license and so should anyone else who is selling accommodation. It is not a share situation; it is a business just like ours.

At the current growth rate of Airbnb, we have been advised that in 2 years 1 in 4 houses in Busselton will be a holiday house. Byron Bay has experienced devastation to its community as have many other holiday cities and towns.

Holiday houses set up without any planning approval, regulations, registrations, owners on site and any supervision is ruining our neighbourhoods and our community. We hear stories from friends and neighbours of Airbnb party houses in quiet family areas, so many cars parked in the street that getting in and out is difficult, children cannot ride their bikes in their own neighbourhoods, houses without smoke alarms catching fire, we have guests come to us who tell us that property was filthy and they could not stay as the owners have no idea of the health regulation requirements and are not even in the town to contact and offer and help to their guests. This also comes from many other accommodation property owners who have taken in guests that have arrived at an Airbnb with no owner to meet or assist them and they have been left to fend for themselves.

We employ you to protect the travelling public; the family neighbourhoods, our community, and our industry by recommending legislation that will enforce all holiday houses meet the same compliance as all other accommodation properties in our State.

With respect,
Yours sincerely,



Suzanne Keynes
Accommodation Owner/Manager

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