



## **YOUR MARGARET RIVER REGION**

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### **Margaret River Busselton Tourism Association Policy Statement: Holiday Homes**

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Holiday homes make up an important part of the region's tourism offering. They provide additional accommodation inventory during peak periods and are becoming an increasingly popular choice for travelers who are seeking to truly embed themselves in a destination. Visitors staying in holiday homes have a positive impact on the tourism economy to the degree that they spend money on a range local products and services.

By way of example, the use of holiday home booking platform, Airbnb, is very pervasive in Singapore. Singaporeans are one of the region's most important international markets as they have a high propensity to visit during off-peak times, particularly winter, and disperse widely. According to the Bankwest Curtin Economics Centre study on the Impact of Airbnb on WA's Tourism Industry, in 2016, approximately one quarter of Singaporean visitors to WA used the Airbnb platform to book their holiday. This is particularly important for a destination such as the Margaret River region where a heavily reliance on the Perth market creates seasonality issues.

It is important to note that often the term 'Airbnb' is used to refer to holiday homes operating illegally. It is important to note that many holiday homes, and traditional accommodation for that matter, utilise travel distribution platforms like Airbnb, booking.com or Stayz, and are complying with local government laws.

Having said this, holiday homes do have an unfair advantage over traditional accommodation to the degree that they are not required to meet the same government regulation, or pay rates and levies consistent with the commercial nature of their operation. The MRBTA is supportive of approaches that seek to level the playing field between holiday homes and traditional accommodation.

The MRBTA is also supportive of the proper and demonstrated enforcement of holiday home policy and regulation. Holiday homes operating illegally create safety concerns for visitors, and have the potential to undermine the quality associated with the Margaret River region brand.

Changes to 'level the playing field', including equal regulatory standards, payment of rates equivalent to existing commercial properties, and thorough 'policing' of compliance, will create a fairer system and raise the hurdle for home owners considering offering their houses to paying guests. These factors, combined with ATO requirements to pay income tax on earnings and capital gains tax on the sale of any property used for commercial purposes, will very likely act to limit the number of holiday homes as well as helping to ensure a higher quality.