

Directions Paper – Holiday House/Short Term Rental Accommodation

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Prepared: Planning Team

1.0 Introduction

Holiday House's have been an increasing land use activity in the Shire, largely through the rise in online platforms such as Air BnB, Stayz and Accommodation.com. These online platforms have made it easier for customers to access this accommodation option when holidaying in Broome. The purpose of this directions paper is to outline potential policy responses for this land use, given it is proposed to make the land use discretionary in the Residential zone through Local Planning Scheme No 7 (**draft Scheme**). A draft Local Planning Policy (**draft LPP**) is attached to provide a starting point for discussion on an appropriate policy framework for this land use.

This directions paper will also provide the background to previous investigations on this issue by Council and also how the matter is addressed by other local governments.

For the purpose of this paper, the term Holiday House applies specifically to the exclusive use of a private dwelling (single house), for short-term accommodation, in return for hire or reward, and without a permanent occupant present at the premises (**'un-hosted'**).

The term Holiday House does not apply to other similar short-term accommodation land uses such as bed and breakfast, guesthouse and backpackers, which are generally required to be 'hosted' by a permanent occupant of the site. Also, it does not apply to the more traditional 'personal and occasional' holiday use of a privately owned dwelling, where there is no contract of hire or financial reward.

2.0 Background

There are benefits and costs associated with enabling holiday houses within the Shire: some benefits are that landowners are able to supplement incomes, and there is a greater choice in types of tourist accommodation, possibly attracting a market segment that may not previously have visited Broome. Potential impacts of Holiday Houses include threat or disruption to existing tourist accommodation providers, impacts on amenity of local neighbourhoods and communities and a possible threat or disruption to housing affordability and availability.

This has presented a challenge to regulators around the world as they strive to find an appropriate long-term response, while also attempting to support tourism markets. They are constrained by the difficulty in monitoring online operations and rapid changes in the industry.

Historically in Broome, accommodation for holidaymakers has been met through resorts, caravan parks and tourist developments (often strata titled) which due to their zoning must predominantly be

used for short-stay purposes (a maximum of 3 months in any 12-month period). Broome does differ from other parts of the state, where Holiday Houses have historically been a large component of the tourist accommodation market and in some smaller regional towns, can be the only type of tourist accommodation.

The issue of Holiday Houses is not isolated to Broome and resulted in 2019 State Government Inquiry into short term accommodation, which is discussed in further detail below.

2.1 Previous regulatory approach to Holiday Houses and consideration by Council

The table below outlines the Schemes that have existed covering the townsite of Broome and provides a summary of the controls in place relating to holiday houses (note the land use definition between different Schemes changes over time):

Scheme	Operation	Controls
Town Planning Scheme No 1	April 1974 – August 1985	Silent on holiday houses and tourist accommodation
Town Planning Scheme No 2	August 1985 – December 1999	<p>Scheme had a land use definition of ‘Holiday Accommodation’ which allowed for short-term holiday accommodation. Land use could only occur in a Special Use zone. Landowners wanting to develop this land use therefore had to amend the Scheme. The land use was not permitted in the residential zone.</p> <p><i>Note: the land parcels that were incorporated into the Special Use zone through various scheme amendments gazetted during operation of this Scheme are now within the tourist zone.</i></p>
Town Planning Scheme No 4	December 1999 – January 2015	<p>A land use definition of ‘Tourist development’ was incorporated into the Scheme and included any land or buildings used for the overnight or holiday accommodation of patrons.</p> <p>‘Tourist development’ prohibited in Residential zones and permitted in Tourist zone.</p> <p>One property in the residential zone (Lot 366 Kapang Drive) amended the Scheme to have an additional use for short term accommodation.</p>
Local Planning Scheme No 6	January 2015 – now	‘Holiday Home’ land use included into the land use definitions and zoning table. Is an ‘X’, therefore not permitted, land use in the Residential zone.

To summarise, the Shire’s planning framework, since 1985, has not permitted the use of residential properties for short stay accommodation/Holiday Houses.

In 2005, the then Department of Planning and Infrastructure, in considering the scheme amendment for Lot 366 Kapang Drive, requested that Council deal with the issue of holiday houses as a strategic manner, rather than in an ad hoc case by case basis (through individual amendments to the Scheme). In response a Discussion Paper was prepared and advertised for public comment. A copy of the

Discussion Paper is provided as Attachment No 1. The Discussion Paper recommended introduction a land use definition of 'Serviced Apartment' to the then TSP4 in two areas, Town Beach and Cable Beach residential area. The discussion paper was advertised for public comment and 21 submissions were received. There were mixed responses, which included:

- That new residential areas should be excluded, including Koolama Drive, which was identified as one of the precincts.
- That consideration should be given to allowing holiday or short-stay accommodation in single houses but confined to older areas such as Town Beach.
- That there are already sufficient tourist developments in the town.
- Impacts on housing affordability and availability of long-term rental stock.
- That there are currently some instances of non-compliance with respect to this use.

The Discussion Paper and public comments received, were considered at OMC on 3 November 2005, where Council resolved to defer making a decision pending a report from two elected members and Director study tour of holiday accommodation. No further action appears to have been taken following this consideration.

2.2 Current Experience in the Shire

At the time of the Shire's submission to the State Inquiry (December 2018), there were in excess of 175 properties available for short-stay accommodation on the 2 common booking platforms (Air BnB and Stayz) within the Broome townsite. As of July 2021, there are 167 properties advertised on Air BnB. A review of the listings shows that approximately that 15% of these listings are legitimate operators (resorts). Of the remaining 141 listings from the descriptions, it is estimated that 99 are un-hosted and therefore would be a Holiday Houses (with 23 of these within ancillary dwellings/granny flats). The remaining 42 listings were advertised as hosted accommodation, as a room available within a house.

While the online platforms indicate that there are a number of illegitimate operators, the Shire receives very few written complaints regarding the land use activity. From 2015 the Shire has received less than 15 written complaints identifying properties being used for short-term accommodation. It has also been experienced when the Shire advertises an application for a Bed and Breakfast (hosted short stay accommodation) land uses objections are received citing that there are already too many party houses (a common term used to reference Holiday Houses) in the area and concerns over amenity impacts. This indicates that complaints/agitations relating to Holiday Houses are underreported to the Shire.

In late 2019, the Broome Tourism Leadership Group (BTLG) made representation to the Shire, raising concern with the number of unapproved holiday houses and expressed dissatisfaction with the Shire's compliance approach (which is to act on written complaints). Following discussion with the Shire, BTLG then made a written complaint about a number of properties they alleged were illegitimate. The complaint related to 27 properties and following a desk-top audit and investigation the Shire found the following:

- 3 properties were found to be duplicate recordings.
- 3 properties have development approval to operate as Bed & Breakfast accommodation.
- 8 properties included insufficient information to identify potential unauthorised short stay use.
- 1 property was already the subject of compliance investigations relating to potential unauthorised short stay accommodation.
- 12 properties have progressed to further investigation or action relating to potential unauthorised short stay accommodation.

The Shire wrote to the 12 property owners and in January 2019, the ABC released an article ‘Airbnb-style accommodation in Broome targeted in Council crackdown’. Following this report (which trended in the top five Apple news stories nationally) the Shire received an overwhelming amount of phone calls and written correspondence. The comments received represented opposing views of congratulations for taking action to the other end of the spectrum where people expressed that there should be no regulation of this land use. While there was opposing feedback provided to the Shire at this time, it was evident that the most feedback was in support of the land use activity in the Shire, to the extent that some people commented that they would not travel to Broome anymore if this accommodation option was no longer available.

In relation to undertaking compliance action against illegitimate Holiday Houses, this is a common issue across local governments nationally. The first issue relating to compliance, is the property addresses are not made available on the online booking platforms, therefore identification of properties undertaking the land use is challenging. Secondly, once it is identified that a property is undertaking the land use, the evidentiary burden required to undertake compliance action presents challenges. The fact that a property is advertising its availability to be used as a Holiday House is not evidence demonstrating that the land use is being undertaken, evidence must be supplied that a commercial transaction has taken place and the property is being occupied on a short-term basis. This was a common issue raised in the 2019 State Government Inquiry and one of the findings made specifically relates to this issue, which is outlined below.

2.3 State Government Policy Position and Inquiry

The State Government’s Policy Position is currently under review in relation to the Inquiry outlined below. The current policy position on this matter is within Planning Bulletin 99 – Holiday Homes (September 2009), which can be accessed here: <https://www.dplh.wa.gov.au/policy-and-legislation/state-planning-framework/planning-bulletins/planning-bulletin-99-holiday-homes-guidelines>. The Planning Bulletin promotes incorporation of Holiday House as a land use in Local Planning Scheme and the preparation of policies tailored to address specific issues encountered by local governments in their region. The Planning Bulletin also recommends that time limited approvals are issued in the first instance to enable any amenity considerations to be addressed overtime.

More recently, in 2019, the State Parliamentary Legislative Assembly Economics and Industry Standing Committee conducted an inquiry titled *Levelling the Playing Field: Managing the impact of the rapid increase of Short-Term Rentals in Western Australia* (the **2019 Inquiry**).

The 2019 Inquiry was largely focussed on the distinction between traditional short-stay accommodation (properties that have long existed, have been developed specifically to provide for the recreation and business travel markets, and are appropriately licensed), versus the newer style of short-term rental properties being Holiday Houses.

In its final report (September 2019) the Committee made 10 recommendations, and on 12 February 2020 the State Government provided a formal response. Some of the recommendations are broadly relevant to the Shire's regulatory framework, and in particular the State Government has committed to undertaking the following actions:

- The establishment of an inter-agency working group, to develop legislative or regulatory mechanisms to require the display for a valid registration number for short-term rentals [Holiday Houses] advertised on online booking platforms.
- Amending land use definitions in the *Planning and Development (Local Planning Schemes) Regulations 2015* (the Regulations) to differentiate between hosted and un-hosted accommodation.
- Updating strata title guidance to include powers and processes open to strata companies to manage short-term rentals [Holiday Houses].
- Development of an education campaign to ensure owners, property managers, and purchasers are aware of their obligations regarding short-term rental properties.

The first commitment listed above aligns with the Shire's submission to the 2019 Inquiry, as it would provide a mechanism for achieving compliance for illegitimate Holiday Houses. This should also provide confidence to Council and the community if the land use was made a discretionary use in LPS7, that the ability for operators to undertake illegitimate Holiday Houses will be greatly reduced. The second commitment may have a minor impact on Scheme definitions (which can be resolved through the Scheme adoption process).

At the time of writing this paper, none of the recommendations from the 2019 Inquiry have been actioned to the extent that there has been any change to the existing state-level regulatory framework. Should they be actioned, it is considered there will be no significant impact on the preparation of a policy position on Holiday Houses, albeit, the definitions and terms may adjust slightly.

The process of preparing an LPP on Holiday Houses is mindful of the 2019 Inquiry and does not seek to pre-empt the outcomes of the Government response. Instead, it aims to explore options that will complement State-level regulatory controls.

2.4 Regulatory approaches from other LGAs

A review of the regulatory framework adopted by 16 local governments in Western Australia has been undertaken, and it is evident that the approaches vary greatly. The least regulatory is where there are no formal provisions in place, for example in Subiaco and Mandurah. The table below provides a summary of the regulatory approach in place for each local government.

	LOCAL LAW	SCHEME – DEFINITION ONLY	SCHEME - DEFINITION AND ZONING TABLE	LAND USE PERMISSIBILITY IN RESIDENTIAL ZONE	SCHEME – DEVELOPMENT STANDARDS	LOCAL PLANNING POLICY	NOTHING IN PLACE
ALBANY			✓	D			
AMR				A	✓	✓	
BROOME			✓	X			
BUSSELTON	✓			A* ³	✓	✓	
COCKBURN			✓	A		✓	
DENMARK			✓	A		✓	
EAST FREMANTLE				*			
EXMOUTH				A	✓		
FREMANTLE	✓		✓	A			
DANDARAGAN			✓	D		✓	
MANDURAH				* ¹			✓
NORTHAMPTON			✓	A		✓	
PERTH				N/A	✓	✓	
ROCKINGHAM		✓		A		✓	
SUBIACO				* ²			✓
WANNEROO	✓		✓	D			

* Use not listed, equivalent of an 'A' use.

*¹ "The City has adopted a responsive approach to holiday houses and considers that an additional approval for short stay accommodation beyond the original to build the dwelling whether in a single dwelling or grouped or multiple dwelling circumstance does not add additional value to the process."

*² "the City has formed the position that if a building has been previously approved as a dwelling and is designed and capable of permanent occupation, then the use of that dwelling for short-stay accommodation is consistent with the approval granted to the dwelling, and as a result, no further approval is necessary."

*³ The City has two land use definitions for Holiday Homes – one for single dwellings which is a D use and one for Multiple/Grouped Dwellings which is an A use.

Many jurisdictions have minimal provisions in their local planning scheme, including:

- a land use definition; and/or
- permissibility set out in the zoning table.

Across the various local governments, holiday houses are generally a discretionary 'D' (or discretionary subject to advertising 'A') use in the Residential zone, Rural Residential zone, Centre zones, and Rural zones (Note: the difference between a 'D' and 'A' land use is advertising is mandatory through the Scheme for an A use). Throughout all places reviewed, the only zone in which holiday houses may be a permitted 'P' use is the Tourism zone; they are always prohibited 'X' in different types of Industrial zones.

Further guidance on the assessment of development applications is often set out in a local planning policy. The policies reviewed provide guidance on some or all of the following matters:

- Preferred areas in which a holiday house can be located (or alternatively exclusion areas).

- Requirements around manager/responsible person contact details, including the display of these details on a sign which is visible from the street.
- Emergency / health requirements (fire extinguisher / blanket, evacuation plan (diagram), COVID clean.
- Security.
- Requirement (procedure) for a manager to respond to complaints within a set time period, and to reside within reasonable distance of the subject property.
- Use of ancillary accommodation.
- Car parking.
- Utility servicing (water, effluent).
- Waste management.
- Lot size and dwelling design, including maximum number of people per bedroom, and outdoor living and screening.
- Bushfire provisions.
- Strata company requirements.
- Management plan, including details such as –
 - how bookings are made (marketing and advertising);
 - manager details (contact phone number);
 - duties of manager;
 - complaints procedure;
 - code of conduct for guests;
 - control of noise and other disturbances;
 - control of anti-social behaviour;
 - security of occupants, guests of occupants, and neighbours;
 - car parking for occupants and guests of occupants, including maximum number of vehicles.
 - keeping of pets.

In some instances, local governments have opted to include some of the provisions listed above as development standards in the local planning scheme (e.g. Augusta-Margaret River, Exmouth).

Fremantle and Wanneroo have developed local laws but do not have a local planning policy and the City of Busselton has a Local Law and a Local Planning Policy (which is currently under review).

It is apparent from the review that, while the means of regulating holiday houses may vary, the matters to be addressed by the local government and landowner are fairly consistent.

3.0 Local Planning Policy consideration and discussion points

At the July 2021 Ordinary Council Meeting, adopted draft LPS7 for the purpose of seeking public comment with Holiday Houses being a 'D' land use in the Residential, Rural Residential, Rural Small Holdings zones. The adoption of a Local Planning Policy will provide guidance to the administration on how discretion is to be applied when development applications are submitted for this land use (note: the Shire will be not be in a position to consider applications for this land use until LPS7 is gazetted). Furthermore, officers at DPLH have requested that an LPP be prepared and public comment is sought on the draft LPP at the same time LPS7 is being advertised.

While it is clear that an LPP is required, there is also the option to have a Local Law, which is an approach taken by some other Local Government's as outlined above. In the Shire of Broome's case, the development of a Local Law is not recommended for the following reasons:

- A Local Planning Policy can incorporate similar matters that would be included into a Local Law.
- A Local Law would require that Holiday Houses are licenced and registered under the Local Law in addition to having development approval under the Planning Scheme. The benefit of having a licence under a Local Law is that they can be revoked under certain circumstances (note a similar intent can be included into development approval process, refer to comments under Termed Approval below). The 2019 Inquiry has recommended a State level legislative or regulatory for Holiday Houses to be registered which potentially could duplicate this process.
- The penalties in Local Laws are minimal in comparison to the Planning and Development Act 2005 meaning that a penalty under a Local Law would offer little persuasion for an operator to comply. If the Shire were to prosecute an operator of a Holiday Houses for not complying with a condition of operation, it would use the Planning and Development Act 2005, as opposed to the Local Law.
- The registration of Holiday Houses would be performed by the Shire’s Health team, adding workload to another team for little overall benefit.
- Local Laws take time to develop and are challenging to amend. A Local Planning Policy can be amended easily and does not require approval from the Joint Standing Committee, which is required to amend a local law.
- A local law would require two approvals from the Shire, instead of one, increasing red-tape.

In summary a Local Law is not recommended as it would increase workload from the Shire, increase red-tape to applicants and would deliver little benefit to the regulation of Holiday Houses.

Discussion Point 1 – the Shire develops a Local Planning Policy and not a Local Law.

Policy Considerations

As outlined in section 2.4 above, the majority of LPP’s prepared by other LGA’s address similar issues. The draft LPP prepared is generally consistent with the matters addressed in other LGA’s and generally provides guidance on development standards (minimum lot size and bedrooms numbers) and management arrangements. The Policy is currently drafted without nominating preferred areas or precincts where holiday houses can occur, the rational and alternative options for this are outlined below.

3.1 Nominating Preferred Areas (or Precincts)

Some local governments through provisions within Scheme/Local Planning Policies identify preferred areas where Holiday Houses can be located, while others are silent on this with the Policies providing direction on development standards and management arrangements to minimise potential amenity impacts.

Below is a summary of other regional LGA’s in relation to this issue:

- Shire of Augusta Margaret River – within the Margret River townsite, policy has a figure outlining permitted areas, which generally abuts their Town Centre and excludes other residential areas.
- Shire of Exmouth – the land use is an ‘A’ use in the Residential zone and they do not nominate preferred area, except to exclude it from the ‘Skipjack Circle’ subdivision. A discussion with

Shire Officers revealed that this was included in the Scheme at the request of the subdivider as they did not want this land use in the subdivision area.

- City of Busselton – policy position on this has changed over time and rather than identify preferred areas, it has identified excluded areas. From early 2000 to 2013, no exclusion areas were identified. From 2013 to 2018 areas were excluded south of Busselton Highway, or west of Cape Naturaliste Road. Despite the residential area restriction, a number of applications were received and some of these were approved by Council. When reporting to Council in 2017 a recommendation was made that the exclusion areas be removed from the local planning policy, this was subsequently formally removed in 2018. The City is now seeking public comment on provisions within the Policy, however officers have recommended that no preferred areas should be nominated.

The nomination of a preferred area would mean that if a development application was submitted within the location it would be approved by officers under delegated authority. Applications could still be submitted for Holiday Houses outside of the preferred area and it would need to be referred to Council and considered on its merit.

The reasons for nominating a preferred area can include:

- Guide that this type of land use should be positioned in close proximity to locational features of high tourist attraction and accessibility (i.e. close to Cable Beach, Town Beach or Chinatown or within proximity to bus stops).
- To exclude areas to avoid potential land use conflict between Holiday Houses and the amenity of long-term residential dwellings. Conflict can occur as a result of issues such as noise, behaviour, nuisance, safety and security, waste management, and car parking.
- To exclude areas where the existing residential amenity would be deemed incompatible with the land use (i.e. if Council was concerned with potential negative experiences from visitors staying in areas of lower amenity such as areas identified in the Urban Renewal Strategy).
- It can be perceived that the 'local sense of community' can be eroded by the occurrence of too many Holiday Houses, and as a result of:
 - excessive noise/partying and visitor lack of understanding about the lifestyle of nearby residents, particularly those who are shift workers (or even just having to work the following day);
 - lack of neighbourhood support network during times of emergency or crisis;
 - visitor disregard for the safety and security of vulnerable people (i.e. children) living in the street, and dangers associated with outdoor play, walking/cycling in areas without footpaths.
- Housing availability and affordability can be affected by holiday houses. The 2019 Inquiry found that "the impact of short-term letting on WA's long-term rental market seems minimal." Due to the current rental crisis this may have changed in the last 12 months, but may not be an issue that will persist in the long term.

There are also several risks associated with incorporating preferred areas:

- This may result in a greater concentration of holiday houses (over time) within some areas;
- The relationship between total number of approvals and management of individual sites is not clearly defined, i.e. a greater number of holiday houses does not necessarily result in a greater number of poorly managed properties;

- The difficulty in defining permitted/not permitted areas with a simple, understandable, and fair boundary;
- A perception around the lack of fairness that some residential areas may be spared from the negative impact from holiday houses, but other areas are not afforded the same right;
- Conversely, a perception around lack of fairness that economic opportunity may be pursued by landowners in some areas and not others;
- A lack of certainty for investors who have purchased a property with the intent to apply for Holiday House use.

While there is merit for introduction of preferred areas, it is not recommended for Broome. The reasons for this are outlined below:

- The experience of some local governments where preferred areas are nominated, when applications are submitted outside these areas they are generally approved, eroding the rationale for why such provisions would be incorporated into an LPP.
- The risks outlined above.
- The development standards and how the Holiday House is operated impacts more significantly on the residential amenity as opposed to where the Holiday House is located. If the draft LPP establishes suitable guidance on development standards and operational requirements, the need to detail where they should be allowed is removed.

Discussion Point 2 – the draft LPP does not establish preferred areas where Holiday Houses can be approved.

Discussion Point 2b – if nomination of preferred areas is supported, which areas should be nominated.

3.2 Timed Approval Terms

A number of Local Governments incorporate provisions within LPP's establishing that approvals are valid for a 12-month term and annual renewals are required. The rationale for incorporation of termed approvals is, in the event the operation of a Holiday House is inadequate or complaints are received, a renewed approval may not be granted (please note that in the event an application was refused on the grounds that a complaint had been received, it is unlikely, in isolation, to be reasonable grounds for refusal if challenged at the State Administrative Tribunal).

Typically, a timed approval would not be recommended, however given the State is in the process of finalising the changes following the 2019 Inquiry and the Shire would have a new and untested Policy framework, it may be appropriate to have timed approvals. This will enable the Shire to review the appropriateness of the Policy over an operational tourist season and make any necessary adjustments and be able to incorporate any changes into approved applications. Council could then choose to remove the termed approval following this review by adopting an amendment to the LPP. Note, a period of 24 months is incorporated into the draft Policy to enable for the majority of applications to complete a full tourist season of operation and allow time for a review.

Discussion Point 3 - the draft LPP incorporates an 24 month termed approval to enable review of the Policy and incorporation of any changes to approvals following this review.

3.3 Development Standards

The Policy currently incorporates development standards relating to the minimum lot size for the land use activity (350sqm) and minimum number of bedrooms. The intent of incorporating these standards into the LPP is to avoid situations of overcrowding and overdevelopment of a property, which would lead to the potential for off-site amenity impacts.

Parking provisions have been incorporated into the Policy and it is proposed that they are removed from the Scheme. This will enable a review of the parking provisions over time and adjustment can then be made to the LPP as opposed to having to amend a Scheme, which takes time.

Discussion Point 4 - the draft development standards are considered appropriate.

Discussion Point 4b – should parking ratios be incorporated into the draft LPP instead of the Scheme.

3.4 Management of Holiday Houses

The management arrangements put in place for Holiday Houses are a significant factor to avoid potential off site impacts. If a Holiday House is appropriately managed and guests meet a code of conduct, then they can occur without any negative consequence to residential amenity.

The Policy has been drafted to require that applicants must submit a management plan establishing a manager, contact hours of the manager, day to day management matters, a code of conduct, complaints procedure and how noise and antisocial behaviour will be managed. It is proposed that a template management plan be developed that applicants can use.

The approach to management arrangements of Holiday Houses varies across local governments. Some LPP's have general provisions specifying that a management plan is required with little standards incorporated leaving it to the discretion of applicants. Other's establish more guidance/expectations on the manager, including where the manager must reside, response times for complaints and need to display signage with contact details of the manager.

The policy has been drafted to set expectation on management of Holiday Houses to avoid potential impacts on adjacent properties and to avoid 'party homes' from occurring.

Discussion Point 5 – the management requirement established are appropriate.

3.5 Register of Approved Holiday Houses

A number of local government's maintain a register of approved Holiday Houses. It is likely that one of the outcomes of the 2019 Inquiry is that the State Government will maintain a register and all operators will have to display a registration number, however, the timeframe for when such a system would be implemented is unknown. In the interim period, it is open to Council to include a provision within the LPP that a register will be made available.

Such an approach would maintain transparency and could also aid with compliance as adjacent residents could easily check whether an operator is approved or not. Also, if complaints about

behaviour are received the contact details of the manager would be available and concerns can be easily directed to ensure a swift response.

Discussion Point 6 – support the inclusion of a register of approved Holiday House as an interim measure until the recommendations of the 2019 State Inquiry are implemented.

4.0 Rates

As identified in the 2019 Inquiry, higher local government rates are levied against Traditional Accommodation businesses than Short Term Rentals. Each year, Councils set a revenue target as part of their budgeting process. To meet their target, they determine a 'rate in the dollar' by dividing the rates collection by the total amount of valuations on their roll. An individual's Council rates are calculated by multiplying the Gross Rental Value (GRV) of their property by the rate in the dollar.

Under the Local Government Act 1995, Councils can apply different rates according to land zoning, land use, whether the land is vacant or a mix of these factors.

To create a level playing field between traditional tourist operators and short term rental accommodation from residential properties, the Shire will seek to apply differential rates according to land use (i.e. approved Holiday House land uses). This will mean that these land uses will be subject to a higher rate in the dollar.

This is a similar approach to other local governments including City of Fremantle, Shire of Denmark and City of Busselton.