



Austrian Cluster “Holidays on the Farm”

24.11.2020 – UniClaD Webinar

BAB, UniClaD Project Partner 3
G. Wiesinger, S. Egartner, K. Wagner,

georg.wiesinger@bab.gv.at

Dietrichgasse 27
1030 Vienna, Austria
www.bab.gv.at



Co-funded by the
Erasmus+ Programme
of the European Union



Holidays on the Farm



Founded: 1991

Holidays on the Farm cluster:

- 2.200 member farms
- 27.000 guest beds
- 8 provincial ("länder") associations
- 1 umbrella organization

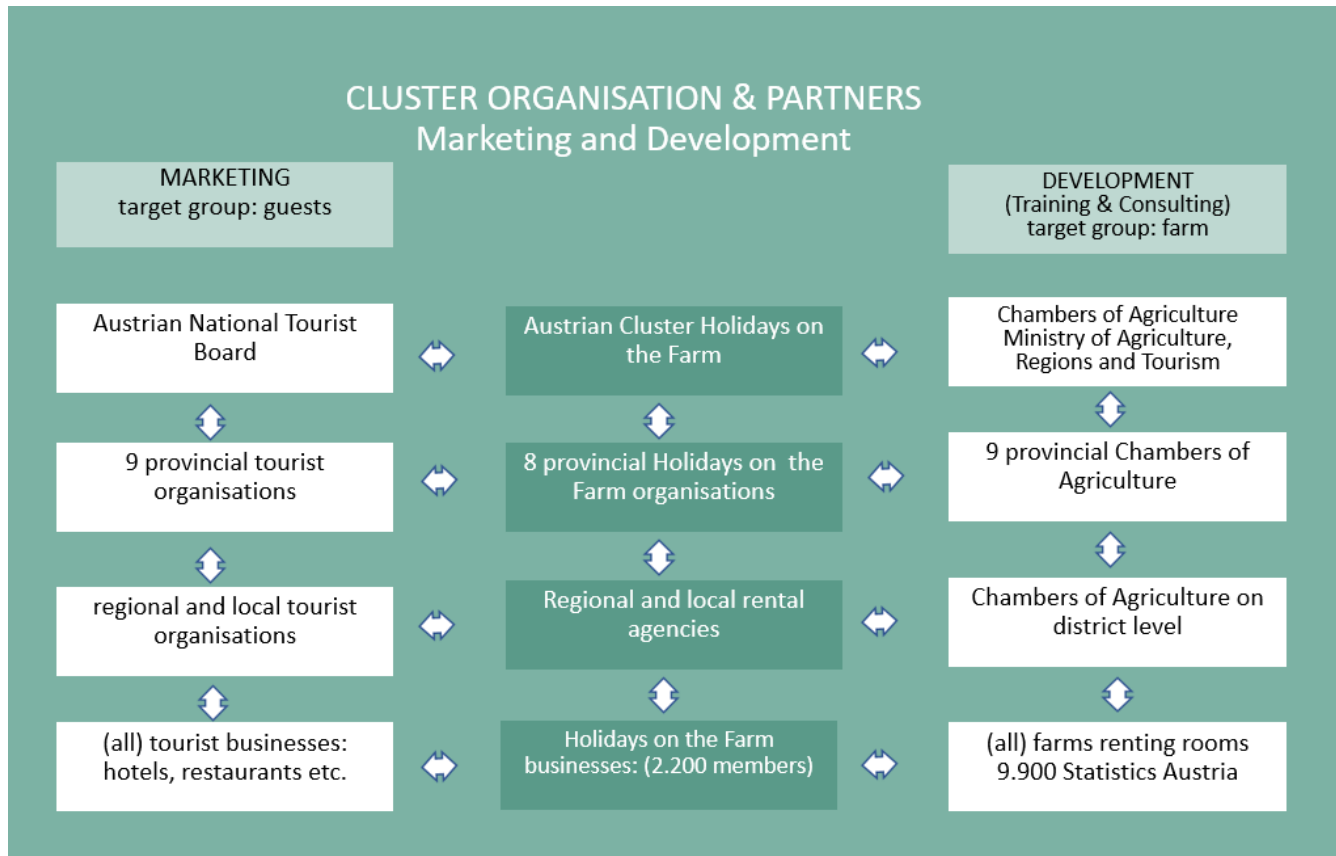
All farms renting rooms in AT:

- 9.900 farms
- 113.746 beds (11% of all tourist beds)
- 2 million guests (500.000 children)



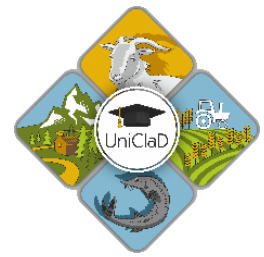
<https://www.farmholidays.com/holiday-categories/farms>

Cluster Organizational Chart





Legal Aspects



Association

out of liability reasons (limited to association assets)

not profit orientated but also **non-charitable organization** (except one)

farms are members of the 8 regional associations (6 of them are located at the chambers of agriculture, but independent)

LLC

limited liability company had been considered (out of business reasons) but not realised except in one region (Tyrol, incoming business: liability of a travelling agency), strict controls by the tax office

EU regulations require a cluster structure for subsidizing Cluster foundation 2015

Only 80% of all cluster association activities are subsidized by EU

The cluster owns no legal structure: no association, no LLC

„Holidays on the Farm 2020“ strategy is defined as a cluster and accepted by the ministry.



Legal Aspects (2)



Income, taxation and social insurance

agricultural sideline-activity according to the **Code of Trade and Commerce** (GewO 1994 § 2 Abs. 4) subject to the **lump-sum tax** for agricultural holdings less than 75.000 € **taxation value** (max. 60 ha Utilised Agricultural Area, max. 120 Livestock Units, 10 ha intensive orchards etc.)

Provision of max. 10 guest beds including breakfast, small snacks and drinks, room cleaning

Provision of 3-5 holiday apartments without any service (except final cleaning)

Obligation of **recording and reporting** at the beginning: SVS (Social Insurance Institution für Self-employed): within 2 weeks

Obligation of revenue reporting every year until 30 April

VAT and income tax: already included in the main agricultural activities

Social Insurance contributions:

lump-sum taxation: 3.700 € tax exemption, minus 70% lump-sum business expenses = contribution base

taxation according to the real income



Legal Aspects (3)



Further regulations

- **Spatial planning** and **construction laws**: requirement of a special inscription process for construction activities, conversion into construction sites etc.
- **Hosting contract**: renting rooms and apartments enters in an hosting contract (verbal or oral), cancellation, e-commerce, data protection, liability, accident safety etc.
- **Health law**: many terms may not be used such as „medicine“ „physiotherapy“, „health effect“, „healing“, „sanatorium“, „wellness“ etc.
- **Copyright law**: public licence fees for television and radio sets for every room and apartment, copyright for pictures and movies
- No Holidays on the Farm law (like in Southern Tyrol)
- Affected by private room rental regulations (e.g. Airbnb)





Financing, Budget



Budget (2019)

Cluster 1.8 mio. Euro

Cluster plus regional associations: 3.5-4.0 mio. Euro

Revenues

2/3 subsidies (Rural Development Programme)

1/3 equity, contributions from members (farms)

membership fee: 40 Euro per bed and year

Expenditures

2/3 projects, marketing, internet, social media

1/3 overhead



Since EU funding in 2015 shift in the budget from the regions to the umbrella organization

Regional organizations must always to be financially involved: commitment, 6 executive board meetings/year (different fields)



Added Value



Price Development 1991-2019:

Average price level: € 40,30 per person/night (bed and breakfast) (Summer 2019)

Expected price according to inflation coefficient 1991-2019: € 22,70 (73,3%)

€ 17,60 additional added value due to improved quality and marketing strategies

Total added value of all Holidays on the Farm members

€ 45,0 mio. per year





Education and Training



Rural Training Institute as a branch of the Chambers of Agriculture

Ministry of Agriculture, Regions and Tourism: education and consulting conference

Holidays on the Farm Cluster

rather informal

lectures at University College for Agrarian and Environmental Pedagogy

lectures at agricultural high schools and secondary schools

master theses