



# Austrian Cluster “Holidays on the Farm”

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# 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

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
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- 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**