

UNIVERSITI TEKNOLOGI MARA

**REGULATING THE REGISTRATION
AND OPERATION OF HOMESTAY
IN MALAYSIA**

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ABSTRACT

The Malaysian Homestay Programme introduced and spearheaded by the Ministry of Tourism Malaysia (MOTAC) is a form of rural cultural-community-based tourism that strategically aims to eliminate poverty and economically empower disadvantaged local villagers through income diversification in the sustainable development agenda. MOTAC has provided the Malaysian Homestay Registration Guidelines (MOTAC Guidelines) to govern the Malaysian Homestay Programme, which is not comprehensive and only addresses registration, criteria, and application process procedures. Thus, to boost the confidence of tourists and maintain the sustainability of the Malaysian Homestay Programme, this research examines the shortcomings of the current MOTAC Guidelines, the Handbook on Homestay Operation, and other related laws which may directly and indirectly govern operations and registration of homestay in Malaysia, such as the Innkeepers Act 1952, Uniform Building By-Laws Act 1984, National Land Code 1950, Town and Country Planning Act and also Hotel (Malacca) By-Laws and consequently propose some improvements. A comparative study (when necessary) is made with other similar legal instruments applied by other selected countries in identifying the strength and weaknesses in the operation and registration of homestay in Malaysia, such as Rules of Homestay Facilities 2001 in Taiwan, ASEAN Homestay Standard, and the UK and USA related law for benchmarking and lessons to be learned. An analysis of the homestay programme from the Islamic perspective is also being made. By adopting a qualitative method, this research recommends that the best model of homestay should be adopted by categorising the homestay into different types of homestays i.e., home-sharing, temporary short-term rentals, and short-term commercial rentals, in order to establish and differentiate the related legal requirements, for example, planning permission. Hence, if the homestay operator has not changed the nature of the purpose of the property, planning permission is not needed. However, planning permission is required to be obtained if there is a change of use from private residential property to homestay services that has been commercialised to a certain extent represents a material change of use of the property. This research also recommends that the Local Planning Authority may consider issuing homestay operators provisional or temporary planning permission (TPP), which is a short-term approval and only permissible for a transitory nature of the use of land and buildings. In addition, MOTAC Guidelines need to improve on matters relating to pre- and post-registration, including the requirement to include provisions on disclosure of applicants' income, safekeeping of guests' particulars, distribution of guests, the safety of guest's property, and Syariah principles in the homestay code of conduct. This research is significant in assisting the policymakers in regulating the registration and operation of Malaysian Homestay Programme in order to maintain its sustainability.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This thesis aims to examine the issue of regulating the registration and operation of the Malaysian Homestay Programme under the Malaysian Homestay Registration Guidelines (hereinafter referred to as MOTAC Guidelines) and the Handbook on Homestay Operation. The thesis begins with the current facts of the Malaysian Homestay Programme in Malaysia and the current problems relating to the Malaysian Homestay Programme, the MOTAC Guidelines, and the Handbook on Homestay Operation. The thesis proceeds with the research questions and research objectives. Then, this thesis proceeds with the scope of this research, which will explain the context of the proposed research. This is followed by the research methodology and limitations were encountered during the research and the significance of the proposed research. The thesis then elaborates on the literature review.

1.2 Background of Study

Tourism is included in the government agendas at the social, environmental, and economic levels. Due to the fact that the government recognizes that tourism can serve as a development tool and should be given priority since it can maintain the environment and traditional cultures while causing the least amount of negative impact.¹ Thus, tourism has been a part of the political agenda in Malaysia since 1987 when the Federal Government decided to develop tourism into a major economic sector by establishing a specific ministry to promote tourism, i.e., the Ministry of Arts, Culture, and Tourism.² The main objective of this tourism policy is to achieve economic growth and employment in the rural areas through the development of the tourism.³

¹ Liu, A., & Wall, G. (2006). Planning Tourism Employment: A Developing Country Perspective. *Tourism management*, 27(1), 159-170.

² Hamzah, A. (2004). Policy and Planning of The Tourism Industry in Malaysia. The 6th. ADRF General Meeting

³ Hjulmand, L. G., Nielsen, U., Vesterl kke, P., Busk, R. J., & Erichsen, E. (2003). Tourism As A