



Position Paper:

NSW Tourism Association on Short-Term Letting

NSW Tourism Association (NSWTA) represents the interests of the visitor economy in New South Wales (NSW). Recognising the significant economic benefits of short-term rental accommodation (STRA) for both metropolitan and regional areas, this paper outlines the Association's position on STRA regulation, advocating for a balanced approach that protects both the visitor economy and housing affordability.

Key Definitions:

1. **Hosted Short-Term Rental Accommodation:** Where the host resides on the premises during the provision of accommodation. *(Note: If the owner lives on the property but not in the rented space, e.g. granny flat, it is not hosted STRA).*
2. **Non-Hosted Short-Term Rental Accommodation:** STRA where the host does not reside on the premises during the provision of the accommodation.
3. **Strata:** A building or group of buildings divided into 'lots' (e.g., apartments, townhouses, villas). Lot owners share ownership of common property and abide by a set system of rules.
4. **Agent:** A person or organisation engaged to sell and rent out buildings and land on behalf of clients that has NSW Fair Trading licence or certificate.
5. **Registration:** Current system instigated by Dept. of Planning for STRA owners.
6. **Accreditation/Licensing:** The system managed by the Department of Fair Trading to regulate and accredit agents renting properties, including self-managed hosts and property managers.

Objectives and Scope of our Proposal

The complexity of the STRA sector cannot be underestimated, owing to its pivotal role in serving diverse visitor demographics and contributing to local economies. NSWTA seeks to unify stakeholders under a coherent, equitable, and dynamic regulatory framework. This Position Paper delineates the adaptive accommodation models, changing dynamics of stay durations and the multi-faceted roles that STRA plays in Australia's social fabric, including its service in emergency housing, visitor economy infrastructure and more specialised accommodations.



Key Points:

1. Economic Importance of Short-Term Rentals:

- STRA is a crucial component of NSW's tourism infrastructure, particularly in regional areas where traditional accommodation options are limited.
- It contributes significantly to local economies by increasing capacity to service the visitor economy for events, festivals, attractions, and activities.
- STRA also offers flexibility to accommodate major infrastructure projects and temporary workforces, including construction and emergency workers.
- STRA is preferred by visitors traveling with family and friends, offering home-like amenities.
- STRA creates flexible employment opportunities, particularly for women, and supports essential community services.
- Supporting local trades and services, STRA assists to preserve the economic fabric and character of communities.
- 40% of all bookings are non-leisure.

2. Unintended Consequences of Over-Regulation:

- Over-regulation could harm the tourism sector as well as the general economy of a community, particularly in regional areas dependent on STRA.
- Reducing STRA availability will diminish tourism spending and negatively impact local businesses, employment, and regional development.
- STRA provides emergency housing and accommodation for temporary workers, which is not always feasible with long-term rentals, reducing availability will diminish accommodation for these essential services.
- Nightly caps on rentals can reduce affordable options for essential and emergency workers, leading to:
 1. Reduced flexibility for critical personnel.
 2. Increased financial burdens.
 3. Compromised emergency response capabilities.
 4. Unintended strain on long-term housing.
 5. Reduced community resilience in adapting to workforce influxes.

3. Housing Affordability and Supply Considerations:

- While supporting housing affordability, NSWTA believes restricting STRA will not alleviate housing shortages; the visitor economy also requires seasonal and non-seasonal worker housing.
- The relationship between STRA and housing affordability is inconsistent, as shown by the 2023 Urbis report.
- Effective solutions include accelerating new housing stock near transport nodes, promoting diverse housing types, and evaluating the use of unoccupied houses.



4. Proposed Regulatory Framework:

- Building on current registration and Code of Conduct, NSWTA proposes elevating industry standards through:
 1. Host Accreditation (for managed properties): Property compliance, safety measures, guest protection, and regular training.
 2. Agent/Property Manager Licensing: Ensure a level playing field, all persons or organisations managing an STR must have a licence or certificate thus ensuring continuous knowledge of compliance, safety, guest rights, financial transparency, and professional development.
 3. Key Components: Regular audits, guest feedback mechanisms, financial accountability, stakeholder collaboration and regulation.
- Oppose nightly caps and additional taxes or levies on STRA to avoid deterring investment and negatively affecting local economies.

5. Recommendations for Policy Adjustments:

- Grandfather existing STRA properties to maintain market confidence.
- Exempt licensees from all additional STRA restrictions or, remove the requirement for a current licensee who specialises in STRA to maintain their licence.
- Amend or remove registration fees and encourage licenses as regulatory benchmarks.
- Oppose caps or restrictions on STRA to maintain flexibility and economic benefits.
- Utilise technology for efficient compliance and monitoring.

Conclusion

NSWTA urges the NSW Government to adopt a balanced approach to STRA regulation, recognising its critical role in supporting the visitor economy, particularly in regional areas. Policies should focus on facilitating affordable housing through broader planning reforms while maintaining a flexible regulatory environment for STRA to sustain NSW's vibrant tourism sector.

MEDIA CONTACT:

Natalie Godward

CEO

0434 058 871

ceo@nswtourismassociation.com.au