

**ADEQUACY OF THE REGULATION OF SHORT-TERM
HOLIDAY LETTING IN NEW SOUTH WALES**

Name: Name Suppressed

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Partially Confidential

Please accept my "partially confidential" submission below.

There is no doubt that there are many shortcomings in the current policies on short term holiday letting in commercial and residential areas NSW.

My first area of concern is the lack of cost equity in the industry between two main types of operation.

Currently we have short term holiday letting operators "1" who have to spend large amounts of money on expensive commercially zoned land to then pay more money to design and build fire, disabled access etc compliant apartment buildings.

They then have to meet a myriad of annual compliance issues and costs as well as being obliged to take out annual insurance. This insurance will only be honoured if all the compliance issues, including design / construction category etc have been met. They then pay extra annual compliance fees to local council's plus annual commercial rates considerably higher than the residential rates paid by their competition. On top of that they most likely need to charge GST on their tariffs, and, as everything is accountable, then most likely income tax on their profits.

On the other hand we have short term holiday letting operators "2" in residential areas. They compete directly with the operators "1" commercial zones above except it is not a level playing field. These operators are running a commercial business in the "residential " zone except they are doing it on a comparatively concessional residential rate. They do not have to comply with the same fire regulations or disabled access rules etc. They do not have the same compliance requirements and costs. They do not pay an equivalent tourism Sec 94 charge to the local council.

In my anecdotal experience they are also more likely to be running pure undeclared cash businesses and not be paying any GST.

In short these operators are loading up the local infrastructure in their communities but not contributing the real cost and burden that their businesses bring. They are "freeloading" on the system and being allowed to get away with it.

This is coming at the expense of all, especially North Coast residents and visitors as well as legitimate rate and tax payers who have to deal with the pothole ridden roads and overloaded infrastructure. It seems that inept, dysfunctional local council's do not have the will or ability to redress this imbalance.

Additional to this it causes no end of trouble and disruption to residential amenity. In cases like Byron Bay, it causes immense damage to the fabric of the community by dislocating permanent residents and introducing a party culture etc to our youth.

Despite this damage that is being done to our community by holiday letting, I personally don't oppose it per se - I just believe that this section of the industry should be better regulated and be made to pay its fair share of the cost it brings.