

**Submission
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INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

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NSW Short Term Holiday Rental Industry
Report & Recommendations
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The Director,
General Purpose Standing Committee No. 3,
Legislative Council,
Parliament House,
Macquarie Street, Sydney NSW 2000

To The Director, General Purpose Standing Committee No. 3,

My colleague Donat Kobeleff and I have been involved in the development and implementation of regional and state Short Term Holiday Rental self regulation management solutions for over 7 years.

In May 2012 the sector was granted a 2 year industry self regulation trial involving a Code of Conduct; administered and governed by the Code Administration Committee and Participating Organisations.

Holiday Rental Solutions have undertaken a comprehensive review of the industries self regulation structure, progress and impacts. In undertaking the review we consulted with key industry stakeholders from across NSW. Subsequently we have prepared this report to provide an independent industry perspective on the following tourism concerns:

- Infrastructure services provision and **asset management**
- Community amenity and **Social impacts**
- **Unregulated tourism** challenges
- Stakeholder concerns

The report draws upon previous reports developed by Holiday Rental Solutions including:

- Mid Trial Report
- Holiday Rental Industry Self Regulation Strategy

I am pleased to be able to present you with the report which outlines detailed recommendations, positive solutions and a suggested implementation plan.

I believe that adoption of the recommendations contained within this report will contribute to a successful self regulation outcome for a broad range of stakeholders; in turn further enabling the short term holiday rental sector to positively contribute to the value of tourism in regional, rural and coastal communities.

Yours Sincerely

Daniel Kobeleff
Owner & Director
Holiday Rental Solutions Pty Ltd
25th June 2013

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Preface

Short term holiday rental is a vital and historically important asset and sector of Australian tourism; generating significant and recognised economic funds for local and regional tourist areas; providing employment opportunities and support for business and the visitor economy.

The short term holiday rental sector:

- Provides flexible and high demand accommodation
- Helps maintain the wealth of local communities through the provision of employment, business and property investment
- Eases fiscal pressure on local Council's and State Government budgets
- Provides sustainable, dual purpose use of existing and future accommodation development (permanent and visitor accommodation)
- Provides low environmental impact accommodation (existing and dual purpose dwelling use)

Short term holiday rentals generally operate out of domestic dwellings in a mostly unregulated environment:

- Most of these domestic dwellings are located in areas zoned for domestic, low impact, non-commercial &/or non tourist activities
- Many owners and managers, corporate industry and guests wrongly believe that the term 'renting' applies to accommodating guests for the purpose of short term holidays.

To truly be 'renting' a property in the legal sense, managers and occupants must abide by the tenancy act terms and conditions that limit community and social amenity impacts and enables appropriate, transparent and effective imposition of legal penalties and sanctions.

Various court cases are/have proceeded in the NSW Land and Environment Court and many NSW Councils have questioned the legality of short term holiday rentals. Are short term holiday rentals classified as tourist and visitor accommodation? Are short term holiday rentals a commercial operation? What exactly is illegal about Short Term Holiday Rental?

Most court cases have been pursued because the lack of regulation has resulted in recognised community amenity and social impacts and unresolved stakeholders challenges including (not exhaustive):

- Nuisance noise
- Over crowding
- Garbage management
- Parking management

Modern widespread internet use provides accommodation managers and guests with easy access to holiday rental accommodation information and marketing opportunities. This (combined with other factors) has led to an increase in the number of residential dwellings accommodating short term holiday rental guests.

As the sector continues to grow **it is increasingly necessary to implement and support positive management standards and practices to solve the recognised stakeholder challenges and ensure the sector contributes positively to regional, rural and coastal communities.**

Legal uncertainty and unresolved stakeholder challenges prompted sections of the industry to lobby Government for the ability to self regulate to address these challenges.

As a result; the NSW State Government has supported a two year short term holiday rental industry self regulation trial involving a voluntary Code of Conduct:

- The Code was developed by industry representatives including a HRS Director
- The Code is an important policy document that provides a standard policy framework for the industry
- The Code addresses mainly behavioural challenges
- The CAC (and Participating Organisations) are currently responsible for the further development, promotion, monitoring, implementation, and enforcement of the Code
- There is little direct Government intervention or co-regulation of the short term holiday rental industry beyond the recognition of the Code of Conduct by the NSW state Government
- The NSW DOP&I maintains a silent board seat on the CAC

Executive summary

The HRS 'Holiday Rental Industry Report' provides a comprehensive and independent perspective of the NSW short term holiday rental industry self regulation trials structure, progress and impacts on LGA's.

The report specifically focuses on dwellings located in residential (or similar) zoned areas that accommodate short term holiday rental guests. It outlines self regulation challenges and recommendations HRS has identified by engaging with key industry stakeholders including:

- NSW State Government
- NSW Local Government Association
- Various Councils
- Various tourism organisations
- Industry associations/organisations
- Code Administration Committee
- Community groups
- Dwelling managers
- Guests

The report refers to and includes submissions, case studies and evidence from:

- HLO Central Coast
- Blue Mountains Council
- Stayz website

There are a number of case studies that could have been included in this report, however to prevent it from being voluminous we reduced it to the studies mentioned. Other case studies HRS has conducted include:

- Byron Bay
- Coffs harbour
- Central Coast
- Shoalhaven
- Kiama
- Busselton (W.A.)
- Gold Coast (Q)

The report identifies the most pressing self regulation challenge as the inability of the industry to institutionalise the Code of Conduct. This is due to:

- An ineffective implementation system
- Lack of governance and administration accountability, transparency and credibility
- Sustainability concerns
- Inability to define stakeholder value

The report identifies that a co-regulatory approach to self regulation will address many of these challenges. Co-regulation should involve an independent, effective, broadly accessible and consumer funded implementation system(s) to prevent competitive disadvantage and conflicts of interest, ensure sustainability and in turn encourage participation and compliance.

To facilitate such a co-regulation system, a third party that is accountable to the Government and Industry could be utilised.

Positive and sustainable industry self regulation that satisfies all stakeholders, **addresses community amenity and social impacts, aids asset management and further enables the sector to positively contribute to the value of tourism in regional, rural and coastal communities** is achievable with the development of an effective regulatory framework, transparency, accountability and effective stakeholder engagement.

Recommendations

Chapter 1

(a)

1. The NSW State Government should develop a standard planning instrument to facilitate the development of local Government short term holiday rental planning policies
2. Local Government's should develop short term holiday rental planning policies to:
 - Recognise the industry
 - Provide a supportive policy framework that sets maximum holiday rental residential occupancy limits and provides guidance
 - Support industry regulation
3. A broad based and easily accessible industry based enabling or implementation system should be supported by Government, Tourism organisations the CAC and Participating Organisations. This system should be available to industry associations and satisfy stakeholder requirements in those areas that do not have an association. The system should enable effective asset management and be flexible enough to recognise and support unique local challenges, Government planning policies, regulatory requirements and the Code of Conduct.

(b)

1. Effective communication channels such as a centralised website that enables stakeholders to access required information and the ability to provide feedback must be provided
2. The public should always be aware of who holds CAC Executive Board positions
3. A recognised data collection and monitoring system should be made available
4. The CAC must require, accept and transparently report on the progress of Code of Conduct implementation and compliance
5. The CAC must impose sanctions as described in the Code of Conduct

(c)

1. Any system of regulation should not place unnecessary operational burdens on organisations or dwelling managers
2. Member funded industry associations should not bear the financial burden of implementation and system development
3. Self regulation funding should be consumer based to avoid conflicts of interest
4. Industry economic contribution to the community in the form licensing fees or donations should be facilitated

(d)

1. An effective data collection system and quality assurance system should be developed and or supported by the CAC, Government and Tourism Organisations

Chapter 2

1. The regulation structure must utilise a combination of Industry and Government regulation and third party oversight. This can best be understood as 'co-regulation'.

Chapter 3

1. Local Governments should implement short term holiday rental planning policies that:
 - Recognise the industry
 - Provide a supportive policy framework that sets maximum holiday rental residential occupancy limits and provides guidance
 - Require compliance verification
2. Industry should provide and maintain an independent implementation system(s) that complements and supports Government policies and the Code of Conduct. This system should be available to all stakeholders and ensure accountability and transparency.

Introduction

Why self regulate?

Industry managements standards and practices can be successfully implemented and enforced by an industry self regulation system. An effective system can provide a flexible, efficient and market circumstance sensitive system of accountability that addresses community and industry challenges; positively contributing to an industries value to community.

Privatisation of regulation can encourage competition and innovation; creating a sustainable regulation system that provides broad reaching and positive stakeholder outcomes.

What is industry self regulation?

Industry self regulation may be defined as “a regulatory process whereby an industry level (as opposed to a government) organisation sets rules and standards (codes of practice) relating to the conduct of firms in the industry” (Gunningham & Rees pg 364). The rules and standards set in the Code of Conduct¹ are designed to “ensure that unacceptable consequences to environment, the workforce, or consumers and clients are avoided”² (Gunningham & Rees pg 365).

Industry self regulation necessarily needs to complement existing and future Government regulations and stakeholder requirements. As a result; the different forms of industry self regulation can be distinguished by the varying degrees of government involvement.

- **Voluntary self regulation**
Voluntary industry self regulation involves all rule making and enforcement being carried out privately by the industry; independent of direct Government involvement. “Pure³ forms of self regulation are rarely found in the real world” (Gunningham & Rees pg 366).
- **Mandated full self regulation:**
The mandated industry self regulation approach involves both rule making and enforcement being privatised; however mandated full self regulation involves Government monitoring and/or sanctioning and involvement to ensure effectiveness.
- **Mandated partial self regulation:**
Mandated partial self regulation “limits privatisation to either regulatory function but not both (rule making and enforcement)” (Gunningham & Rees pg 366). The two main approaches to mandated partial self regulation:
 - a) Government enforcement of industry written rules
 - b) Government mandated; internal enforcement of industry written rules

Most successful industry self regulation schemes involve forms of co-regulation (some level of Government intervention) as it makes them “more resilient and effective than self regulation in isolation.” (Gunningham & Rees pg366)

The short term holiday rental industry is very complex; involving diverse regulatory

1 Gunningham and Reece refer to a 'Code of Practice'. This is referred to as a Code of Conduct in the NSW short term holiday rental industry.

2 'Environment, the workforce, or consumers and clients' is understood to mean broader short term holiday rental industry stakeholders.

3 Pure self regulation may also be referred to as voluntary regulation

stakeholders, institutional, implementation, compliance and asset management challenges. The interaction between Government and Industry regulatory requirements will ensure the success or failure of industry self regulation.

Who should be regulated?

NSW short term holiday rental dwelling managers and guests should be responsible for Code of Conduct compliance.

All dwelling managers should participate. To facilitate participation:

- A sustainable and transparent **implementation** system should be broadly available.
- **Credible and accountable governance and administration structures** should be developed.
- Community organisations (as available) should provide assistance and support.
- Online advertising portals should promote the Code of Conduct and support stakeholders.
- Local and regional industry and broader tourism concerns should be facilitated.

Potential voluntary self regulation consequences

The potential consequences of a poorly implemented and enforced self regulation system include:

- 'Voluntary' industry self regulation often fails to deliver benefits to the majority of stakeholders.
- 'Voluntary' industry self regulation often serves only the purposes of the industry rather than the public interest.
- Industry may use the opportunity of 'voluntary' self regulation to *“give the appearance of regulation (thereby warding off more direct and effective Government intervention) while serving private interests at the expense of the public.” (Gunningham & Rees pg 370)*
- 'Voluntary' industry self regulation often results in a situation where *“self regulatory standards are weak, enforcement is ineffective and punishment is secret and mild”*. Moreover self regulation (voluntary) *commonly lacks many of the virtues of conventional state regulation 'in terms of visibility, credibility, accountability, compulsory application to all.....greater likelihood of rigorous standards being developed, cost spreading....and availability of a range of sanctions.’ (Gunningham & Rees pg 370)*

Ineffective industry self regulation limits the potential value of an industries contribution to community; resulting in poor return on Government investment and unresolved stakeholder challenges including community amenity and social impacts.

1. Self regulation challenges

The NSW short term holiday rental industry 2 year self regulation trial involving a voluntary Code of Conduct; administered and governed by the CAC and participating organisations was proposed by industry and subsequently supported by the NSW State Government in order to address recognised stakeholder challenges such as community and social amenity impacts, legal uncertainty and to enable the sector to further contribute to the value of tourism in regional, rural and coastal communities.

The Code of Conduct is a policy framework that prescribes the standards of behaviour expected of industry organisations and managers.

The Code places emphasis on encouraging the required standards of conduct and clearly defines consequences for breaches. Clearly stated principles and reference to relevant policies, regulations and implementation mechanisms is important.

The voluntary nature of the Code requires the **institutionalisation** of the required standards and practices through the collective action of all stakeholders to achieve effective industry self regulation.

Institutionalisation of the Code

The NSW short term holiday rental industry operates under the entrenched assumption that short term holiday rental is 'rental of property' that can operate without a policy support structure and few responsibilities. This must be addressed by the industry regulation system.

The 'voluntary' nature of the Code of Conduct relies on the broader industry institutionalising or embedding the Code of Conduct's core standards and values into the corporate, management, consumer and community structure.

Institutionalisation requires the collective action of all stakeholders. All must commit to collective action by participating, supporting, implementing and enforcing the Code of Conduct to address industry challenges with minimal or no Government intervention.

Integral components of embedding or institutionalising the Code of Conduct management standards and practices are:

- an effective and broadly accessible **implementation** system,
- **accountability/ transparency and credibility** of the governance and administration structure
- confidence in **sustainability**
- defining **stakeholder value**

Stakeholders that must support and promote Code institutionalisation include:

- Government
- Tourism organisations
- Online advertising portals
- Property managers and owners
- Real Estate Agents
- Community and Industry organisations⁴

⁴ Very few recognised industry based associations exist to assist with promotion, implementation, support and

(a) Implementation

A Code of Conduct is an important management tool that can positively influence the culture and entrenched values of an industry. When institutionalised through an effective implementation system; regulation objectives can be realised.

An effective implementation strategy requires broadly accessible, effective, practical and sustainable enabling tools and mechanisms; provided and/or supported by industry organisations and associations.

A Code will fail to deliver regulation objectives if it is not properly implemented.

1. Enabling mechanisms

It is essential that all people and organisations that utilise and are responsible for Code compliance have a recognised method of enabling implementation and defining responsibility; ensuring transparency and accountability. This includes specific enabling and guidance tools developed to support personal, local and regional implementation; and generic tools to support the broader practices.

When a Code is developed as a broad based industry standard the enabling mechanism must have the scope to complement broader regulatory and external policy requirements.

Enabling mechanisms must provide the following:

- guidance and education
- compliance verification
- feedback
- complaints management

When few associations exist or the available associations are resource constrained a broad based enabling system can be utilised.

Current arrangements

The Code of Conduct provides an excellent policy framework; however it does not provide:

- The flexibility required to recognise local community or Government requirements,
- Effective enabling mechanisms

The Code is promoted as a best practice Code of Conduct. This effectively undermines more stringent Government policies such as the Gosford City Council DLEP2009 (*see appendix 3*).

2. Organisations and associations

Industry organisations and associations aid the institutionalisation and enforcement of the standards and practices of a Code of Conduct.

A Code must clearly define the obligations of the people and organisations utilising it, the potential consequences for non compliance, the scope of organisational powers, when they can be exercised, clear guidelines and processes for the execution of rule making powers; including processes for engaging with industry and consumers when developing rules.

Industry associations must provide effective tools to enable members to practically implement the standards and practices of a Code of Conduct.

Industry associations must balance members and industries objectives against the interests of

governance. The associations that do exist generally do not exert sufficient market influence and more often than not do not have sufficient economic funds or ability to develop and maintain an implementation system that supports the Code of Conduct.

the public; ensuring transparent practices are maintained and conflicts of interest are avoided.

Current arrangements

The Code of Conduct sufficiently defines the roles and obligations of the people and organisations utilising it (CAC, participating organisations and dwelling managers). It also sufficiently explains the potential consequences for non compliance, the scope of the structures powers, when they can be exercised, clear guidelines and processes for the execution of rule making powers; including processes for engaging with industry and consumers when developing rules.

There are very few recognised and participating industry associations to support Code implementation. HRS understands that 4 industry based associations exist – HLO Central Coast, HLO Byron Bay, HLO Mid North Coast and REI NSW.

This effectively means that the following important tourist areas and stakeholders have little industry association representation (not exhaustive):

- Sydney area
- Port Stephens/Nelsons Bay
- Blue Mountains
- South Coast (from Sydney to the Victorian border)
- Snowy Mountains area
- Canberra
- Real Estate Agents that are not members of REI

The 4 independent, member funded industry associations are not sufficient to support a whole industry self regulation implementation system. Resource and funding constraints severely hamper the ability of these associations to enable and support the Code of Conduct.

Stayz is a fifth organisation currently engaged as a Participating Organisation. (*see appendix 12*)

Recommendations

1. The NSW State Government should develop a standard planning instrument to facilitate the development of local Government short term holiday rental planning policies
2. Local Government's should develop short term holiday rental planning policies to:
 - Recognise the industry
 - Provide a supportive policy framework that sets maximum holiday rental residential occupancy limits and provides guidance
 - Support industry regulation
3. A broad based and easily accessible industry based enabling or implementation system should be supported by Government, Tourism organisations the CAC and Participating Organisations. This system should be available to industry associations and satisfy stakeholder requirements in those areas that do not have an association. The system should enable effective asset management and be flexible enough to recognise and support unique local challenges, Government planning policies, regulatory requirements and the Code of Conduct.

(b) Accountability, Transparency & Credibility

The ability of any industry self regulation system to institutionalise the standards and values of a Code of Conduct depends to a great extent on the accountability and transparency of the regulation system itself and those that govern and administer the system. Accountability cannot exist without proper and transparent accounting practices.

The Code Administration Committee (CAC) is responsible for the governance and administration of the NSW Code of Conduct and participating organisations.

The accountability, transparency and credibility of the governance and administration system can be judged by the following accounting practices: **(1) Communication, (2) data collection/monitoring and reporting, (3) Governance structure.**

1. Communication

Effective and transparent CAC communication and provision of stakeholder access to information is necessary to create regulatory credibility and:

- Encourage broad industry participation and compliance
- Ensure that evaluation and criticism of performance is possible

Current arrangements

The CAC does not provide easily accessible communication channels such as a:

- Website
- Newsletter
- Email address

Lack of communication channels denies stakeholders access to necessary information such as:

- CAC board positions
- Which organisations are participating
- CAC board meeting minutes
- Performance indicators
- Implementation schedules
- Participating organisation application forms
- Ability to supply feedback^{5 6}
- Ability to enquire about the Code of Conduct

Without this information broad industry participation and compliance is not possible.

2. Data collection, monitoring and reporting

A broadly recognised and effective system for data collection, monitoring and reporting on the progress of participating organisation implementation of the Code of Conduct is integral to critical analysis; ensuring accountability, transparency and credibility.

The process is usually divided into two parts:

- Communication of Code of Conduct implementation progress by participating organisations
- Collection, analyses and reporting of data

⁵ Stayz provides a Code feedback email address; this email address is not functional (doesn't work)

⁶ There is no centralised Code of Conduct feedback or progress system (email address, online form etc)

Current arrangements

To HRS knowledge the CAC:

- Does not monitor code implementation practices (*see appendix 2,3,4*)
- Has not requested implementation or progress reports from participating organisations such as HLOCC (*see appendix 3*)
- Has not implemented a broad based data collection system
- Does not publish required performance indicators or implementation schedules to ensure transparent implementation outcomes (*see appendix 3*)

Without these integral processes it is difficult to credibly report on the progress and outcomes of self regulation.

People or organisations wishing to provide information or critically analyse the system have limited methods of doing so. The regulatory administration and governance process lacks credibility.

3. Governance structure

Regulatory accountability and credibility and industry adherence and enforcement of the Code of Conduct standards and values relies heavily on the governance structure of the CAC (in particular the impartial and independent nature of board members and participating organisations) and the transparent imposition of effective sanctions for non compliance.

Current arrangements:

It is the responsibility of the CAC to impose sanctions on participating organisations who do not enforce the Code of Conduct.

The Code of Conduct provides sufficient guidelines to ensure transparent governance of the self regulation system. The CAC however does not have effective communication, data collection or reporting channels; it is therefore difficult to effectively monitor participating organisations and impose sanctions.

Integral also to the provision of credible governance is an impartial Board. CAC Board members with an economic interest in governance outcomes cannot make impartial decisions.

The difficulties the CAC poses with imposing sanctions on participating organisations may undermine the credibility of the governance structure. (*please see appendix 3*)

Lack of CAC governance credibility will result in:

- Poor industry participation, compliance and enforcement
- Unresolved stakeholder challenges (beyond industry organisations)
- CAC board members gaining a competitive market advantage

Recommendations

1. Effective communication channels such as a centralised website that provides required stakeholder information and the ability to provide feedback must be provided
2. The public should always be aware of who holds CAC Executive Board positions
3. A recognised data collection and monitoring system should be made available
4. The CAC must require, accept and transparently report on the progress of Code of Conduct implementation and compliance
5. The CAC must impose sanctions as described in the Code of Conduct

(c) Sustainability

Any self regulation system must be sustainable. This means that it must:

1. Not pose unsustainable operational burdens

A major strength of industry self regulation is it's ability to provide an efficient and flexible system to address community concerns.

Any system developed should not impose operational burdens that limit the financial viability of any sector of the industry or create an anti competitive situation.

Regulatory requirements should adequately address stakeholder concerns without imposing unnecessary operational burdens

Current arrangements

The Code of Conduct has not been broadly adopted. Broadly accessible and transparent information and enabling tools have not been supported or promoted; therefore all stakeholders do not have equal opportunities.

The limiting Code standards and practices may create a market situation that can be utilised by non participating organisations to gain competitive advantage with very few real consequences.

Limiting the scope of the Code and available information limits the development of efficient enabling processes.

2. Ensure financial confidence

Any industry self regulation system must be funded in such a way that the structures medium to long term future is secure. Without financial security, the system will fail to be credible and will not attract participants.

Current arrangements

The current industry association administration structure involves:

- Member funded, independent industry associations

Lack of industry self regulation participation may limit the financial viability of industry associations.

3. Ensure conflicts of interest are avoided

System funding should be consumer based to ensure that accountability and credibility is maintained.

Current arrangements

To HRS's knowledge, the Stayz Group has provided the majority of the economic funds to develop the Code of Conduct and Code promotion. CAC board credibility may be undermined by this. This may not be a sustainable method of funding the self regulation system.

4. Provide scope for economic contribution to community to further enhance external stakeholder acceptance

Industry financial contribution in the form of licensing fees, donations or the utilisation of rate variations or levies to support tourism initiatives can enhance Community acceptance of the Code and the broader industry and significantly increase the sectors value to tourism in regional, rural and coastal communities.

Current arrangements

There is no recognised, broad industry based method of contributing financially to the community.

Recommendations

1. Any system of regulation should not place unnecessary operational burdens on organisations or dwelling managers
2. Member funded industry associations should not bear the financial burden of implementation and system development
3. Self regulation funding should be consumer based to avoid conflicts of interest
4. Industry economic contribution to the community in the form licensing fees or donations should be facilitated

(d) Stakeholder Value

Short term holiday rental is a vital and historically important sector of Australian tourism; generating significant economic funds for regional, rural and coastal communities; providing local employment opportunities and support for business and tourism.

Such an important and valuable asset should be credibly accounted for and managed. Local Government's, tourism organisations and other interested stakeholders must be able to effectively and accurately:

- Value the sector
- Portion public funds to manage the sector
- Promote and market the sector

Current arrangements

Stakeholders are finding it difficult to effectively value and portion public funds to the industry because there is no recognised data collection, monitoring or reporting system.

Without recognised quality assurances; marketing and promotion of the industry to a global audience is ineffective.

Destination Management Plans that apportion public funds for the development of tourism in local and regional areas require that the short term holiday rental sector be accounted for and effectively managed.

Recommendations

1. An effective data collection system and quality assurance system should be developed and or supported by the CAC, Government and Tourism Organisations

2. What type of self regulation is needed?

The short term holiday rental industry self regulation trial 'reflect(s) the 'misplaced confidence that behavioural change will follow from mere ethical preaching and ethical modelling' and 'falls short of being an effective method of self-regulation'(Gunningham & Rees pg 380).

There are a number of unresolved short term holiday rental challenges. These include:

- Poor institutionalisation of the Code of Conduct standards and values resulting in unresolved community amenity and social impacts
- A lack of effective and broadly accessible implementation and enabling mechanisms
- Accountability, transparency and credibility concerns due to poor communication channels, data collection, monitoring and reporting processes and a questionable governance structure.
- Sustainability concerns
- Inability to define and contribute to stakeholder value
- Inability to define and manage asset value
- Industry economic contribution to community enabling and management
- Policy implementation and compliance verification
- Defining of compliance and management responsibility

These challenges can be addressed by:

- Regulatory support of the industry
- An effective, broadly accessible and sustainable implementation or enabling system(s) that ensures accountability, transparency and credibility.

The complex and unique regulatory frameworks associated with local land use planning laws and tourism requirements require that any short term holiday rental self regulation system must not operate independently of Government policies. The system of regulation must be flexible enough to recognise the unique strengths, weaknesses and regulatory requirements of the industry.

Effective short term holiday rental industry regulation requires that the Code of Conduct, the implementation system(s) and Government regulatory requirements complement one another. This could best be achieved by utilising a method of co-regulation.

Industry co-regulation usually involves utilising third party regulators to implement, monitor and police the code as an alternative to direct Government involvement. It is arguable that self regulation without such a system is very rarely sustainable without it.

Recommendations

1. The regulation structure must utilise a combination of industry and Government regulation and third party oversight. This can best be understood as 'co-regulation'.

3. Co-regulation system(s)

The short term holiday rental co-regulation system should provide:

- Effective institutionalisation of the Code of Conduct
- Effective institutionalisation of Government policies
- Accountability, transparency and credibility
- The ability to value and manage the asset
- Enable industry economic contribution to community in the form licensing fees, donations or the utilisation of rate variations or levies to support tourism initiatives

The short term holiday rental industry co regulation system should be:

- Flexible and efficient
- Consumer funded
- Broadly accessible
- Accountable to Industry & Government

An independent, effective, broadly accessible and consumer funded co-regulation system is integral to the success of short term holiday rental industry self regulation. Such a system will prevent competitive disadvantage and conflicts of interest, ensure sustainability and in turn encourage participation and compliance.

To facilitate such a co-regulation system:

- Local and State Government should develop a supportive policy framework
- An independent third party or implementation system(s) that is accountable to the Government and Industry should be utilised (*please see appendix 1*)

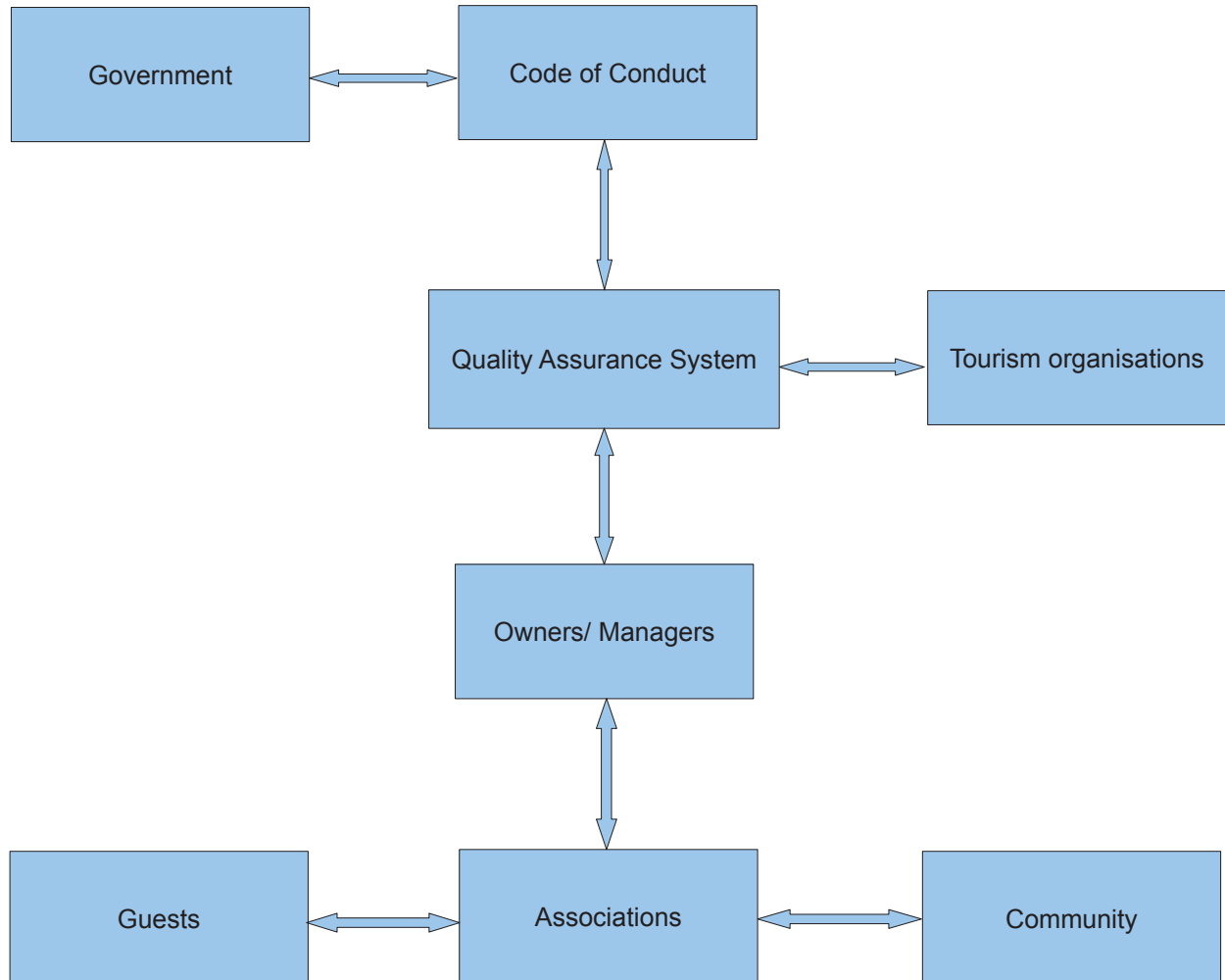
Any implementation system should:

- Aid the institutionalisation of the Code of Conduct and Government policy requirements
- Enable transparent verification of compliance with the required management standards and practices
- Enable effective and transparent complaints management
- Be flexible enough to recognise unique local area challenges and policies
- Enable effective communication, data collection, monitoring and reporting
- Enable education of the required management standards and practices
- Provide scope for economic contribution to the community
- Enhance stakeholder value

Recommendations

1. Local Governments should implement short term holiday rental policies that:
 - Recognise the industry
 - Provide a supportive policy framework
 - Require compliance verification
2. Industry should provide and maintain an independent implementation system(s) that complements and supports Government policies and the Code of Conduct. This system should be available to all stakeholders and ensure accountability and transparency. (*please see appendix 1*)

Recommended co-regulation structure



4. Conclusion

The NSW short term holiday rental sectors self regulation trial requires fundamental changes to be made to its governance structure if the industry is to effectively address stakeholder challenges and further contribute to the value of tourism in regional, rural and coastal communities.

Local Government's who wish to support the industry through the development of planning policies must be confident that the industries regulation and management system that implements and supports the policies will be sustainable and ensure credibility, accountability and transparency.

All industry stakeholders must have access to required information and have equal opportunity to implement systems that address recognised challenges.

The recommendations in this report have been developed through industry wide stakeholder engagement and feedback.

Adopting these recommendations can contribute to a positive regulation outcome for the short term holiday rental industry moving forward; aiding a sustainable future for regional visitor economies.

Appendix

1. Suggested implementation strategy

HRS can assist Industry and Council's to implement local/regional holiday rental self or co-regulation strategies that promote the provision of quality managed accommodation consistent with the strategic plan for the area, minimise impact on community amenity and aid the industries further economic contribution to the community.

HRS has developed a Quality Assurance System (QAS) that will:

1. **Reduce industry impact on community amenity**
2. **Enable stakeholders to recognise, implement and verify compliance with the Code and Government policy requirements**
3. **Clearly define compliance responsibility**
4. **Provide a Complaints handling procedure**
5. **Provide a problem house management procedure (educational procedure)**
6. **Identify compliant dwellings**
7. **Enable Insurance, liability and community contribution challenges to be addressed**

1. Reduces industry impact on community amenity

Industry impact on community amenity generally occurs when residential homes are utilised in a commercial, non residential manner.

The QAS addresses this challenge by enabling Council's to set applicable **holiday rental accommodation strategic residential occupancy/use parameters**.

These holiday rental accommodation strategic residential use parameters will be supported by the HRS QAS implementation, education and verification system.

2. Enables stakeholders to recognise, implement and verify compliance with the Code and Government policy requirements

The HRS QAS can assist Councils to implement **holiday rental accommodation strategic residential occupancy/use parameters** that are set by the Council – enabling recognition and compliance verification of Government policy.

Short term holiday rental should be conducted in accordance with a Code of Conduct that sets quality management practices limiting maximum occupancy; minimising effects on community amenity.

Strategic residential occupancy/use parameters can be based on the minimum standard industry Code of Conduct or involve more stringent parameters as required.

The minimum standard industry Code of Conduct limits guest numbers to 2 per bedroom, maximum 12 adults. The Gosford City Council DLEP2009 and Central Coast Code of Conduct limits guest numbers to 2 per bedroom maximum of 10 adults.

Management practices including booking processes, provision of information to guests etc will all be consistent with the management practices required in the Code of Conduct.

Setting local area applicable **holiday rental accommodation residential occupancy/use** parameters will result in:

- Occupancy levels consistent with residential use
- Minimisation of overcrowding
- Community conflict minimisation
- Nuisance noise minimisation
- Complaint minimisation
- Acceptable Garbage management procedures
- Acceptable parking management procedures
- Acceptable and sustainable dual purpose dwelling use – provision of affordable permanent and visitor accommodation

All short term holiday rental dwellings should implement and verify compliance with the industry Code or a local Code to proactively minimise the occurrence of complaints and negative impact.

3. Clearly defines compliance responsibility

Councils can target and influence the following short term holiday rental quality management areas contained within the HRS QAS to define compliance responsibility.

- **Advertising and marketing**
- **Pre-occupancy screening & selection**
- **License agreement of occupancy & conditions of guests holiday (Guest numbers, noise mitigation etc)**
- **Security system**
- **Insurance**
- **Garbage management**
- **Provision of agreed minimum parking spaces**
- **Provision of minimum fire safety requirements**
- **Maintaining neat & tidy premises**
- **The conditions of occupancy on display**
- **Complaints handling process**

These quality management areas can then be incorporated into an area specific Code of Conduct (based on the industry Code) and supported by the QAS.

The QAS:

- Provides practical implementation of quality management areas and the local area Code of Conduct
- Involves annual self verification of the implementation and compliance with the quality management areas
- Annual self verification ensures compliance rests transparently with dwelling managers and guests
- Is a dynamic system that will be progressively updated in cohesion with the industry Code of Conduct and Government policy

Practical implementation and compliance verification of a strategically designed Code of Conduct that targets specific quality management areas will ensure short term holiday rentals operate to a standard set by Council. **These standards should be consistent with 'residential use' as applicable to the local area and reflect the requirements of the local strategic plan.**

Responsibility transparently rests with dwelling managers and guests.

4. Provides a complaints handling procedure

Complaints generally originate when dwelling occupancy is not consistent with permanent residential use. ie *overcrowding*.

The HRS QAS enables a dwelling manager to implement and verify compliance with the Code and Government policy requirements.

- Once a house self accredits/verifies Code/Policy implementation they can be supported by the complaints handling procedure.

The complaints handling procedure utilises a security company, statutory declaration of compliance/non compliance, complaint recording, complaint management recording, complaint outcome recording.

Neighbours will be able to utilise the complaints procedure. This will support legitimate complaints and limit Council exposure as the complaint will be handled within the system.

A neighbour is discouraged from making false/nuisance complaints due to statutory declaration requirements.

- A house that receives a legitimate complaint that cannot verify compliance can then be defined as a '*problem house*'.

If a house is defined as a '*problem house*' Council can choose to either allow the dwelling to participate in a more intensive educational process or transparently decide it's future operation.

5. Provides a problem house management procedure (educational procedure)

The HRS QAS provides Council's with an intensive and transparent verification/educational procedure to effectively manage 'problem houses'.

Neighbours will make complaints by utilising the HRS complaints procedure.

Council should decide the maximum number of verified non compliance complaints that can be accepted prior to requirement for a dwelling to participate in the educational procedure.

The *problem house* management/educational procedure will involve Council directing *problem house* managers to a more intensive and stringent verification of improved quality management practices. This will be necessary due to verification of non compliance with the Code of Conduct.

Council (or HRS) will send the *problem house* a standard letter.

The educational procedure can require *problem houses* to fill in quarterly online self assessment forms. This information can then presented to Council at the end of the 12th month (if required). Council can make a transparent decision as to the future operation of the holiday rental home.

The neighbour (or group) that has made the legitimate complaint(s) will be forwarded a letter informing them of the process.

Council can alter this process as required.

6. Indicates compliant dwellings

Dwellings that implement and verify compliance with the HRS QAS will be able to utilise the Holiday Rental Solutions Quality Assured Holiday Rental Symbol.

The symbol enables prospective guests to recognise and make more informed choices about which operators they engage with; giving them comfort that their accommodation expectations will be met.

The benefits for dwellings that display the Quality Assured Symbol include:

- Regulatory compliance assurance
- Increased marketing exposure
- Enhanced business credibility

7. Enables insurance, liability and community contribution challenges to be addressed

By ensuring all dwellings that engage in short term holiday rental accommodation abide by 'residential use' limitations and management practices as applicable to the local QAS; development and management will be consistent with the strategic plan for accommodation.

All current and future units/ apartments / houses should be subject to these quality management standards.

Recognition and compliance verification will allow insurance, liability and industry contribution challenges to be addressed.

- **Insurance** – System recognition will enable relevant insurance policies to be developed
- **Liability** – dwelling manager compliance verification ensures liability clearly rests with the dwelling Manager and Guests
- **Contribution challenges** – System recognition will enable HRS to provide industry contributions in a number of ways – as determined by Council's and tourism organisations

Implementation challenges and solutions

Implementation challenges include:

Challenge 1.

Devising short term holiday rental residential maximum occupancy limits

Solution 1.

Council should decide on maximum occupancy limits. The industry Code of Conduct limits are 2 per bedroom, maximum of 12. The Gosford City Council DLEP and the supporting Central Coast Code of Conduct limits are 2 per bedroom maximum of 10. These limits have been utilised within Gosford City and the results have been very positive.

These limits should be set within a DCP, Council Policy or similar. Holiday Rental Solutions will then devise a local Code of Conduct.

Challenge 2.

The maximum occupancy limits must be enforced

Solution 2.

HRS can develop a Code of Conduct (based on the industry Code) for Councils to display on the Council website or similar. The Code can also be held within the HRS system.

Challenge 3.

Holiday rental managers should be made aware of the need to comply with the system and given the necessary implementation and verification tools.

Solution 3.

Council should send out letters to managers informing them of compulsory compliance with the new Code of Conduct and the supporting implementation strategy(s).

Neighbours of *problem houses* should be sent a letter informing them of the Code of Conduct and the dwellings necessity of compliance. They should also be informed of the appropriate method of complaint.

Challenge 4.

Dwellings that do not comply and/or receive legitimate complaints

Solution 4.

Council should decide how many legitimate complaints a house can receive prior to requiring a dwelling review process/educational procedure.

Council can then require provision of compliance records and complaints management processes for review.

Council then has the option of deciding future operation or informing the house of the requirement to participate in the 'educational procedure'.

The neighbour is also informed of this process

The educational process will be clearly explained in the Code of Conduct.

Challenge 5.

The *problem house* complies with the educational procedure

Solution 5.

The dwelling is able to continue operation

Challenge 6.

The *problem house* does not comply with the educational procedure

Solution 6.

Council determines appropriate action

Challenge 7.

Practical implementation for real estate agents vs owner/managers

Solution 7.

The HRS system is very simple and effective. It is designed for ease of implementation. Verification for real estate agents (and owner/managers) is once yearly on behalf of all homes they manage.

If every dwelling is required to comply with maximum occupancy limits this negative marketing tool (that encourages overcrowding) will be replaced with quality management practices and more positive marketing approaches.

The Central Coast experience shows that this will actually improve the profitability of short term holiday rentals in the long term and support the local economy.

2. Case Study: The Blue Mountains

This case study refers to the Blue Mountains development application no XR/180/2011/A

- The application refers to a dwelling that is privately operated as a short term holiday rental dwelling.
- Short term holiday rental of dwellings is common in the NSW Blue Mountains.
- The dwelling and surrounding area is zoned for residential use; consisting predominately of single dwellings not intended for tourist operations or commercial activity.
- Many short term holiday rentals in the NSW Blue Mountains operate in harmony with the local community and environment.

The dwelling in question has caused considerable community amenity impacts including noise nuisance, overcrowding, parking challenges, rubbish challenges, unsanctioned public functions and parties etc. These community and environmental amenity impacts are broader industry challenges that self regulation should address.

It is clear that Blue Mountains Council has endeavoured to accommodate community concerns, industry concerns and the dwelling managers concerns.

The residential dwelling in question incurs operating restrictions imposed by the Council. These restrictions involve a trial period, imposition of maximum occupancy limits, a requirement to operate to the standards set out in the industry Code of Conduct, a requirement to be a member of a 'participating organisation' etc.

- The operating restrictions imposed by the Council are unique to this dwelling in this area (as far as HRS is aware).
- The participating organisation which the dwelling manager is a member of have not provided the manager with a Code implementation method, a system of recording and proving compliance, a transparent and recognised complaints recording and reporting procedure or an educational procedure.
- Enforcement of Council and Code requirements is difficult.
- Providing evidence of compliance is difficult .
- Legal action by the dwelling manager is possible.
- False complaints by the community are possible.
- There is no transparency or accountability – the participating organisation that the dwelling is a member of – is not enforcing the Code of Conduct.

While many Blue Mountains short term holiday rental dwellings may be complying with the Code of Conduct and any other Council policies/regulatory requirements – they do not have any recognised method of proving as such. This leaves them vulnerable to false complaints of non compliance and does not aid the promotion of Code compliance and quality assurance.

The local Blue Mountains holiday rental industry challenges have not been addressed despite the development of the Code of Conduct and the positive intentions and considerable efforts of the Council to facilitate and accommodate short term holiday rentals and positive industry self regulation.

This is a clear example of a 'pure' industry self regulation failure due to:

- **Lack of transparency.**
- **Lack of accountability.**
- **Lack of an effective implementation, recording, educational and reporting self regulation system.**

3. Submission: HLO Central Coast

The Central Coast is a very important and popular NSW holiday destination. Holiday Rentals play a major role in accommodating visitors; generating local economic contributions of approximately \$480 million annually.

HLO Central Coast (HLOCC) is a peak Industry Association:

- The Executive Board consists of important local short term holiday rental experts including real estate agents, members of tourism, public servants and corporate professionals.
- Membership consists of 100's of dwellings managed by real estate agents and private owners.

HLOCC has been heavily involved in the development and implementation of a Holiday Rental self regulation system including:

- Holding an official position on the Industry Code of Conduct Development Committee
- Code of Conduct participating organisation

At this point in the self regulation trial HLOCC has received no assistance and very little communication from the CAC.

Gosford City Council's (GCC) DLEP2009 recognises short term holiday rentals. The section relating to Holiday Rentals in the DLEP2009 recognises and outlines local industry requirements designed to limit community amenity impacts. The DLEP2009 holiday rental planning policy has recently been approved by the NSW Department of Planning and Infrastructure through the 'Gateway Process'. Gateway approval ensures that the most efficient and transparent policy enactment process is employed.

- HLOCC supports the DLEP2009 Holiday Rental Planning Policy.
- HLOCC has not been made aware of the CAC's position on this important Policy

Due to the more restrictive nature of the GCC planning framework; HLOCC can only view the industry Code of Conduct as a minimum standard Code. Subsequently HLOCC has produced and maintains a best practice Central Coast Code of Conduct that recognises the DLEP2009 requirements and the minimum standard industry Code of Conduct. The Central Coast Code of Conduct is recognised and supported by GCC.

The Central Coast Code will be reviewed and updated to reflect regulatory requirements moving forward.

HLO Central Coast has identified the following industry self regulation challenges:

- CAC's unwillingness to provide open channels of communication
- Transparency and accountability of CAC and Participating Organisation practices

These challenges undermine the Code of Conduct and the industries ability to effectively self regulate.

Effective and sustainable industry self regulation is possible with:

- An appropriate regulatory framework such as the GCC DLEP2009
- Stakeholder support
- Transparent and accountable CAC and Participating Organisation practices
- Open channels of communication

At this stage of the self regulation trial this is lacking.

The recent NSW Land & Environment Court Case involving a dwelling that was a member of a major advertising portal (a Participating Organisation) serves as an example of the deficiency in accountability, transparency and effectiveness of CAC self regulation governance. This landmark decision has devastated the local visitor economy and placed serious doubt on the sustainability of the NSW Industry moving forward.

The Code of Conduct clearly outlines:

- Participating Organisation responsibilities
- Scope and requirements for the CAC to impose sanctions on Participating Organisations who do not uphold their responsibilities

HLOCC wrote to the CAC on the 10th May 2013 requesting the status of the imposition of appropriate sanctions on the participating organisation in question.

There has been no written response to date.

This is unacceptable and clearly undermines:

- The NSW State Government endorsed Code of Conduct and self regulation trial
- Gosford City Council's proposed DLEP2009
- HLOCC's ability to manage the local industries challenges

HLOCC looks forward to providing positive and sustainable self regulation solutions moving forward.

Megan Cooper
HLO Central Coast Secretary

4. Submission: Holiday Rental Solutions Pty Ltd

HRS facilitates the development and implementation of Government and Industry policies that solve holiday rental challenges.

HRS made a written application to the CAC for participating organisation status on 10/08/12. There has been no written response to this request.

HRS developed and maintains a comprehensive and effective Quality Assurance System that enables dwellings to implement and verify compliance with Council policies and the short term holiday rental Code of Conduct. The process provides accountability for Council and Industry quality management and land use standards; enabling transparent and effective management of short term holiday rental dwellings.

The HRS Quality Assurance System can address the following industry challenges:

- Policy implementation (Code of Conduct and Government regulatory requirements)
- Accountability/transparency/credibility
- Community amenity impacts
- Liability
- Industry economic contribution
- Complaint management
- Insurance challenges
- Environmental sustainability
- Foreign visitor suitability and sensitivity

Effective industry self regulation involving the comprehensive HRS Quality Assurance System will enable tourist areas and all industry stakeholders to capitalise on expanding tourist markets and further enhance tourism appeal by:

- Improving the quality of current accommodation management.
- Ensuring current and future development adheres to, and achieves, quality standards consistent with local strategic plans.
- Allowing positive and sustainable self regulation of the industry.
- Providing a transparent, practical, sustainable link between stakeholders.

The HRS Quality Assurance System is flexible and can be adapted to suit the needs of Government and Industry to ensure effective management that meets the needs of local and regional areas.

HRS maintains relationships with the following important stakeholders:

- NSW DOP&I
- Various NSW Councils
- NSW Local Government Association (attended the 2013 NSW LG Tourism Conference)
- CAC
- Tourism Organisations
- Industry associations
- Partnership with HLO Central Coast

HRS is a motivated consultancy, with experienced directors, a team of legal advisors and visionary and effective short term holiday rental solutions. We continue to work hard on the further development of sustainable and effective self regulation processes that can address the challenges identified in the HRS report. The HRS Quality Assurance System is a living process that will continue to adapt to stakeholder requirements.

Aims of the HRS Quality Assurance System

The HRS QAS aims to set standards of management and social behaviour that are consistent with the strategic vision for local areas and address challenges and impacts as identified.

The HRS QAS aims to:

- Promote sustainable use of dwellings that are suitable for both short term holiday rental accommodation provision &/or permanent residential occupation
- Set a standard of social behaviour for short term holiday rental occupancy that is acceptable to the community and is consistent with strategic planning requirements
- Implement a management system to ensure this standard is maintained for holiday rentals
- Implement quality management improvement through annual self assessment for owners and managers
- Provide a recognised complaints handling procedure
- Provide a quality assurance verification symbol to identify quality managed properties
- Encourage guests to respect the rights of neighbouring residents
- Enhance the reputation and standing of the holiday rental industry
- Provide owners and managers with a means to transparently self regulate by implementing a Council recognised Code of Conduct & performing a Quality Improvement & Self Assessment Process
- Support the local economy
- Support current and future jobs (planning projections)
- Support sustainable tourism
- Reduce community conflict
- Reduce Council's exposure to industry issues
- Support local planning strategy(s)
- Facilitate industry economic contribution

Benefits for Local Government

- Practical and effective, proven self regulation solution
- Reflects successful Government regulation strategies in other industries
- Supports all local planning laws
- Supports strategic planning visions
- Supports the industry Code of Conduct
- Provides practical Code of Conduct implementation solutions
- Structure for identifying and resolving areas of improvement for management
- Provides a transparent 'problem house' management system
- Provides a complaints handling process
- Creates a closed loop system of communication between all industry stakeholders ie Government, Portals, Associations, Owners/Managers, Guests and Community
- No cost to any level of Government
- Provide an annual income and economic contributions to local communities
- Proven to be effective on the Central Coast for the past 6 years
- Flexible platform that enables various unique local planning approaches
- Directs responsibility for upholding local planning laws and the Code of Conduct to owners, manager and guests
- Helps transform holiday rentals into a professional and marketable product
- Practical engagement tool
- Cost effective, simple, easily implemented and maintained, automated membership system
- Supports all stakeholders in a legal, transparent way

- Defines ownership and responsibility of the self regulation process
- Ability to collect vital industry statistics
- Develops a more viable industry; therefore more valuable to Local Government and tourism
- Helps to promote tourism positively
- Eliminates the need for Government regulation
- Unifies a fractured industry

Benefits for Holiday Rental Dwelling Managers

- Practical application and implementation solutions for local planning/policy laws and the industry Code of Conduct
- Provides a transparent system for verifying compliance with local planning laws and the industry Code of Conduct
- Removes the conflict of perceived imposed regulation and provides practical, effective, positive and simple management solutions which will create a level of positive engagement.
- Effective, comprehensive management tool
- Structure for identifying and resolving areas of improvement for management
- Provides a recognised complaints handling process
- Develops/promotes and reinforces a positive market conduct
- Value adds to the holiday rental home/business
- Helps create a stable market
- Creates a professional approach and therefore attracts more visitor nights and more properties for rental
- Cost effective
- Easy to keep track of self regulation rule changes through the membership system
- Provides a central platform to provide industry stakeholder information ie links to Local/State Government planning/policy laws etc
- Unifies a fractured industry

Benefits for the Community

- Tool to successfully engage and manage
- Verifies the industry Code of Conduct and gives practical solutions for all potential management problems
- Creates a guide to where improvement in the management of a property needs to be implemented
- Reduces community conflict
- Helps to create a professional industry
- Promotes sustainable economic and jobs growth
- The community can benefit from industry economic contribution

5. Short Term Holiday Rental Accommodation Permissible Use LEP

There is no definition included in most Council DLEP's / LEP's for short term holiday rental accommodation.

HRS assumes that short term holiday rental accommodation provision can be made within DLEP's/LEP's/DCP's/Policies as follows:

1. Short term holiday rental accommodation will be permissible use within residential dwellings/areas as rental of dwellings (not tourist and visitor accommodation)
2. Permissible use will be defined as use that complies with the (local/minimum standard) Code of Conduct
3. The (local/minimum standard) Code of Conduct will include short term holiday rental maximum residential occupancy limitations and other quality management practices.
4. The (local/minimum standard) Code of Conduct will require compliance verification
5. The (local/minimum standard) Code of conduct will require a recognised complaints handling procedure to be utilised

Short term holiday rental permissible use guidelines can be supported by:

1. DCP
2. Council Policy
3. Etc

The HRS QAS can support and aid the implementation, education and verification of all Council LEP/DCP/Policies pertinent to short term holiday rental.

6. Compliance Reference Material

The following paragraphs are referenced directly from the Stayz.com.au website. Stayz is a participating organisation.

Please see: http://support.stayz.com.au/articles/FAQ/What-are-my-obligations-when-I-list-my-property/?q=code+of+conduct&l=en_US&fs=RelatedArticle

What are my obligations when I list my property?

Summary

As the manager of your property listing it is your obligation to ensure that you are following any local council and government guidelines. Stayz does not hold any responsibility for any misrepresentation or failure to meet any authority guidelines.

Detail

As the manager of your property listing it is your obligation to ensure that you are following any local council and government guidelines. Stayz does not hold any responsibility for any misrepresentation or failure to meet any authority guidelines.

The Stayz Group are committed to ensuring the sustainability of the holiday rental industry through self-regulation and we are involved in standards and practices on a national level to support the industry.

In this endeavour, we have worked with key stakeholders including; industry operators, state government, planning and tourism departments to champion the creation of a national Holiday Rental Code of Conduct which was announced on 28 March 2012 and was effective from 31 May 2012.

For more information please see the Holiday Rental Code of Conduct.

7. Glossary of Terms

HRS: Holiday Rental Solutions Pty Ltd

Short Term Holiday Rental Accommodation:

Accommodation provided for less than 90 days not subject to laws &/or policies applicable to:

- Hotels or Motels
- Bed & Breakfasts
- Farm Stays
- The Tenancy Act
- Holiday Parks
- Backpacker Accommodation

Problem House: A holiday rental home with historical records of non compliance and/or complaints ie nuisance noise.

Strategic Holiday Rental Residential Occupancy Parameters:

Occupancy levels determined by Council; supported by the Code of Conduct and the HRS QAS; that limit industry impact on community amenity and are consistent with the strategic vision for local areas.

Overcrowding: Occupancy levels greater than those set in the Code of Conduct &/or Council policy (strategic residential occupancy parameters)

Educational Procedure: A more stringent educational verification process required after a number of legitimate non compliance complaints are received.

Compliance: Verification of the implementation and adherence with the quality management practices contained within the Code of Conduct.

Freeriding: *“To defect or engage only in token compliance, in effect seeking to benefit from the collective scheme without paying, or by imposing costs on others without compensation”.*
(Gunningham & Rees pg 393)

Collective Action: All industry stakeholders co-operating, accepting, supporting, implementing, and upholding the common self regulation goal and code of conduct.

Industry Stakeholders:

- Local Government's
- NSW State Government
- Guests
- Community
- Dwelling Managers
- Real Estate Agents
- Online Advertising Portals

Code: Code of Conduct

QAS: Quality Assurance System

8. References

1.

Industry Self regulation: An Institutional Perspective

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2. Joseph Rees

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<http://onlinelibrary.wiley.com/doi/10.1111/1467-9930.t01-1-00033/pdf>

2.

Holiday Rental Solutions: NSW Short Term Holiday Rental Industry Self Regulation Mid Trial Report

Report Published 19th May 2013

1. Daniel Kobeleff

3.

Holiday Rental Solutions Self Regulation Strategy – For Local Government

Report Published 07th January 2013

1. Daniel Kobeleff

4.

The Stayz Group Website

http://support.stayz.com.au/articles/FAQ/What-are-my-obligations-when-I-list-my-property/?q=code+of+conduct&l=en_US&fs=RelatedArticle

Viewed 19th May 2013

5.

Blue Mountains Council

Item 19, Ordinary Meeting, 23.04.12

ITEM NO: SUBJECT:

FILE NO: 19

DEVELOPMENT APPLICATION NO XR/180/2011/A, 112 CLARENCE ROAD, BLACKHEATH ON LOT 33 DP24792, FOR REVIEW OF DETERMINATION - A HOLIDAY LET - REVIEW CONSENT CONDITIONS.

F07339 - XR/180/2011/A - 12/50563