

NSW Government response to the final report of the Parliamentary Inquiry into the Adequacy of Regulation of Short Term Holiday Letting

Short-term holiday letting has been carried out in coastal and other tourist destinations in NSW for many years, often without planning approvals or incident.

The emergence of online booking services and the development of the sharing economy has seen short-term holiday letting expand significantly in Australia and overseas. Internet platforms have generated new marketplaces for short-term holiday letting, benefitting consumers and providers by lowering transaction and accommodation costs, and providing opportunities to earn income from unused assets; and broadening the economic benefits of tourism.

The NSW Government welcomes the final report of the Parliamentary Inquiry into the Adequacy of Regulation of Short Term Holiday Letting, and accepts many of its recommendations. The Government will be releasing a consultation paper on potential regulatory approaches to short term holiday letting in the near future.

A table with the NSW Government response to each of the final report's 12 recommendations is presented below.

NSW Government Response to Recommendations

No	Recommendation	Response
1	<p>That the NSW Government amends</p> <ol style="list-style-type: none"> a) The Standard Instrument - Principal Local Environmental Plan to include a definition of short-term rental accommodation in the category of tourist and visitor accommodation b) The State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 to allow short-term rental accommodation. 	<p>Qualified support. An options paper with approaches to implement a whole of government framework will be released for consultation.</p>
2	<p>Short-term letting of rooms in any property where the landlord or host is present be permitted as exempt development.</p>	
3	<p>Short-term letting of a principal place of residence be permitted as exempt development.</p>	
4	<p>Short-term letting of empty properties be permitted under State Environmental Planning Policy (Exempt and Complying Development Codes) 2008, as:</p> <ul style="list-style-type: none"> • exempt development where the development does not exceed applicable impact thresholds; and <p>complying development where the development exceeds applicable impact thresholds</p>	<p>Qualified support. Exempt and complying provisions will be considered as part of the new approach.</p>
5	<p>The NSW Government investigates, in consultation with advocates for traditional accommodation operators, the impact of the growth of short-term rental accommodation on their industry, and identifies opportunities to reform current regulations.</p>	<p>Qualified support. The principles for regulating traditional accommodation operators and short-term holiday letting should be aligned, fit for purpose and focused on consumer and community safety and amenity. The issues will be investigated further.</p> <p>The NSW Government will continue to work closely with all stakeholders to identify opportunities for regulatory reform.</p>

6	The NSW Government participates in the management of the Holiday and Short-Term Rental Code of Conduct to ensure that it has a broadly-based management structure, including community representation, and increases its industry coverage.	Qualified support. The Code of Conduct is an industry-led, voluntary national code and industry is best placed to oversee and enforce it. The NSW Government will support implementation of the national code when and where possible.
7	The NSW Government develops a compliance system for short-term rental accommodation under the Environmental Planning and Assessment Act 1979 which considers: a) the use of the investigative powers in Division 1C of the Act b) streamlined development assessment (Complying Development Certificates) c) the Holiday and Short-Term Rental Code of Conduct d) 'party house' provisions	Qualified support. A strong compliance system already exists under the <i>Environmental Planning and Assessment Act 1979</i> and is able to be used by councils. These provisions will be evaluated when considering the new approach. The Government supports industry taking a strong approach to self regulation through its Code of Conduct. Government will work with industry to determine the effectiveness of their approach to monitor and respond to complaints and other compliance issues, and will determine if a further regulatory response is required.
8	The NSW Government prepares advice to councils and the community outlining the changes which will apply to short-term rental accommodation, and implements a communication and monitoring program.	Support.
9	That local councils be responsible for communicating with all landowners about their rights and obligations	Support.
10	The NSW Government considers amendments to strata regulations to give owners corporations more powers to manage and respond to adverse behaviour resulting from short-term letting in their buildings.	Support.
11	The NSW Government reviews the impact of short-term letting in the strata environment after no later than three years.	Qualified support. The <i>Strata Schemes Management Act 2015</i> will be reviewed in five years. The timing will allow assessment of any on-going impacts of short-term letting in the strata environment that current provisions have failed to resolve.

- 12 The NSW Government implements a program to collect data on the holiday industry generally, and short-term letting in particular, to assess the economic contribution of short-term letting and its impact on housing affordability and community viability.
- Qualified support. The Commonwealth Government, through Tourism Research Australia, collects data for the National and International Visitor Survey through a sampling technique. This time series of data for tourists and visitors in accommodation other than traditional forms such as hotels, serviced apartments, bed and breakfast, backpackers' accommodation and the like will be drawn upon to assist in identifying trends in numbers of visitors accommodated. The Government will analyse this and other available data to help consider the economic contribution of short-term letting and its impact on housing affordability and community viability.
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