13 September 2019

Director, Housing and Infrastructure Policy
NSW Department of Planning, Industry and Environment
GPO Box 39
SYDNEY NSW 2000
Via email: sthl@planning.nsw.gov.au

To Whom It May Concern:

PIA Submission re. Short Term Rental Accommodation Regulatory Framework

PIA supports moves to provide a state-wide regulatory framework for short term rental accommodation (STRA). With the growth of the sector and emerging research indicating impacts on affordability and rental markets,¹ NSW Government leadership is welcomed in this space.

PIA’s earlier submission (link) on this issue highlighted the need for a holistic reform approach across licensing, strata and self-regulation which balanced the following objectives:

- Fostering the sharing economy and freeing up and more effectively utilising latent economic resources.
- Giving hosts the flexibility to use spare capacity in their dwellings.
- Flexibility and suitable accommodation for tourists and visitors who wish to ‘live like a local’.
- Reducing pressure on housing affordability and thus allowing long term residents to continue to live in their communities.
- Maintaining residential amenity in areas primarily dedicated to residential uses.

PIA supports the exempt and complying pathways for STRA subject to contextual time limits and welcomes the introduction of a State Environmental Planning Policy to this effect. PIA especially welcomes the change to ensure some regional councils have their unique permissibility requirements honoured. However, the change in the proposal regarding unhosted STRA of more than 21 days should be subject to a review after a period of operation given concerns regarding the impact of this STRA model on traditional rental markets as well as the regulatory burden.²

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² Ibid.
The introduction of a Code of Conduct is similarly supported by PIA. PIA has been advocating for enhanced regulation of the industry and this Code of Conduct is thought to be a positive step in facilitating industry oversight. PIA supports enforcement mechanisms, such as a strike system, set out to ensure compliance with the Code of Conduct.

Furthermore, PIA is highly supportive of the development of an industry led STRA register. It has been an ongoing issue for planners and other city analysts that information regarding STRA operations have been difficult to access. This register should deliver publicly accessible spatial data regarding STRA location and operation (including frequency of use and price points where appropriate). Allowing government authorities and researchers access to such data would enhance the understanding and local impact management of these operations. Importantly this data must be subject to stringent privacy regulation, including anonymity for all STRA users.

PIA is concerned regarding the regulatory burden and cost of enforcement of this framework and especially the need to protect local government from being unduly encumbered with the administrative costs, particularly in relation to identifying illegal development (eg. that is no longer exempt after a time period). PIA proposes that after a period of operation a thorough review be undertaken to determine impacts on the rental market, effectiveness of enforcement and the on the ground impacts for local government and industry. Ultimately a review would be needed to determine whether the regulatory burden is in proportion to the benefits. There would be a role for a Regulatory Impact Statement in this case.

PIA remains supportive of NSW Government led regulation of the STRA industry. Refinement of current proposals and a review after a period of operation should be implemented to ensure the system operates in a manner which balances industry, community and government interests.

If you have any questions about this submission please do not hesitate to contact me by email at John.Brockhoff@planning.org.au or by phone on 0400 953 025.

Yours sincerely

John Brockhoff
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