



Submission to NSW Government Short-Term Rental Accommodation

A NEW REGULATORY FRAMEWORK DISCUSSION PAPER

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1.0 Introduction

The Accommodation Association of Australia (AAoA) is pleased to provide the following submission to the NSW Department of Planning, Industry and Environment responding to the New South Wales Government's *Short-Term Rental Accommodation, A new regulatory framework* Discussion paper.

We thank the government for the continuing consultation with industry on the development of a regulatory response on this issue. Our response to the Discussion paper will focus on ensuring the sustainability of the commercial short-term accommodation industry (hotels, motels, serviced apartments etc) in NSW. To this end we continue to reinforce the importance of greater transparency of the operation of the short-term rental accommodation industry, hand in hand with the ability to ensure that the safety and amenity of visitors is protected.

1.1 About the Accommodation Association

AAoA is the peak industry association representing close to 1,000 accommodation operators and over 100,000 rooms across Australia. Members of the Accommodation Association include major hotels, resorts, motels, motor inns, serviced and holiday apartments, bed and breakfasts and guesthouses that directly contribute \$2.2 billion in GVA to the NSW economy.

Our members include AccorHotels (incorporating Mantra Group); Intercontinental Hotels Group; Lancemore Group; Hilton; Toga Far East Hotels (TFE); Wyndham Hotel Group; Choice Hotels, Best Western, Big 4 Holiday Parks and Quest Apartment Hotels

AAoA is committed to the future development and growth of a sustainable accommodation sector within NSW's dynamic tourism and hospitality sector.

1.2 Contribution of the Accommodation Sector to the NSW Economy

The tourism accommodation sector is estimated to have directly contributed 14% of NSW's total tourism industry GVA in 2017-18 of \$16.1 billion.

NSW's accommodation sector directly supports 25,600 jobs¹ and indirectly supports over 30,000 jobs. This accounts for 14% of direct employment in NSW's tourism industry and close to 1.0% of direct employment throughout NSW. Accommodation services had the largest share of national tourism consumption valued at \$4.7 billion or 33.0 per cent and the fourth largest share of NSW tourism consumption at 11%.

2.0 Policy Response to Short Term Rental Accommodation Regulatory Framework

AAoA welcomes the policy intent of the proposed regulatory framework 'to operate as a cohesive and integrated system where each component.....works together'. Our recommendations below seek to address both the individual elements and the integrated framework.

2.1 State Environmental Planning Policy (Short-term Rental Accommodation) 2019

2.2. Amendment of Environmental Planning and Assessment Regulation 2000

As outlined in our previous submissions, visitor safety is paramount. It should not take a death and coronial inquest, (as in the fatal 2012 fire in a Bankstown apartment block), to initiate change. That

¹ State Tourism Satellite Account 2017-18, TRA

incident resulted in changes to the National Building Code in 2018², which meant all new residential apartment buildings above three storeys built in Australia after 1 May 2019, are required to have automatic fire sprinklers installed. This was the most significant shift in fire safety policy since the introduction of mandatory smoke alarms in homes and shared accommodation more than 10 years ago.

We support the provisions outlined in Table 2 as the risk of fire increases with short term rental letting and in the *Short-term Rental Accommodation Fire Safety Standard*. These recognise that residential apartments are not designed for commercial short-term letting.

Requirements under the Building Code for Class 3 buildings prioritise guest safety in design and construction, recognising that guests are ‘unfamiliar’ with their surroundings. As such, they require Class 3 buildings to have measures such as shorter access distances to fire stairs than a residential building; evacuation plans on the back of doors; details of what to do in an emergency as well as connection of all smoke alarms to a fire panel. Most importantly staff are on site and trained to manage evacuation in the case of a fire or other emergency.

We note that the proposed additional fire safety and evacuation controls will be incorporated into the current Environmental Planning and Assessment Amendment (short term rental Accommodation) Regulation 2000. However, as most of these provisions are retrospective for existing STRA, there is currently no understanding in any of the documentation on who will monitor host compliance with this requirement, nor what the time period for compliance is. We would recommend that when hosts register, they are required to sign a declaration that they are operating short-term rental accommodation, compliant with the planning regulations.

Recommendation 1:

AAoA supports the *Short-Term Rental Accommodation Fire Safety Standard*. However, given that host compliance is likely to be retrospective, we recommend that as part of the administration of the registration system a host be required to sign a statutory declaration that they are operating short-term rental accommodation compliant with Fire Safety Standards and planning regulations.

2.3. 180-day cap too generous

As outlined in our previous submissions the tourism accommodation industry has significant concerns at the 180-day threshold for the short-term rental market in metropolitan Sydney. The basis of our concerns are as follows:

- The use of ‘day caps’ has been implemented worldwide as one of several economic measures seeking to ensure residential apartments are maintained for the purpose for which they are intended. They are designed to protect both housing and tenant affordability and availability. Gurran & Phibbs in their 2017 study³ on Sydney short-term rentals pointed to “the considerable potential for Airbnb (or other online holiday accommodation platforms) to remove whole homes from the permanent rental supply and therefore considerably increase pressures on rents, a pressure even more marked in certain parts of Sydney”.

² <https://www.globalfire.com.au/2019/04/how-recent-changes-to-fire-safety-affect-you/>

³ Nicole Gurran & Peter Phibbs (2017) When Tourists Move In: How Should Urban Planners Respond to Airbnb?, *Journal of the American Planning Association*, 83:1, 80-92, DOI: 10.1080/01944363.2016.1249011

In line with several researchers (refer AHURI study below) we believe at 180 days it becomes more attractive to put a property on the short-term rental market, rather than maintain its primary residential use.

Gurran & Phibbs in their study point to the high concentration of Airbnb listings (note that this doesn't include HomeAway and other channel listings) in Waverley and City of Sydney. *'The number of whole dwellings frequently available on Airbnb is more than three times the vacancy rate in Waverley. This suggests that Airbnb rentals has a sizeable impact on the availability of permanent rental housing in the Waverley local government area with consequent pressure on rents. In the city of Sydney, a total of 1,268 properties, equivalent to 144% of the city's vacant rental stock, are available for holiday rental via Airbnb, a figure we would also expect to substantially affect rental availability and costs.'*

Inside Airbnb show that currently the city of Sydney has a total of 2,135 properties with high availability via Airbnb. This is almost a doubling of stock used for short term rental in the period between 2017 and 2019.

- The Australian Housing and Urban Research Institute study in 2018⁴ advised that *'two main factors —decreasing bond lodgement rates, and increasing levels of property vacancy—point to the likelihood that STL is removing properties from the long-term rental (LTR) market, thereby contributing to increasing unaffordability in the private rental sector (PRS).'*

In the study the authors noted that *'while the new NSW regulatory regime adopts a limit of 180 days, we have chosen 90 days as the threshold. This is consistent with approaches taken in other parts of the world (see Chapter 5) and represents a period of time that is considered to be the maximum period that long-term occupants could vacate their property without having to seek alternative long-term accommodation themselves.'*

- Their study and a review of overseas jurisdictions, shows that a 180-day cap is one of the most generous thresholds worldwide (New York & San Francisco, 30 days primary residence only; Denmark, 70 days if share data; Ireland, 90 days in the year and for a maximum of 14 days at a time; Vancouver, 30 days, primary residence only; Montreal, 30 days; Hong Kong, 28 days). These jurisdictions recognise the potential impact on housing affordability and availability.

2.4. 21 Day loophole

Given the fact that 180 days is too generous as a cap, we have considerable concern that the recent addition of a further 21 or more consecutive day permission has been granted, where the host is not present. The stated rationale is that *'longer bookings tend to have fewer amenity impacts and are a key support to a mobile workforce'*. The reality is that this simply makes it easier to convert residential apartments into short-term rental and that even with a registration scheme and requirement for compliance, there is little way of monitoring what is now effectively a 365-day cap.

⁴ Crommelin, L., Troy, L., Martin, C. and Parkinson, S. (2018) *Technological disruption in private housing markets: the case of Airbnb*, AHURI Final Report 305, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/305>, DOI:10.18408/ahuri-7115201.

Please note that many serviced apartment operators, who comply with development requirements, fulfil the need for executive stays. We therefore do not support the necessity to create another category. The new proposal to enable stays of 21 days or more not to count towards the cap, is essentially a loophole to permit year-round short-term letting in premises that are zoned residential.

The hardest violators to remove, according to researchers, are hosts who run de facto hotels and take permanent housing off the market. “The biggest problem are the commercial short-term rentals” since “the risk might be worth it to stay operating,” says Shirley Nieuwland, a doctoral candidate at Erasmus University in the Netherlands who co-authored a [study](#)⁵ on cities’ attempts to regulate Airbnb.

Ultimately the more days permitted for short-term rentals, the more likely it is to be viable to convert the property from residential to commercial and, as outlined above, be prepared to ignore any fines for non-compliance.

Recommendation 2

AAoA points to evidence above that suggests a 180-day cap is more likely to result in residential property converting to short-term rental. The registration and compliance regime must monitor the impact of the cap and the Code of Conduct.

Recommendation 3

AAoA seeks the removal of the 21 or more consecutive day proposal. This need is currently met by compliant serviced apartment operators, who obtain development approval. The proposed extension is essentially a loophole to permit year-round short-term letting in premises that are zoned residential.

3.0 Code of Conduct and supporting Amendment Regulation

3.1. Are the specific obligations on booking platforms, letting agents, hosts, guests and facilitators in the Code adequate?

As outlined on page 3 of the draft Code of Conduct, the Code has an important role in setting out the rights and obligations of short-term rental accommodation industry participants, outlining a compliance and enforcement approach and facilitating oversight.

Currently Planning Act obligations are encompassed in Host obligations to the extent that the ‘*Host to act lawfully*’ and not contravene b) the planning law or by-laws (if the premises are in a strata or community scheme) that apply to premises.

Compliance is limited, with the Commissioner ‘*only accepting the complaint if it is accompanied by evidence of completed enforcement action by council*’. Given that there is currently:

- a) no transparency around short-term rental accommodation listings; and
- b) that Councils (in the Code) have the primary role of enforcing the day cap and fire compliance requirements; there is a requirement for a registration system.

⁵ Shirley Nieuwland & Rianne van Melik (2018) Regulating Airbnb: how cities deal with perceived negative externalities of short-term rental, <https://doi.org/10.1080/13683500.2018.1504899>

This registration system should enable Councils to have oversight of listings and ensure compliance with planning laws.

3.2 Additional Host and Platform Obligations required

Airdna in their 2017 review of regulatory regimes worldwide⁶ pointed to the fact that ‘The results seem to indicate that the impact on Airbnb is highest when hosts are targeted as the principal offenders’.

Hosts can only be targeted if there is an enforceable obligation for them to register their premises so there is both transparency and oversight. Equally there needs to be an obligation by platforms to only list properties that have been registered, demonstrating compliance with the planning law and Code. This ‘notificatory approach’⁷ was strongly supported in the research by the Australian Housing and Urban Research Institute on STRA in the Sydney and Melbourne market.

Equally the Host should advise their compliance with planning law when listing their property on the registration system.

Recommendation 4

To enable Councils to fulfil their obligations to enforce planning laws (day cap and fire compliance requirements in particular), a registration system to be established.

- Hosts to have an enforceable obligation to register their premises, explicitly advising compliance with both the planning law and the Code.
- Online booking platforms to have an enforceable obligation to only list registered properties, that demonstrate compliance with the planning law and the Code.

3.3. Compliance and Enforcement

As outlined above enforcement of registration, together with commensurate penalties need to be built into the Code of Conduct, to ensure there is a mechanism to ensure compliance.

3.4. Exclusion Register

Discussion on the Exclusion Register is encompassed within discussion of the Register as the two need to operate in synergy to ensure that those responsible for administering the Code i.e. Councils, government, booking platforms and Owners Corporations etcetera, all have access to information to ensure that the property is not operating as a short-term rental, following listing on the Exclusion register.

3.5. STRA industry participants excluded from the Code of Conduct

Clause 22C of the ‘Amendment of Fair-Trading Regulation 2012’ defines STRA participants who are excluded from the Code. The current exclusion of ‘tourist and visitor accommodation’ references the definition used in the Standard Instrument (Local Environment Plans) Order 2006 (“SIO”).

While this includes serviced apartments, the definition in the SIO is very broad:

⁶ Airbnb Regulation: How is Legislation Impacting the Growth of Short-Term Rentals?

Scott Shatford | April 10, 2017

⁷ Crommelin, L., Troy, L., Martin, C. and Parkinson, S. (2018) Technological disruption in private housing markets: the case of Airbnb, AHURI Final Report 305, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/305>, doi:10.18408/ahuri-7115201.

“serviced apartment means a building (or part of a building) providing self-contained accommodation to tourists or visitors on a commercial basis and that is regularly serviced or cleaned by the owner or manager of the building or part of the building or the owner’s or manager’s agents.”

As a result, an owner of short term rental accommodation could comply with the requirements set out in the definition of serviced apartments (and therefore fall within the definition of Tourist and Visitor Accommodation) by the fact that they (or their agent) regularly clean the apartment and let it out on a commercial basis.

In our original submission to Department of Planning, we sought to ensure that industry participants that operate ‘apartment hotels and strata titled hotels’ and hold a ‘management contract’ are classified within tourist and visitor accommodation and exempt from the Code of Conduct.

We therefore seek a stronger definition of ‘serviced apartment’ that also incorporates the requirement that owner’s or manager’s or their appointed agents have an onsite reception for the purpose of greeting tourists or visitors on a commercial basis. This ensures greater control, regulation and management of the visitor experience.

Unlike STRA, ‘tourist and visitor accommodation’ is currently required to comply with Planning legislation, the Building Code and other regulations and have in place a myriad of compliance requirements around insurances, fire and safety, cleanliness, disability protections and more, to protect visitors, improve their experience and to ensure the sustainability of the industry long-term.

Additionally, ‘tourist and visitor accommodation’ properties are branded, either individually or as part of a chain with full transparency around location and facilities on both individual and chain websites. They have a vested interest in protecting their brand and goodwill with high standards of consumer protection, safety and security.

Recommendation 5

To ensure unregulated residential apartment operators are covered by the Code, we seek a stronger definition of ‘serviced apartment’ that incorporates the requirement for an onsite reception to greet and assist tourists or visitors ensuring greater control, regulation and management of the visitor experience.

Recommendation 6

‘Tourist and visitor accommodation’ should be excluded from the Code as they are currently required to comply with Planning legislation, the Building Code and other regulations and have in place a myriad of compliance requirements around insurances, fire and safety, cleanliness, disability protections and more, to protect visitors, improve their experience and to ensure the sustainability of the industry long-term.

Additionally these properties are branded, either individually or as part of a chain. They have a vested interest in protecting their brand and goodwill with high standards of consumer protection, safety and security.

4.0 Proposed industry led STRA property register

AAoA welcome the opportunity to respond on a proposed register. As per the Discussion paper, this has the potential to assist both in the administration of the Code of Conduct and the integration of the STRA regulatory framework.

As outlined in Recommendation 4 a register is essential in enabling Councils to fulfil their obligations to enforce planning laws inclusive the enhanced fire safety regulations. Without a system to both monitor and enforce host compliance the Code of Conduct becomes ineffective.

An Airdna 2017 study showed that globally, cities are implementing licensing requirements to limit the number of new rentals and better monitor the activity of existing ones. *'But licensing requirements are only as effective as the compliance these cities are able to achieve.'*⁸

4.1 Industry-Led Register

The Discussion paper clearly states a preference for a 'STRA industry' register, based on the fact that industry 'has in place existing systems and processes that collect real-time STRA data.'

The term 'industry' in the paper references online booking platforms. The reality is that online booking platforms for short term rental bookings are very broad and now encompass Airbnb, Expedia (HomeAway; Vrbo; Stayz), Booking.com, Trip Advisor and many more. These operate their own individual global businesses and are unlikely to co-operate on the 'funding, developing and administering' of a system. 'Industry' also encompasses property managers and agents and associations such as ASTRA, which purport to represent some of these.

The two main players in the 'Industry' have not been aligned on the need for a registration system⁹ ¹⁰, let alone how to manage one. The register has a very important public function outlined in the Discussion paper and we would not agree with government devolving responsibility to 'industry'. After four years of inquiry and consultation the NSW Government has the opportunity, through both reviewing the experience from overseas, and from their own experience in developing public function registers (Land Titles Registry; Vehicles Registry; NSW Registry of Births, Deaths and Marriages), to develop a best practice model.

Evidence from research overseas shows that the most successful registration schemes for short-rental place the obligations and fines on the host but require platforms to play their role in validating data.

- In San Francisco, a 90-day cap applies for short-term rentals. All hosts must register with the San Francisco Treasurer and Tax Collector and obtain a business registration number. Hosts are also required to register with the Office of Short-Term Rentals and pay a \$250 fee., valid to two years. Your short-term rental will be listed and tracked by the city in a registry. The registry listings are available to the public, with the permanent resident names redacted.

⁸ Hide and Seek: The Game of Airbnb Host Compliance, Scott Shatford | November 3, 2017

⁹ <https://www.domain.com.au/news/councils-call-for-compulsory-registration-system-for-short-term-rental-properties-789001/>

¹⁰ <https://www.accomnews.com.au/2019/08/important-step-forward-accom-hails-nsw-short-stay-plan/>

However even with this system, only a quarter of hosts were registering. In a landmark 2016 case, a U.S. District Court upheld San Francisco's ability to hold Airbnb liable when hosts operate illegal rentals. Airbnb was required to turn over host registration information to city officials, to ensure all hosts are properly registered, effective January 2018. Today, San Francisco maintains a list of all registered hosts, and works with Airbnb and VRBO to ensure hosts stay compliant.

- In London, a 90-day cap has been placed on short-term rentals, but it is impossible to enforce despite a seven-person housing enforcement team. "In response to the 90-day cap, Airbnb introduced an "automated hosting limit", which blocks out a host's calendar for the year once they have reached 90 days of rentals for a single property. However, Westminster Council say that it's too easy to get around the cap by listing the same property on other rental websites. Now London Mayor Sadiq Khan and representatives from cities such as Edinburgh, Westminster Council are calling on the government to introduce a register of short-term rentals.

The platforms agree. "We have zero tolerance for attempts to get around our measures and we have backed the mayor's proposal for host registration, which would help ensure rules are applied fairly and equally to hosts on all platforms," an Airbnb spokesperson told Sky News."¹¹

In line with other tourism stakeholders we would recommend a registration system that has the parameters outlined by government but tendered out for operation by private sector proponents that have the capacity to develop and manage a registration system. Government would retain statutory oversight and as with other NSW public interest registration systems, hosts could register through the Service NSW portal.

The benefits of an independent system such as this are:

1. A neutral platform with no conflicts of interest can be integrated into the compliance and enforcement system;
 2. An appropriate fee structure could be set to ensure the system is sustainable long term;
 3. It would provide access to Local Councils and Fire and Rescue, to ensure that they have the information for monitoring and compliance, required under the Planning regulations;
- Because properties may be listed on multiple platforms the register can be designed to ensure that the cap is monitored, with platforms required to share data with the centralised independent system. The host obligation to stay within the cap limit is built into the Code of Conduct. Without a registration system and sharing of data from platforms, this would be impossible to monitor.

¹¹ <https://news.sky.com/story/airbnb-short-term-letting-boom-puts-pressure-on-housing-and-communities-11731774>

Recommendation 7

That Government develop parameters for an online registration system and tender to private sector proponents, independent from STRA businesses, that have the capacity and knowledge to administer an effective register. Government would retain statutory oversight and as with other NSW public interest registration systems, hosts could register through the Service NSW portal.

Recommendation 8

That Councils and Fire and Rescue can access the Register to enable them to fulfil their obligations to monitor STRA under the Code of Conduct.

In the US, Host Compliance¹² run an independent registration system for over 50 councils. They provide registration, monitoring and compliance in a complex environment.

Based on best-practice each property would need to be allocated a registration number, used by the property to list on booking platforms (please refer San Francisco, Barcelona, Paris, Vancouver etc). Booking platforms would only list properties with a registration number to maximise host registration.

3.2 Information to be captured on the Register

We support the contention in the Discussion paper that ‘the scope and quality of the information held on the register would be keys to the register’s success.

We support the following information to be collected on the register:

- The name and contact details of the host. Please note that if the host is not the owner, the name and contact details of the owner of the property should also be captured, for the purposes of insurance and compliance.
- Emergency Contact details
- The street address of the property.
- Type of dwelling – house, apartment, townhouse etc and number of rooms available for rental.
- The number of days available for short-term rent.
- Whether hosted or unhosted.
- In addition, the Strata Scheme number to be included if it is a strata property and whether the STRA complies with the by-laws.
- Signed compliance on insurances in place; compliance with fire regulations etc.
- Confirmation that the host or property is not listed on the exclusion register.

As outlined in the paper above the host/owner to have an obligation to register their property and the booking platform required to only list properties with a valid registration number. Booking platforms to have an additional obligation to share data on the number of nights a booking has been made for a host, to ensure compliance with the Code of Conduct.

¹²<https://hostcompliance.com/>

The additional obligation for hosts to register and for booking platforms to only list hosts that are registered and their obligation to share data, will need to be built into the Code of Conduct to ensure the effectiveness of the regulatory system.

Recommendation 9

To ensure the effectiveness of any registration system in monitoring STRA and to provide a mechanism to ensure compliance with both the Planning regulations and the Code of Conduct, additional obligations on both the host and the booking platform need to be built into the Code of Conduct.

1. Hosts to be required to register and provide relevant contact and compliance information.
2. Booking platforms to be required to only list properties with a valid registration number and to have an obligation to share data on number of days let.

5.0 Commencement date for STRA regulatory framework**5.1 Proposed commencement of the regulatory framework**

The stated purpose of both the Planning regulations and the Code of Conduct is to establish a regulatory framework that ensures that there is ‘certainty for hosts and communities’ and ‘state-wide consistency in definition and permissibility of STRA¹³’.

The intent of the policy, articulated in the Discussion paper is ‘to support STRA as a home sharing activity and contributor to local economies, while managing social and environmental impacts’.

Ultimately to deliver on that promise, the intent for Planning is to ensure that residential premises are used for the purposes for which they were intended and the intent for Customer Service is to ensure that risk is controlled and mitigated by ensuring that the responsibilities and obligations of all STRA industry participants are well understood by both STRA participants, Councils, Fire, Owners corporations, the tourism industry and the general public.

As outlined in our submission, it is not possible to deliver on the above without a registration system that is independently developed and maintained with government statutory oversight. This system requires additional host and platform obligations, detailed in Recommendation 5, which need to be built into the Code of Conduct.

We therefore would support all the elements of the new STRA regulatory framework coming into force at the same time. Given that this represents considerable change for the currently unregulated operations of STRA, an education program is required.

5.2 Scope of a 12-month review

AAoA supports a 12-month review and the scope of the review outlined in the paper. Our key concern is ensuring that measurement criteria for the review are well understood and agreed as part of the implementation process for the regulatory framework.

A review based on number of complaints is not useful in determining whether a system is working. A register will assist in ensuring that host participation and compliance and booking platform and letting agent engagement and compliance are effective. Access to the register by Councils and Fire,

¹³ Short Term Rental Accommodation. A new regulatory framework Discussion paper; NSW Government, August 2019

will ensure that they have an improved ability to monitor and enforce obligations required under Planning regulations.

As outlined in the paper all elements of the regulatory framework need to work in synergy and therefore government needs to ensure that there are effective mechanisms in place to both control and review.

6.0 Conclusion

AAoA welcomes the continuing NSW Government engagement on the STRA regulatory framework. 'Visitor and tourist accommodation' is a vibrant part of the visitor economy, which is highly regulated to ensure the safety and amenity of the visitor experience, enhancing NSW's position as an attractive visitor destination and contributing to the visitor infrastructure (restaurants, bars, spas, meeting and conference facilities and more).

The sector is a major employer, supporting a total of 25,600 jobs in NSW, 14.0 % of total direct tourism employment in NSW and is also a major indirect employer through the supply of products such as linen, bedding, flowers, AV and other equipment, food and beverage and much more.

The sector is currently required to comply with Planning legislation, the Building Code and other regulations and has in place a myriad of compliance requirements around insurances, fire and safety, cleanliness, disability protections and more, to protect visitors, improve their experience and to ensure the sustainability of the industry long-term.

Therefore, we support a strong STRA regulatory framework for STRA that, currently falls outside the definition of '*tourist and visitor accommodation*,' and therefore does not comply with the legislation and regulations outlined above. A framework that protects visitor safety and amenity, ensures the sustainability of investors in 'tourist and visitor accommodation', protects neighbourhood character and commences a process to level the playing field.

We look forward to working with the NSW government on a more co-ordinated approach to the regulatory framework that recognises the vital importance of compliance, co-ordination and review.