

NSW SHORT-TERM RENTAL ACCOMMODATION UPDATE

The NSW Government has now issued its new regulatory framework discussion paper and called for final feedback.

According to Government sources, the Short-term Rental Accommodation (STRA) industry in Australia was estimated to be worth \$31.3 billion nationally in 2016 and NSW's share equalled approximately 50% of that figure.

In June 2018, the NSW Government announced its proposed policy for STRA in NSW including:

- a state-wide **planning instrument** permitting the use of dwellings for STRA under certain conditions, including limits on the days the activity can take place;
- a mandatory **Code of Conduct** that will apply to online booking platforms, letting agents, hosts and guests; and
- clarification that strata schemes can adopt a by-law that prohibits STRA where a lot is not a host's principal place of residence. Any such by-law will need to be adopted by special resolution, with 75% of votes supporting the proposal at a general meeting.

The NSW Government's stated policy for STRA seeks to enable local economies to continue to benefit from STRA, while protecting communities from anti-social behaviour, such as increased noise for neighbours.

1. Planning Instruments

At present, STRA is regulated differently in different local government areas across NSW. The NSW Government policy for STRA seeks to provide State-wide consistency in the definition and permissibility of STRA. The proposed planning framework includes new 'exempt' and 'complying' approval pathways that enable STRA within day limits:

- where the host is present, STRA is 'exempt development' for 365 days per calendar year;
- where the host is not present, and the site is not on bushfire prone land or a flood control lot, STRA is 'exempt development' for:
 - 180 days in Greater Sydney;
 - 365 days in regional areas; except where a council varies this to no lower than 180 days;
 - Where the host is not present, and the booking is for 21 or more consecutive days, the booking will not count towards the above day thresholds.

Already, some regional councils have nominated different day limits for un-hosted STRA – eg:

- Ballina Shire – 180 days;
- Lake Macquarie – 180 days.

Regional councils can continue to nominate reductions in un-hosted STRA permissibility to no lower than 180 days.

Proposed safety requirements applying to dwellings used for STRA

The Government also intends to set certain minimum safety requirements for STRA properties as follows:

Dwelling type	Recommended standard
All dwellings	<ul style="list-style-type: none"> • Installation of a lighting system in hallways that is activated by the smoke alarm system.
Dwellings in multi-unit buildings only	<ul style="list-style-type: none"> • Entry doors should be openable from inside the dwelling without a key. • Installation of a self-closing device and smoke seals to all edges of the door, if the door opens onto a shared corridor and entrance doorway. • Installation of a fire extinguisher and fire blanket in the kitchen. • Making an Evacuation Plan, displaying 'evacuation signage' and familiarising guests with exit system.
Standalone dwellings only	<ul style="list-style-type: none"> • Installation of heat alarms in single dwellings which are located above a garage.

2. Code of Conduct

The principal objectives of the proposed Code are to:

- (a) set out the rights and obligations of STRA industry participants;
- (b) provide for resolution of disputes and complaints concerning the conduct of STRA industry participants;
- (c) outline the compliance and enforcement approach that applies for contraventions of the Code by STRA industry participants; and
- (d) facilitate the oversight of the STRA industry.

Hosts' specific obligations relate to:

- representing their STRA property accurately to guests;
- holding an appropriate level of public liability insurance;
- providing guests with appropriate contact information for the host or other emergency service providers;

- providing neighbours, including an owners corporation where relevant, with information such as the host's contact details; and
- complying with any restrictions on participating in the STRA industry imposed on them due to listings on the exclusion register.

Guests' specific obligations relate to:

- their behaviour and the behaviour of any visitors, including ensuring they do not act in a way that unreasonably impacts on STRA properties' neighbours;
- taking reasonable care of the STRA premises or host's property at the premises;
- complying with any restrictions on participating in the STRA industry imposed on them where they are listed on the exclusion register.

Proposed industry-led STRA property register

The Government's view is that the register has the potential to greatly strengthen responses to complaints about STRA. This is because a register could provide information about which properties are used for STRA and the number of days that properties are let.

Information on the register could facilitate compliance with the STRA regulatory framework. For example:

- Local councils could use the information to enforce compliance with day thresholds;
- Industry participants, such as booking platforms, could access the information to ensure they are only advertising registered STRA properties that are not listed on the exclusion register, and which are within the permitted maximum number of days.

Timing

After the current final round of consultation closes, the departments will analyse all feedback and make any necessary refinement to the policy. Thereafter, the policy will go to the Governor for approval.

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