

SUBMISSION

TO: Department of Mines, Industry Regulation and Safety, Government of Western Australia

RE: *Short-Term Rental Accommodation Bill 2023 (WA) Consultation Draft and Proposed Planning Reforms for STRA*

ABOUT ASTRA

The Australian & New Zealand Short Term Rental Association (ASTRA) is the peak body representing the short-term residential rental industry in Australia and New Zealand. With industry comprising around 225,000 properties across Australia and 45,000 properties across New Zealand, ASTRA's members represent the interests of hosted and non-hosted residential property owners, operators, managers, agents, and property management and software businesses.

ASTRA's mission is to promote and standardise the residential short-term rental industry through advocacy, education, and research. The short-term rental industry has been delivering memorable guest experiences for more than 140 years, delivering real benefits to the economy, local communities, and tourism.

INTRODUCTION

ASTRA welcomes the opportunity to provide feedback to the Government of Western Australia on the proposed reforms to the short-term rental accommodation (STRA) industry. ASTRA and its members share the Government's vision to improve housing and rental affordability for Australians and acknowledges the challenge in balancing regulation of the short stay industry against the need to provide more long-term rental and housing options. ASTRA remains committed to working with all levels of government to address housing and rental challenges.

This submission seeks to ensure that the reforms do not have unintended negative consequences on individuals, businesses, or the visitor economy, and cost and administrative burdens are mitigated.

THE VALUE OF STRA

STRA operators are the local community who make significant economic and social contributions to local economies, especially in regional and rural areas. The total economic contribution to Western Australia associated with the tourism expenditure of Airbnb guests in the year to March 2023 was nearly \$1.2 billion, with 7,200 full time equivalent (FTE) jobs supported, in addition to the activities of hosts. The economic contribution for Perth was \$620 million and 3,300 FTE jobs.

STRA typically makes up around 25 per cent of the accommodation offered in metro areas and more than 35 to 50 per cent in regional areas. There are approximately 80-90,000 STRA non-hosted listings nationally and only a small proportion are suitable for affordable housing. National housing stock allocated to STRA is less than 3 per cent, and if you exclude properties designated as short-stay apartments (beachside units), it amounts to 1 per cent¹.

¹ [A Review of the Impacts of Short-term Rental Accommodation in Queensland](#), Thomas Sigler, The University of Queensland, 2022.

DETAILED RESPONSE

STRA is residential in nature

1. ASTRA objects to the characterisation and regulation of STRA as commercial properties. STRA properties are residential properties offering a commercial arrangement, and are not commercial properties, property developers or major corporations.
2. The STRA sector is distinct from the online booking platforms and predominantly comprised of individual and family single-dwelling property owners and 'mum and dad' investors.
3. Short-term accommodation differs from long-term in that many of the properties used for short-stay are generational homes used for personal use or are not suitable or affordable for long-term renters. Many properties are used to accommodate holiday travellers during seasonal periods or festivals and events, as well as business travellers, remote fly-in-fly-out (FIFO) workers, or those seeking transitional accommodation for a range of reasons. There is also a proportion of STRA operators who offer both long- and short-term stays depending on the availability of suitable tenants, own use of the property, and need to meet increasing and unsustainable financial obligations, such as mortgages and maintenance costs.
4. The STRA industry is diverse and complex, with the majority of industry comprised of single-dwelling Australian property owners. While the demographics of owners and operators vary, the backbone of the industry is older women, who rely on the income and flexible work options the STRA industry affords them.
5. STRA owners and operators are often older women, carers who need part-time or flexible work, retirees with little superannuation, or shift workers.
6. Many STRA offer direct and available 24/7 contact, warm hospitality, and personal management for guests, who typically live in the local community. If there are any issues with guests, neighbours can contact the owner directly and immediately seek resolutions.

Development Assessment process

7. ASTRA firmly believes that existing properties have gained residential property consent for long- or short-term rental use, or for owners to occupy the property themselves. These usages are interchangeable over the life of the property. ASTRA seeks clarity from the Government on how any new laws, regulations, or a DA process will interact and align with existing rights.
8. ASTRA strongly objects to enforcing a Development Approval or Development Assessment (DA) process for STRA, which imposes significant costs, including construction and consultant costs, and onerous state and local laws on STRA operators, the majority of which are single-dwelling 'mum and dad' property owners who need to rent out their properties for short- and long-term use to meet increasing financial obligations.
9. If a DA process is implemented, ASTRA strongly advocates for the exemption for STRA operators for a DA to be increased from 90 nights to 270 nights.
10. ASTRA seeks more clarity and detail from the Government on the DA process obligations and associated costs.
11. Ordinary homeowners cannot be reasonably expected to meet costs and ensure compliance with all the relevant local and state laws that are imposed on commercial operators and traditional commercial accommodation providers, such as building, governance, amenity, health and safety, or disability access.
12. Property owners have existing usage rights and a change in these rights may open up local and state governments to litigation, particularly if applied retrospectively.
13. The draft Bill requires the provider to give mandatory information as part of the registration process including, as stated in the Policy Summary, "the number of nights the premises is proposed to be used as STRA in a 12-month period." In the event the provider has been designated as a property requiring a DA as they have proposed to operate for more than 90

- nights, but in actual occurrence does not accumulate stays for more than 90 nights per year (given cancellations or unforeseen events), how will this provider be treated? Will they be entitled to any cost recovery or future exemptions to the 90 nights?
14. A DA process can often involve public consultation – ASTRA is concerned with how this aligns with ensuring privacy for homeowners and guests. Some STRA properties offer emergency accommodation to people escaping family violence – in rural or regional towns where there is limited STRA revealing the location of STRA properties means they are no longer safe accommodation options.
 15. The majority of STRA operators rent out properties for more than 90 nights per year and if onerous cost and administrative burdens via a DA process are placed on operators, STRA will become scarce and prohibitively expensive.
 16. The purpose of STRA is to be a more affordable and distinct option from traditional commercial accommodation providers. It provides flexible accommodation that is most like a home-away-from-home where families can stay together, cook, use the laundry, and bring pets. Children have room to play, couples enjoy their own space and privacy, and shift workers appreciate coming back to a home-like property where they can cook a meal at late hours and have room for their partner to join them on weekends.
 17. STRA is also not only used for tourism and leisure visitor accommodation purposes. A significant proportion of STRA is used by business travellers, visiting family and friends (VFR), remote and regional workers, FIFO workers including defence and healthcare, people with disabilities, disaster-affected residents, women and children escaping domestic and family violence, renters in between housing, families experiencing divorce or other crises, families with children attending sporting competitions, festival and cultural event attendees, families visiting metro hospitals, and many others who need emergency accommodation.
 18. Furthermore, STRA operators work with insurance companies to house people following issues of mould and water damage, building defect reparations, and other issues.
 19. Driving down the number of STRA properties on the market will force people to use more expensive commercial accommodation, which is often non-existent in many rural, regional, and coastal towns and in turn will lead to local families leaving these regions to find work elsewhere or place additional burdens on welfare programs.
 20. The unintended consequences of an onerous and costly DA process are less supply and higher costs. Commercial operators, such as hotels and motels, may increase their prices to capitalise on the STRA supply shortfall, resulting in increased cost of accommodation, travel, and cost of living. Communities also lose the space to thrive as a community – i.e. there are fewer places for families and loved ones to visit, and they will be less likely to visit with prohibitive costs and little availability of places with multiple rooms, kitchen and laundry amenities and permission for pets.
 21. If domestic and overseas visitors cannot afford STRA or traditional commercial accommodation, tourism and the visitor economy will decline, as has been the case in New York following enforcement of Local Law 18. The law means short-term rentals under 30 days can only be offered as hosted accommodation to no more than two paying guests. According to independent polling commissioned by Airbnb, in the three months since the law came into effect, people are less likely to visit New York City. Nearly one in five travellers (18%) said they are less likely to visit New York City after learning about the new restrictive rules and 65% of respondents said they are less likely to visit due to recent increase in hotel prices². Airbnb estimates a loss of \$1.1 billion for the City in tax revenue.
 22. The other significant unintended consequence relates to jobs for older women. STRA is an industry run by older women, many of whom have turned to STRA given the lack of flexible

² [‘New survey finds strict short-term rental rules deter visitors to NYC’](#), Airbnb, 8 December, 2023.

and equal employment opportunities available to them, particularly given carer or childcare responsibilities. Reducing STRA in the community serves to reduce employment opportunities for older women.

23. Additional DA process costs will also force operators to reduce costs associated with labour hire and suppliers. This means fewer jobs for many local individuals and businesses, including cleaners (who are typically older women), gardeners and landscapers, pool maintenance workers, electricians and plumbers, laundrettes, and dry cleaning.
24. The DA process may not incentivise any provider to offer their property as a long-term rental option, in many circumstances because STRA is not suitable for long-term use.

The need for a Code of Conduct

25. ASTRA strongly supports implementing a Code of Conduct at the same time that the registration scheme becomes mandatory, which is proposed for 1 January 2025.
26. A Code of Conduct for hosts and guests will support compliance and a central statewide registration, ensuring any bad actors are removed from the industry and neighbourhood concerns are addressed.
27. The registration system and Code of Conduct in NSW, implemented in 2021, has proven successful in achieving its desired outcomes, including greater transparency of listings and an enforceable framework to improve host and guest behaviours.
28. ASTRA highlights the evolution of technology to better manage and enforce compliance. Management technology in the form of apps and software govern guest behaviour, noise levels and guest screening. Hosts and managers are already using this technology and many report that they have all but ruled out bad behaviour that disturbs neighbours.

Premises to which Act does not apply

29. Clause 5) f) provides that 'a refuge or other emergency or respite accommodation' is excluded from the draft Bill. This exemption ignores the fact that many STRA properties, while not officially designated emergency, refuge, or respite accommodation, are already being utilised as emergency accommodation. ASTRA asks how these bookings will be treated?
30. Many people rely on STRA for emergency accommodation for various reasons, particularly when government-funded refuges, shelters, and emergency accommodation are not accessible, available, or affordable. These reasons include to escape domestic violence, following a natural disaster, during unforeseen and foreseen maintenance issues and repairs, during family disputes and divorce, when moving house or rental property, and other urgent or emergent circumstances.
31. ASTRA suggests the Government could consider exemptions or an exemption category for providers and properties that offer accommodation to disaster-affected residents, domestic and family violence victim-survivors, local and significant events, and other appropriate circumstances (such as FIFO or local/state/federal government remote business travellers). For example, when stays are for defined purposes as above and agreed with local or state governments, these nights may be exempt from counting toward the 90-nights. This ensures providers can continue to offer accommodation without limitation and not turn away bookings of those in genuine need or crisis to avoid surpassing 90 nights.
32. Partnering with STRA in these circumstances and creating exemptions or opt-in programs for operators offers the government the ability to secure immediate and cost-effective housing and temporary accommodation for especially vulnerable cohorts. STRA operators already provide accommodation to people in crisis at significantly reduced or complimentary rates and is concerned restrictive regulation will diminish their ability to do so.

Privacy and safety of STRA locations

33. ASTRA highlights serious concerns about the lack of clarity around what information required as part of the registration process will be made public when searching the register.
34. ASTRA strongly objects to a heat map being publicly available as it is concerned this will stoke anti-STRA sentiment within the community and create safety and privacy issues. It is also unclear what level of detail will be available in the heat map.
35. The public being able to determine where STRA properties are located in the community via a register or heat map, particularly in communities with a small number of STRA operators, raises serious concerns about the privacy and safety of women and children fleeing domestic and family violence in particular. Given shortages in women's shelters and emergency accommodation, STRA is often used by people escaping family violence or experiencing divorce. If the public can determine specific or approximate locations, then STRA may no longer be an option for these people. Any perception that STRA is not private or safe only adds to the safety fears of victim-survivors.
36. Furthermore, the draft Bill allows the Government to share extensive personal information with local governments and undefined third-party non-government entities for research and other purposes. It is currently unclear what specific information will be shared and how and with whom it will be shared – this raises significant privacy, safety, and cyber security concerns.
37. Owners who offer their property for long-term rental do not have to publicly declare how they use their property, including whether it is vacant, and so are afforded a level of privacy that STRA hosts and operators are not. Many owners and operators also switch between long- and short-term rental based on availability of tenants and other factors. Inequitable treatment of owners based on length of stay serves to demonise and punish the STRA industry.

Penalties for non-compliance

38. ASTRA supports lowering the penalties for individuals as per Clauses 8 and 9 down to \$10,000 or less to reflect a penalty proportionate to the nature, gravity and consequences of the offence.
39. ASTRA also supports significantly lowering the penalty for corporations.
40. Australia is in a cost-of-living crisis and the majority of STRA operators are ordinary individuals and families, not wealthy property investors or large corporations. Given many STRA operators are 55+, low digital and financial literacy skills should also be taken into consideration when developing processes and penalties for non-compliance.
41. Furthermore, as per Clauses 10 and 11 in the draft Bill, applying the same penalties to individuals and advertising booking platforms does not account for financial inequivalence.
42. ASTRA suggests a par could be inserted into Clause 8 that provides STRA operators a reasonable opportunity to register the property without penalty.
43. To enable adjustments and reductions, ASTRA suggests penalty amounts may be prescribed in regulation, not the legislation.
44. ASTRA highlights the willingness of the STRA sector to uphold compliance, as evidenced by no operators being listed on the NSW STRA exclusion register as at the time of this submission.

Suspension or cancellation of registration

45. ASTRA notes that this provision in the draft Bill should not be excessively punitive and allow a period of less than three years for cancellation or suspension of a registration pending the severity of the reason or offence.

46. ASTRA also seeks clarity on if suspension/cancellation of registration applies to the property or the provider/person, as well as if suspension/cancellation will be removed upon property transfer or sale.

Provisions to display registration number in advertisement material

47. ASTRA notes including a registration ID number in advertising material, including on social media or radio, may be impractical when a provider is advertising multiple properties, as the draft Bill requires one premise with multiple self-contained accommodations to have separate ID numbers.

SUMMARY

Given the diverse nature of STRA guests and hosted and non-hosted STRA operators, ASTRA highlights the importance of nuanced regulatory solutions that enable flexibility within the industry and do not impose unsustainable cost and administrative pressures on ordinary property owners and small and medium businesses.

Policies and regulation that constrain the STRA sector and fail to account for its complexity will only result in increased accommodation costs for leisure, business, and transitional guests, reduce local jobs, especially for older women, and impact the ability of families to meet increasing financial obligations.

ASTRA is committed to working with all levels of government to achieve robust regulatory frameworks and policies that professionalise the STRA industry while ensuring it can continue to support local communities and the visitor economy.