



9 November 2017

## QUASI-HOTELS MUST BE BANNED

Quasi-hotels should be banned under reforms to the regulation of short-term holiday letting in NSW.

This is the view of the Accommodation Association of Australia, as the NSW Government considers changes to the model for regulation of tourism accommodation.

"It is vital that the new model for regulation of tourism accommodation in NSW has two top priorities - consumer safety and local jobs," said the Association's Chief Executive Officer, Richard Munro.

"At the moment, in almost all cases, when domestic and international visitors stay in an Airbnb apartment or property, they are staying in non-compliant accommodation - accommodation which does not meet the same high safety standards that traditional hotels have in place.

"This cannot be allowed to continue if Australia, including NSW, is to maintain its reputation as a safe holiday destination.

"One of the most significant problems is residential properties - mainly apartments - with the same owner which are posted on Airbnb, meaning they are operating as virtual hotels, but with lower safety standards than actual hotels.

"The new regulatory model in NSW must ensure that quasi-hotels are banned.

"In addition, local jobs are at risk unless there is a crackdown on Airbnb. As our submission to the Government makes clear, Airbnb might claim that it 'supports' jobs, but that's not the same as directly employing people, as our members do.

"Accommodation operators whose business aren't located in metropolitan areas are finding it particularly tough. As our submission says, 'sharing economy platforms are ruining the business environment for hotels, motels and other compliant tourism accommodation businesses outside of our major cities'."

Key points from our submission can be found below. To view our complete submission, please click [here](#).

### National Office

Suite 1, Level 2, 189 Kent Street, Sydney NSW 2000

### Contact Us

P 02 8666 9015

F 02 8666 9017

E [mail@aaoa.com.au](mailto:mail@aaoa.com.au)

[www.aaoa.com.au](http://www.aaoa.com.au)

ABN 36 322 115 084

### QLD Office

Suite 8, 37 Bundall Road, Surfers Paradise QLD 4217

### Member Enquiries

1300 304 397



## Key Points

- The Accommodation Association noted the recommendations in the final report of the NSW Parliament Legislative Assembly Committee on Environment and Planning inquiry into the adequacy of the regulation of short-term holiday letting in NSW.
- The accommodation industry supports the development of a definition of short-term rental accommodation and all short-term rental accommodation being subject to the same regulations/legislation.
- Any building in which short-term letting is conducted must meet requirements under Class 3 of the Building Code of Australia.
- The industry does not support any scenario which permits a group of residential apartments to operate as a quasi-hotel.
- The industry believes the Holiday and Short-Term Rental Code of Conduct has proven to be ineffective in the regulation of short-term letting/tourism accommodation in NSW to the detriment of consumer safety and housing affordability, among other things.
- The number one priority for the NSW Government when it is considering changes to the regulatory regime for short-term (or tourism) accommodation must be consumer safety.
- The emergence of quasi-hotels is one of the most significant negative consequences of the lack of regulation of sharing economy accommodation in Australia.
- The recent rapid emergence of sharing economy providers of tourism accommodation has resulted in job losses in the accommodation industry in NSW.
- The recent rapid emergence of sharing economy accommodation providers is having a significant detrimental impact on the level of rental and housing affordability, notably in Sydney.
- Sharing economy platforms are ruining the business environment for hotels, motels and other compliant tourism accommodation businesses outside of our major cities.
- Companies which operate online platforms for Australian residential properties to be used for tourism accommodation are avoiding payment of taxes in Australia.
- Every local government authority in NSW should formally establish a regime to ensure compliance with planning laws and building fire safety requirements, funded by significant fines for non-compliance of not less than \$1 million per property.

-ENDS-

## Media Contact

Richard Munro

Chief Executive Officer, Accommodation Association of Australia

02 8666 9015 | 0417 466 997

### National Office

Suite 1, Level 2, 189 Kent Street, Sydney NSW 2000

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P 02 8666 9015

F 02 8666 9017

E mail@aaoa.com.au

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