



## Airbnb submission: NSW Short-Term Rental Accommodation Review

### Executive summary

- Airbnb notes the New South Wales Government's Review of the regulatory framework for short-term rental accommodation (STRA) is taking place against a backdrop of widespread housing availability and affordability issues across the state.
- Airbnb supports fair and sustainable regulation of the sector and has helped to implement the current regulations in close partnership with the NSW Government. This includes registration, Code of Conduct, Exclusion Register and data sharing.
- Airbnb is keen to continue our close collaboration with state and local governments to ensure policy and regulatory settings remain appropriately calibrated and responsive to local issues, whilst supporting the state's vibrant visitor economy.
- Short-term rentals play a key role in the tourism industry, providing a broad range of accommodation options and encouraging dispersal of visitors to local communities.
- In the year to March 2023, guests on Airbnb spent a staggering \$3.65 billion in New South Wales, supporting 27,900 jobs and contributing \$4.36 billion to Gross State Product.<sup>1</sup>
- Our platform also provides an economic lifeline to Hosts in New South Wales, many of whom rely on hosting to help make ends meet amid the current cost of living crisis. 66% of Hosts across the state identify as female, 23% are over 60 and 23% work in education, healthcare, hospitality or the arts.<sup>2</sup>
- Guests use short-term rental accommodation for a range of reasons, including accessing medical treatment, education, work opportunities and in emergencies.
- Short-term rentals are often more affordable and suited to family or group travel, with features such as kitchens and laundries not offered by traditional accommodation.
- Airbnb invests heavily in trust and safety initiatives, such as our global party ban to manage guest behaviour, our neighbourhood support line to support local communities in responding to issues and active enforcement of the NSW STRA Code of Conduct.
- Airbnb is committed to working with the NSW Government to support balanced and evidence-based regulation of STRA, and suggests a number of recommendations that will more meaningfully address the current housing pressures in NSW.
- Our recommendations are designed to support the NSW Government's goal of maximising utilisation of existing homes in NSW and also ensuring that STRA can continue its important contribution to the visitor economy.
- Airbnb notes the ineffectiveness of day caps as a policy lever and calls for their removal, noting the range of additional measures that Airbnb recommends (such as sustainable tourism levies, tiered registration fees and enhanced compliance and enforcement) would be more effective in meeting the Government's stated aims.

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<sup>1</sup> Refer footnote 6.

<sup>2</sup> Refer footnote 11.

- Airbnb considers that local government areas may be further resourced to enforce the current regulations. The framework is robust by global standards and solves for the range of issues that can arise in this sector.
- Airbnb conditionally supports a tourism levy to help fund vital social and affordable housing initiatives across the state.

## Summary recommendations for reform

That the NSW Government:

- **Recommendation 1:** Retains the current exempt development pathway for STRA, as it continues to provide certainty for Hosts and industry participants, as well as a balanced approach for local communities.
- **Recommendation 2:** Retains the current land use types and definitions for STRA, noting they are appropriate and fit-for-purpose and any further categorisation would create unnecessary confusion and complexity for the sector.
- **Recommendation 3:** Undertakes further education on the definitions for hosted and non-hosted STRA, including a clarification that an ancillary dwelling is a type of hosted accommodation.
- **Recommendation 4:** Considers enhancements to the registration scheme by:
  - Implementing Host identity verification mechanisms via the NSW Planning Portal;
  - Collecting information from Hosts about their ability or willingness to share their home in times of emergency;
  - Collecting information from Hosts about whether the STRA property is their primary home;
  - Publishing aggregated registration data at the LGA level.
- **Recommendation 5:** Considers a tiered approach to annual registration fees, taking into account the usage of properties for STRA, and with increased fees used to further resource compliance and enforcement efforts by local councils.
- **Recommendation 6:** Undertakes a gap analysis to identify additional data points that local governments may require to appropriately enforce the current planning framework, in close cooperation with booking platforms.
- **Recommendation 7:** Considers removal of the current day caps that apply in select local government areas across the state, in acknowledgement of their lack of efficacy and resulting underutilisation of homes as noted in the discussion paper.
- **Recommendation 8:** Considers exploring the introduction of a sustainable tourism levy, at an appropriate rate, to provide much-needed funds for social and affordable housing projects.
- **Recommendation 9:** Undertakes further community education on the regulatory framework and Code of Conduct to raise awareness of the robust regulations that currently apply to STRA in NSW.
- **Recommendation 10:** Considers:
  - Further opportunities to resource local governments to enforce the current STRA framework in line with their existing obligations; and

- Whether a greater role should be taken by relevant NSW Government agencies in enforcing compliance with the STRA framework.

That local governments seeking to enhance compliance efforts:

- **Recommendation 11:** Work with Airbnb to deploy the compliance capabilities of the Airbnb City Portal.

## Introduction

Airbnb warmly welcomes the opportunity to comment on the New South Wales Government's discussion paper and share our vision for regulation of short-term rental accommodation (STRA). Airbnb is committed to being a collaborative partner to governments around the world and share our extensive knowledge and experience in developing fair and balanced regulation for our sector.

This submission is divided into three sections:

- **Section 1** provides comprehensive information about our community of Hosts and guests, the economic contribution of Airbnb to local communities and the variety of use cases for STRA.
- **Section 2** considers the issue of housing and shares the findings of a recent study conducted by Urbis, and commissioned by Airbnb, on the impact of STRA on the Australian housing market.
- **Section 3** provides feedback on the current regulatory framework and policy options outlined in the discussion, along with Airbnb's recommendations for sustainable regulation of STRA across New South Wales (NSW).

It's important to note at the outset that Airbnb supports regulation of the STRA sector, provided it is fair, sustainable and evidence-based.

We note that improving housing affordability and availability is a key priority of the current Government and is now being considered as part of this planned STRA review. In this regard, we acknowledge the efforts being made by the NSW Government to build housing supply across the state, and have drafted this submission with the current pressures firmly in mind.

The role of STRA is vital to the visitor economy across NSW, and provides flexibility in accommodation options around the state for families and group travellers. It allows for locations which do not have traditional forms of accommodation to welcome visitors and enjoy the benefits of the visitor economy. It also provides economic empowerment opportunities for many NSW home owners, who are struggling in the current cost-of-living crisis.

The review has been established not only to investigate the effectiveness of existing regulations, but also to examine policy options to encourage STRA property owners to place their properties in the long-term rental market.

It is therefore important to clarify several important facts.

Many properties which are used for the purposes of STRA have never been on the long-term rental market – and they never will be available to be placed onto the long-term rental market. This is because they are either someone’s primary place of residence, or a holiday home which is used by the owner periodically throughout the year.

Any policy interventions which impact these properties, especially where they result in further under-utilisation of the property, would highlight that the policy intervention is insufficiently targeted and unfair.

It is appreciated that the discussion paper also states that any policy driver should minimise market distortions. A number of policy levers or interventions delivered for the STRA market – both in Australia and around the world – are applied arbitrarily or in a blanket manner, which has impacted many Hosts who are not able to change the way their property is used, but are nevertheless subject to more red tape or increased costs.

As the discussion paper states, “housing policy should encourage owners to use properties more, not less”.<sup>3</sup>

In that spirit, the review process should consider new ways for booking platforms, guests and Hosts to make a continued and sustainable contribution to NSW noting the crucial role it plays in the state’s visitor economy. The submission herein makes a number of recommendations that are designed to support the NSW Government’s goal of maximising the utilisation of existing homes in NSW and also ensuring that STRA can continue its important, positive contributions to the NSW visitor economy.

Airbnb wants to ensure that the balance of regulation is fair and appropriate, so that Hosts can continue to welcome guests to their home from across the state and Australia, and around the world to NSW, whilst also adhering to appropriate rules and requirements. Travel on Airbnb provides flexibility and affordability to suit a wide range of visitors, giving people more choice, and allowing others the chance to travel where it otherwise might not be possible.

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<sup>3</sup> NSW Department of Planning, Housing and Infrastructure, [‘Discussion paper on short- and long-term rental accommodation: Review of regulations and supply in New South Wales’](#), February 2024, p.26.

## Section 1: Contributions of Airbnb to New South Wales

### About Airbnb

Airbnb was born in 2007 when two Hosts welcomed three guests to their San Francisco home, and has since grown to over 5 million Hosts who have welcomed over 1.5 billion guest arrivals in almost every country across the globe. Every day, Hosts offer unique stays and experiences that make it possible for guests to connect with communities in a more authentic way. Airbnb has generated billions of dollars in earnings for Hosts, many of whom are individuals listing the homes in which they live.

### Airbnb in New South Wales

In 2023, Airbnb's community of Hosts welcomed over 3 million guests to NSW.<sup>4</sup>

Airbnb has a large community of Hosts across the state for whom sharing their home is now part of their lifestyle. The overwhelming majority of our Hosts are 'mum and dad' operators looking to supplement their income, with many hit hard by the current cost-of-living crisis. Most of our Hosts in NSW are everyday people who share just one property (85%) on our platform.<sup>5</sup>

Importantly, the sharing economy helps build resilient communities where locals can create supplementary income, and robust economies that are supported by increased visitation and spending by Airbnb guests - often in areas that don't traditionally benefit from the tourist dollar. A recent report by Oxford Economics — *The Economic Impact of Airbnb in Australia* — using Airbnb data found that guests who stay in listings on Airbnb make significant contributions to local economies and jobs.

The Covid-19 pandemic had a profound impact on lives and livelihoods throughout the world, and its impact was deeply felt across the tourism sector. As the Airbnb community drove a rapid recovery across Australia, it created powerful economic ripple effects that supported businesses, such as shops, restaurants, bars, and cafes — which are often the foundation stone for life in local communities — and created jobs that went far beyond where travellers stayed and with whom. Indeed, the report by Oxford Economics finds that Airbnb's ecosystem and economic multiplier effect reaches deep into a number of industries throughout the economy, bringing job opportunities to a diverse range of communities far beyond those in which our Hosts operate.

In the 12 month period to March 2023, guests who stayed on Airbnb in NSW spent over \$3.65 billion in local communities and contributed \$4.36 billion to Gross State Product.<sup>6</sup> This supported approximately 27,900 jobs around the state, including direct jobs such as cleaners, property managers or gardeners that service STRA, as well as indirect roles such as those in the retail,

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<sup>4</sup> Internal Airbnb data; data provided is guest arrivals in the 12 months to 1/1/2024.

<sup>5</sup> Internal Airbnb data as at 1 January 2024.

<sup>6</sup> Oxford Economics 2023, *The Economic Impact of Airbnb in APAC: An independent report by Oxford Economics, 2022 prices.*

hospitality and tourism sectors.<sup>7</sup> Airbnb helps to spread the benefits of tourism with our guests and Hosts making a significant contribution to rural and regional communities — in the twelve months to March 2023, 64% of the total economic impact in NSW was attributed to regions outside Sydney.<sup>8</sup>

Airbnb is also playing a crucial role in helping people remain in their homes and communities by providing the ability to supplement their income through home sharing. In a survey of Australian Hosts on Airbnb, 73% said they plan to use the money earned from hosting to help cover the rising costs of living<sup>9</sup>, 45% said their hosting income has helped them stay in their home<sup>10</sup> and 20% said they host to make ends meet.<sup>11</sup> Notably, almost a quarter (23%) of NSW Hosts work in either education, healthcare, hospitality or the arts.<sup>12</sup>

Moreover, the supplemental income economically empowers women and older or retired persons — two thirds of Airbnb Hosts in NSW identify as female and almost a quarter (23%) are 60 years or older.<sup>13</sup> In a 2023 survey of Airbnb Hosts, 96% Hosts that live in NSW indicated that the STRA property they share is within their home state.<sup>14</sup> As the cost of living rises and housing pressures persist, home sharing provides a lifeline for everyday Aussies in helping to make ends meet.

### **Diversity of accommodation options and use cases**

As noted in the discussion paper, the use cases for STRA are increasingly varied and any regulation must be responsive to this.

There are many reasons for why visitors utilise STRA, many of which are not tourism related. Approximately one-third of guests who stayed in Airbnb listings in Australia have cited reasons other than a holiday or visiting friends and family as the reason for their travel.<sup>15</sup> Crucially, STRA is able to support people who require accommodation for compassionate reasons, including those who need to stay near hospitals for medical treatments, or those who need to visit loved ones who are in hospital.

STRA also supports local communities that are lacking in traditional accommodation options, such as hotels, motels or caravan parks. This is particularly important to travellers wishing to stay near family or friends or access particular services in their destination of choice.

Airbnb has consistently supported family and group travel in NSW due to the flexibility and range of facilities that makes STRA more attractive for their stays. In particular, entire home accommodation is well-suited to families as it reflects a typical home environment and allows multiple generations

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<sup>7</sup> As above.

<sup>8</sup> Oxford Economics 2023, *The Economic Impact of Airbnb in APAC: An independent report by Oxford Economics*.

<sup>9</sup> Self-reported, based on 668 NSW Host responses to an internal Airbnb 'Homes Host' survey conducted between 1/4/23 - 2/3/24.

<sup>10</sup> Self-reported, based on 616 NSW Host responses to an internal Airbnb 'Homes Host' survey conducted between 1/4/23 - 2/3/24.

<sup>11</sup> Self-reported, based on 1282 NSW Host responses to internal Airbnb 'Homes Host' survey conducted between 1/4/23 - 2/3/24.

<sup>12</sup> Self-reported, based on 2172 Australian Host responses to internal Airbnb 'Homes Host' survey conducted 4/4/23 - 2/3/24.

<sup>13</sup> Internal Airbnb data (self-reported) as at 1 January 2023.

<sup>14</sup> Self-reported, based on 1008 of Australian Hosts responses to a survey conducted by Urbis between June-July 2023.

<sup>15</sup> Self-reported, based on 4,499 Australian Guest responses to an internal Airbnb 'Homes Guest' survey conducted between 26/2/23 - 9/9/23.

to stay together when travelling. Many listings include full kitchen and laundry facilities, backyards for pets, or multiple living spaces that allow families to travel with space and comfort. Based on a survey of Australian Airbnb guests in 2023, multiple amenities were considered important when searching for visitor accommodation, with a kitchen being the most important (81%), followed by a laundry (60%), and outdoor space (46%).<sup>16</sup>

As noted, STRA is also an enabler of modern workforces that provides flexibility and choice to help house workers in parts of the economy where they need to carry out short-term projects or assignments. We know of essential workers (such as nurses and FIFO workers) who use STRA to be in close proximity to their workplaces when on night shift and who share their properties on our platform when working away from home.

Additionally, there are key workers in the construction industry who use STRA while working on key infrastructure projects that support the growth and development of NSW. The cost of staying in, and availability of, traditional accommodation during these short, but regular stays is prohibitive for many. Nor does it meet their needs for accommodation with a home-like feel, separate functional spaces (e.g. bedroom separate from living area), furnished rooms, functioning kitchen, and convenient utilities (e.g. washing machine and dryer). Platforms like Airbnb provide cost effective options in circumstances where a long-term residential lease is not appropriate or available (e.g. stays of less than six months).

The continued economic benefits this wide variety of visitors bring to small businesses such as cafes, restaurants, laundromats, grocery and specialty stores is critical to local communities across the state.

### **Usage of STRA in times of emergency**

Airbnb is committed to supporting all levels of government and emergency services in times of need. We believe a collaborative effort is crucial in ensuring preparedness in the face of potential emergencies.

Our community of Hosts has the ability to offer their properties in extraordinary circumstances – such as the aftermath of an emergency or natural disaster – to house displaced persons or families. In some cases, these stays are offered by Hosts, free of charge, through formal programs operated by [Airbnb.org](https://www.airbnb.org), or through ad-hoc arrangements with NGOs or displaced families directly.

In 2019, NSW and Queensland residents impacted by the devastating bushfires had the ability to seek free temporary housing in more than 350 Airbnb listings provided as part of Airbnb's Open Homes Program (a predecessor to Airbnb.org). The initiative was designed to identify and connect Hosts willing and able to offer up housing to displaced residents, as well as emergency service personnel deployed to fight the bushfires.

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<sup>16</sup> Self-reported, based on 207 of Australian Host responses to a survey conducted by Urbis between June-July 2023.

In 2022, Airbnb initiated a similar program by sending a broad request to Hosts in the Northern Rivers to open their homes to flood evacuees in cooperation with the Australian Red Cross.

Airbnb also offered support to the NSW Minister for Emergency Services and Reconstruction NSW ahead of the 2023/24 summer, in the unfortunate circumstances that accommodation support would be needed for bushfires or other emergencies.

## **Regional dispersal**

Airbnb Hosts and guests continue to support local communities as key drivers of economic activity in areas not served by traditional accommodation across Australia. Analysis of Airbnb data and OpenStreetMap has shown there were over 92,000 guest arrivals in communities with Airbnbs and no hotel infrastructure in 2022.<sup>17</sup> This has generated almost \$27 million in Host earnings throughout the country.<sup>18</sup>

The dispersal of tourists outside of traditional hotspots means the benefits of tourism can be spread far and wide across NSW, in some cases for the first time. Analysis by Oxford Economics reveals nearly two-thirds of the economic impact created by Airbnb's Host and guest community occurs outside Sydney, which means the benefits of tourism are spread to more communities.<sup>19</sup> It's clear that without home-sharing, the opportunities for small communities and their businesses might not otherwise exist. By using Airbnb, guests have the ability to travel to more places, as compared to hotels that are traditionally located in higher-traffic, urban areas.

Showcasing all that regional communities have to offer is core to our business, and proud local Hosts on Airbnb remain best placed to promote their unique corners of the state. This aligns closely with the [NSW Visitor Economy Strategy 2030](#) which prioritises additional investment in regional visitor economies to accelerate growth and visitation.

With a multitude of experiences and destinations outside of urban locations, NSW is uniquely placed to capitalise on emerging demands from local and international travellers, many of whom have a strong desire to visit more remote and regional locations to embrace more authentic experiences. STRA continues to play a critical part in growing the opportunities for regional communities and providing much needed accommodation in towns across the state, all the while empowering locals to diversify their income streams – for example, through farm stays.

Driven by a desire for more local and authentic experiences, travellers from Australia and the world are turning to the Airbnb platform, particularly for agritourism and farm stay experiences. We see increased collaboration as the means to help maximise the success of Hosts on Airbnb to offer local, authentic, people-powered travel experiences and create attractive, resilient, and sustainable destinations.

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<sup>17</sup> Airbnb, '[Airbnb enables communities with no hotels to share in the benefits of tourism](#)', July 2023.

<sup>18</sup> Airbnb, '[Airbnb enables communities with no hotels to share in the benefits of tourism](#)', July 2023.

<sup>19</sup> Oxford Economics 2023, The Economic Impact of Airbnb in APAC: An independent report by Oxford Economics.



Unsurprisingly, the quantity and quality of regional-based farm stays already listed on Airbnb is proof that agritourism is viable and in-demand. The [2023 Airbnb Host Awards](#) featured numerous nominees from regional NSW, including those facilitating farm stays and hosting at nature retreats.

To enhance agritourism opportunities and help farmers across the nation diversify their businesses by becoming farm stays, we are proud to have [partnered with Australian Regional Tourism](#) (ART). As part of this collaboration, we supported ART in their release of Australia's first ever comprehensive agritourism strategy. This was made possible by funding from Airbnb and with the Federal Government's Building Better Regions grant in October 2022, at the first ever national agritourism conference in Ballarat. It comes as farmers around the country seek answers to how they diversify their operations, generate meaningful off-farm income, and encourage visitors to new places.

Airbnb also notes, and has welcomed, the amendments to the Housing SEPP in 2023 which unlocked an exempt and complying development pathway for farmers to take up further tourism opportunities on their properties and diversify income streams. Initiatives like these further enrich our visitor economy and provide unique experiences that also benefit our regional communities amid a cost of living crisis.

### **Major event support**

Throughout NSW, our community of Hosts help to grow events tourism through the creation of unique accommodation supply. The surge capacity, or elastic supply, of our platform presents opportunities for attracting and hosting major events in both cities and regional towns, such as live music and cultural festivals, sporting events, business conferences, or international exhibitions.

STRA continues to provide communities with agile and flexible ways to successfully host and meet guest demand at short notice. Major events on the state's calendar, such as [Vivid Sydney](#), [FIFA Women's World Cup](#), major music events and festivals have provided opportunities for Hosts to earn supplemental income, but also ensure more visitors can be welcomed into the state, particularly when traditional forms of accommodation have reached peak occupancy.

In February 2024, it was reported that hotels across Sydney's CBD and Sydney Olympic Park had seen occupancy levels between 90%–100% during a number of major music and sporting events,<sup>20</sup> reiterating the need for diverse accommodation options that support increased visitation during major events.

In addition, the surge capacity and event support of STRA can present opportunities for local neighbourhoods to share in the benefits of tourism and help to bring the [Creative Communities](#) vision to life. With its focus on growing and supporting local activities in cooperation with local councils, our view is that STRA is well placed to help unlock visitation in diverse areas of the state and support the showcasing of NSW's cultural assets.

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<sup>20</sup> HM, '[Bumper weekend for Sydney hotels as Swift, SailGP and Blink 182 draw influx of visitors](#)', 28 February 2024.

At Airbnb, we want to increase collaboration with cities by building greater dialogue with policy-makers and communities to advance shared goals. In response to the trends shaping the future of travel, living, and working ushered in by the Covid-19 pandemic, we partnered with Arup to publish a first-of-its-kind white paper — [Evolving Urban Destinations across Asia Pacific](#) — to inform policy settings and place-making in a drastically different world. The white paper recommended that Sydney foster greater connections with local neighbourhoods to promote tourism. In particular, it noted the opportunity to identify cultural identity and assets as pull factors that increase visitation to local centres, beyond the traditional tourist places in Sydney (e.g. Cabramatta Moon Festival or Ramadan night markets in Lakemba).

As travel continues to grow, the use of STRA can address accommodation supply constraints for events across NSW highlighting the importance of ensuring that the regulatory framework remains responsive to this.

### **Airbnb’s commitment to safety and good behaviour**

The overwhelming majority of guests who stay in listings on Airbnb behave appropriately and treat the home and surrounding community with care and respect. However, there are rare instances of poor behaviour and Airbnb works actively to respond to these issues appropriately, and prevent them from happening in the first place.

Airbnb continues to prioritise the safety of our community and implement measures to deter parties and stamp out poor behaviour. Recent measures include:

- Our [global ban on parties](#) at Airbnb listings, permanently codified since July 2022. We believe there is a direct correlation between our implementation of the policy in August 2020 and a 44% year-over-year drop in the rate of party reports.<sup>21</sup>
- A high-risk reservation [screening system](#) which uses technology to help identify reservations which may be problematic, to try to stop unauthorised parties before they start. This high-risk reservation screening can prevent bookings from being completed. It was [first piloted in Australia in October 2021](#) and now occupies a long-term place in the company’s global anti-party arsenal.
- The Neighbourhood Support Line available at [airbnb.com/neighbours](#), which allows neighbours to request a call from a specialised support agent and report problems. This allows Airbnb to investigate problematic behaviour which is brought to our attention.

Airbnb has continued to prioritise policies and initiatives which prevent or respond to these challenges. Poor behaviour is not tolerated on our platform – neither Airbnb, nor our community of Hosts, wish to see disruptive or nuisance behaviour within their listings.

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<sup>21</sup> Airbnb, [‘Airbnb officially codifies party ban’](#), June 2022

In this way, Airbnb's proactive efforts complement the NSW Government's Code of Conduct which sets clear behavioural expectations for all industry participants, ensuring there are avenues for recourse regardless of the booking platform.

## **Verified listings**

In September 2023, we announced our commitment to begin verifying the location of listings on Airbnb, with Australia being one of the first five countries included. Later this month (March 2024), nearly 1.5 million listings across the globe will have completed the location verification process and will receive a 'verified' badge.

By verifying listings, we are aiming to confirm that the space is real, it has an accurate location, and the Host has access to it. We'll soon introduce new tools - including photo and video authentication - for more Hosts, including in Australia, to verify their homes. The new features and upgrades are part of Airbnb's ongoing commitment to continue driving quality and reliable stays for guests staying in Australia.

## **Removing low quality listings**

On Airbnb, quality isn't just determined by a listing's overall rating: There are many factors we use to understand more about a guest's stay, including subcategory ratings, Host cancellations and quality-related Community Support issues.

Based on these criteria, in April 2023, we launched an updated hosting quality system, which takes a more targeted and holistic approach to better evaluate listings that may have failed to meet our community's expectations when it comes to quality issues with a stay. In the first three months, we removed 12,000 low-quality listings.

Since then, we have [removed 100,000 listings](#) – including those that continue to provide a below-par experience for guests – and continue to evaluate every listing after each stay to help ensure they provide the best possible experience for guests. This is the largest set of removals we've ever made<sup>22</sup>, and we're building new tools to prevent these homes from being relisted.

Before a listing is removed, we work closely with Hosts, providing education and tips with actionable feedback on how they can improve their guests' experience, all directly in their account dashboard.

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<sup>22</sup> Based on total program-based removals from the platform within any 12 month period.

## Section 2: STRA and the housing market

Airbnb notes the Government is considering further regulatory and revenue interventions for STRA at a time when NSW is experiencing ongoing housing challenges.

The issue of housing availability and affordability is challenging and complicated. The causes of housing or rental availability and affordability differ from place to place, with legacy factors which often pre-date the founding of Airbnb by decades. These include population growth, changing household composition and sizes, interest rates, land use planning, new dwelling supply, construction costs and taxes and concessions, among others. These factors have been growing steadily and shaping the nation's housing market since before Airbnb was founded.

**At Airbnb, we believe that STRA should complement, not overwhelm local communities, where striking a balance is in the best interests of all stakeholders.**

We acknowledge that while the current housing issues are being experienced far and wide, there are localised issues that housing and STRA policy must be responsive to. With this in mind, Airbnb is committed to being a collaborative partner to all levels of government and welcomes ongoing consultation with the NSW Government on evidenced-based policy settings, drawing upon our experience of STRA regulation across the globe.

We strongly support evidence-based policy and regulation that takes local challenges into account, and yet supports tourism and burgeoning visitor economies. We are supportive of achieving the right balance and outline key housing research studies below, for the Government's reference.

### Urbis: STRA and the housing market in Australia

Airbnb [recently commissioned](#) expert consulting firm Urbis to better understand the role of STRA in the Australian housing market. Using Airbnb data up to 1 January 2023, Urbis analysed six states around the country to examine the scale of impact. Looking at NSW specifically, the research found that<sup>23</sup>:

- The total proportion of non-hosted STRA varies substantially by location.
- STRA is typically 1% to 2% of the overall housing stock in each state, and 1.8% in NSW.
- In 95% of all local government areas in NSW, non-hosted STRA properties represent less than 5% of total dwelling stock.<sup>24</sup>
- Only two LGAs have non-hosted STRA at levels of 10% or higher.<sup>25</sup> When this does occur, it tends to be in areas that have significant tourism and seasonal economies like the Byron Shire and Snowy Monaro local government areas.

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<sup>23</sup> Note: serviced apartments are exempt from STRA requirements but treated as non-hosted in the study and not excluded from the analysis. Similarly, the number of properties available on Airbnb change depending on a range of factors (including seasonality, change in Host circumstances). This means there is likely an overstatement of the number of Airbnb listings in the Urbis analysis.

<sup>24</sup> As above.

<sup>25</sup> See note in footnote 21.

Additionally, when it comes to the impact of STRA on the broader housing market:

- No consistent relationship between the proportion of non-hosted STRA and vacancy rates for long-term rentals.
- No strong relationship between the proportion of non-hosted STRA and rental affordability.
- Only a weak relationship between the proportion of housing utilised as non-hosted STRA and the proportion of households in rental stress (lower income households that spend more than 30% of gross income on housing).
- Only a weak relationship between changes in the proportion of non-hosted STRA and changes in real rents.

## **A growing body of evidence**

In 2023, the Queensland Government commissioned the University of Queensland (UQ) to explore the relationship between STRA and the state's housing market as part of its Short Term Accommodation Review.

The [UQ study](#) found that STRA has a limited impact on rental affordability, and instead that overall dwelling stocks were a significant contributor to explaining rental price increases.<sup>26</sup> It echoes the Urbis findings in that STRA is not a significant determinant of rental affordability across Queensland. It also finds no clear alignment between the suburbs where rents have increased the most and the percentage of dwellings used as STRA.

Similarly, the Government of the Australian Capital Territory has [found little evidence](#) that STRA is impacting housing affordability and on balance, the costs of any regulation would likely outweigh the benefits of this form of accommodation to the local community.

Overall, the studies reaffirm that a multitude of factors have contributed to the current state of housing markets around NSW and that restricting STRA in the absence of meaningful policy actions to build supply is not a long-term solution to the crisis. For generations, Australians have utilised secondary homes as holiday houses or family retreats, and the discussion paper has duly noted that this must continue. We ask that this be top-of-mind for the NSW Government as it continues to consider the regulation of the STRA sector.

## **Utilisation of existing housing**

As the cost of living continues to rise, sharing a spare room through Airbnb can help provide an additional source of income, or indeed the only source of income, for everyday people throughout NSW. In 2022, nights stayed in private rooms on Airbnb in Australia have grown by nearly 50% from the previous year, indicating a desire from Hosts to share the underutilised spaces in their homes and generate extra income for their households.<sup>27</sup>

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<sup>26</sup> [Media Release](#), 'Short Term Accommodation Review complete,' Minister for State Development, Infrastructure, Local Government and Planning, 2 August 2023.

<sup>27</sup> Airbnb internal data as at 1 January 2023, calendar year for 2022 compared to 2021.

As a company with housing affordability and cost of living needs in our roots, we want to play our part in proposing meaningful solutions that can help tackle current challenges. There may be an opportunity to further consider additional pathways to allow renters to share their properties when they are travelling or not using the properties themselves, to further support economic resilience. At present, many renters are prevented from sharing their homes due to restrictions in rental agreements and there may be an opportunity to align the current approach for owner-occupiers sharing primary residences in strata communities, for example, with renters. Such an approach would unlock a meaningful source of additional income for everyday Australians and ease the current burdens being experienced by renters.

### **Diversifying housing typologies**

A [recent report](#) published by Arup, commissioned by Airbnb, stated that meaningful action to diversify housing typologies may be an effective path forward in the context of ensuring our urban environments are fit-for-purpose and responsive to the changing ways people are now living and working. It said that ‘as workers and travellers are now seeking to use city spaces in multiple ways (including new forms of accommodation), planners may consider permanent, temporary and affordable housing, as well as adaptive reuse or short-term stay policies, to encourage housing offerings that meet a variety of needs across a diverse spectrum’.<sup>28</sup> Such an approach would help to ensure the mix of housing options for citizens are appropriate in meeting their needs, whilst receptive to future trends.

As noted, Airbnb is a company with housing affordability and cost of living needs in our roots, and we want to play our part in proposing meaningful solutions that can help tackle current challenges. [Airbnb-friendly apartments](#) is one of those solutions. Our program, recently launched in the United States, partners with building owners to help unlock hosting for tenants whose lease terms or building rules might have prevented them from sharing their homes.

It may work within a build-to-rent model and delivers benefits to all stakeholders: For building owners, it’s a unique selling point to attract renters who may be looking to find ways to keep up with rising living costs or subsidise their own rent. For tenants, it provides a degree of flexibility, particularly among those who plan to travel, save to buy their first home or who simply want to monetise their space to meet rising living costs. For local communities, there is the added benefit of travellers staying in different parts of a city or region and spending their money in local shops and businesses.

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<sup>28</sup> [‘Evolving urban destinations in Asia-Pacific’](#); Arup, commissioned by Airbnb, June 2023, p.12.

### **Section 3: Regulatory and revenue options for the short term rental sector**

Airbnb notes the discussion paper analysis of the current framework for STRA and further considerations for additional regulatory and revenue options. In this regard, Airbnb supports fair, balanced and sustainable regulation of the sector and provides our feedback to the issues below.

#### **Exempt development pathway**

Airbnb agrees that the current exempt development pathway approach is the most balanced approach to STRA. Importantly, it is streamlined and consistent, but also preserves the ability of Hosts to share their homes. It also heavily reduces the administrative burdens on local councils that might otherwise be required to scrutinise development applications.

We note that introducing a new planning approval pathway, as the Independent Planning Commission has suggested in its narrow analysis of STRA in Byron Shire, would completely undermine the low-impact nature of STRA as a residential land use and create unnecessary red tape and complexity for Hosts across the state.

**Recommendation 1:** That the NSW Government retains the current exempt development pathway for STRA, as it continues to provide certainty for Hosts and industry participants, as well as a balanced approach for local communities.

#### **Land use type and definitions**

Airbnb acknowledges that there is no current proposal to change the land use characterisation of STRA. The use-cases for STRA properties shared on platforms like Airbnb are increasingly varied and the current definitions allow for this. For example, owners may share their primary homes on a short-term basis, or ancillary dwellings that are partially used throughout the year or utilised by family and friends. Reciprocally, guests use STRA for a range of non-tourism reasons such as accessing medical care, education, work opportunities or while their own homes are uninhabitable (e.g. due to weather events, emergencies or renovations).

The current definitions are appropriate and fit-for-purpose, and any further categorisation of STRA would create unnecessary confusion and complexity, particularly if they are designated purely as a tourism land use.

As noted in the discussion paper, regarding the outcomes of the 2016 Parliamentary Inquiry, STRA is generally seen as a low-impact activity that does not alter the otherwise residential characterisation of a dwelling but makes a significant contribution to the tourism economy.<sup>29</sup>

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<sup>29</sup> NSW Government, '[Discussion paper on short and long-term rental accommodation](#)', February 2024.

Airbnb notes the suggestion of additional guidance on definitions as a potential next step. We agree that further education on the distinction between hosted and non-hosted accommodation may be necessary. Since the introduction of the framework, Airbnb has continually educated Hosts on their compliance obligations, including by publishing detailed information about [responsible hosting](#) in NSW, sharing information in Host webinars and emailing our community with links to NSW Government resources.

**Recommendation 2:** That the NSW Government retains the current land use types and definitions for STRA, noting they are appropriate and fit-for-purpose and any further categorisation would create unnecessary confusion and complexity for the sector.

**Recommendation 3:** That the NSW Government undertakes further education on the definitions for hosted and non-hosted STRA, including a clarification that an ancillary dwelling is a type of hosted accommodation.

### **Ancillary dwellings**

Airbnb encourages the NSW Government to clarify the categorisation of ancillary dwellings as hosted accommodation.

Airbnb notes the Independent Planning Commission recommendation, in the very narrow context of Byron Shire, that owners should be encouraged to use secondary dwellings and dual occupancies for long-term rental accommodation. It's important to recognise that Hosts use platforms like Airbnb to share the underutilised spaces in their homes for a range of reasons. A key requirement for some Hosts is having the ability to use these spaces for themselves when not occupied by guests. A limitation on a short-term use of these types of properties would be overly prescriptive and not solve long-term housing challenges.

For example, some Hosts regularly use an ancillary dwelling on their property for visiting family and friends, and when not used for this purpose, also serve as a meaningful way to make extra income and support the local tourism economy. It mustn't be assumed that these spaces are appropriate for long-term accommodation – often they are not adequately equipped for this purpose, with small (if any) kitchen or wash facilities that are more appropriate for a short-term guest.

Additionally, Hosts of ancillary dwellings generally reside on-site (in the primary dwelling) and are available to resolve issues in rare circumstances. Our Host community – many of whom are ordinary people who share the underutilised spaces in their homes – must be free to continue sharing their homes without unnecessary controls that do not meaningfully resolve the state's housing challenges.

It must be recognised that ancillary dwellings play an important role in supporting Hosts to pay their mortgages or make ends meet, whilst also catering to their particular circumstances or



lifestyle (e.g. accommodating visiting family or friends, or utilisation as a home office). Hosts of these dwellings are simultaneously helping to support visitation in their local communities and making contributions to small businesses in their local areas. Equally, if lease terms permit the sharing of additional spaces, renters might also be empowered to unlock another income stream through an ancillary dwelling on their leased property.

Before wholesale restrictions are considered for these dwellings, clear consideration for whether this is an effective way of alleviating housing pressures should be considered, given the role it plays in supporting Hosts and tenants to pay their mortgages or otherwise help to make ends meet. We caution against the potential outcome that more, rather than less, vacant and underutilised spaces arise from such a policy and urge the NSW Government to clarify the existing definitions.

## **Registration of STRA**

Airbnb continues to support the current registration requirements in NSW. We have worked closely and collaboratively with the now Department of Planning, Housing and Infrastructure to implement the current system since 2021.

Our view is that registration allows for clear, objective data to be collected for our sector which empowers local governments to understand the scale and impact of STRA in their local communities.

Airbnb employs robust technical systems to ensure that only registered listings in NSW are advertised on our platform. When joining or creating a new listing on our platform, Hosts are required to input their government-issued registration number (which is pre-verified through an API) before their listing is advertised and available to accept bookings.

It's worth noting that several jurisdictions in Australia are seeking to replicate the registration scheme in NSW, including Western Australia, Queensland and the Australian Capital Territory. This reiterates the need for clear and objective data about STRA to guide evidence-based policies into the future. Indeed, in a 2022 report by the World Travel and Tourism Council — [Best Practices: Short-Term Rentals](#) — the NSW registration process was hailed as a world-class, best practice example of online registration.<sup>30</sup>

While the registration system in NSW is generally robust and sophisticated, there are opportunities for continual refinement to increase the integrity of the system. We suggest three tangible improvements designed to build on the existing system with a view to meeting the needs of evidence-based policy-making and compliance:

1. Verification of the identity of Hosts. Through engagement with local governments in NSW, we have become aware that enforcement of the framework may be challenging in circumstances where Hosts provide inaccurate or incorrect personal contact details into

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<sup>30</sup> World Travel and Tourism Council 2022, [Best Practices: Short-Term Rentals](#), p.2.

the NSW Planning Portal. It's important to note that the extent to which booking platforms can share personal identifying information (PII) under privacy laws can be limited. To better respond to these challenges, we suggest that the NSW Government consider the addition of an identity verification process as a registration requirement.

2. Collecting additional information from Hosts at registration to gauge their interest or ability to offer their STRA property during a time of crisis. This would allow an agency or department within the NSW Government to contact Hosts who are receptive to such arrangements during times of crises, regardless of the online booking platform they use. A [comparable initiative exists in Tasmania](#), where accommodation providers (with an ABN) can register their willingness to make their accommodation available for a short period of time to those needing support immediately after a natural disaster or emergency.
3. Publishing aggregated information about the STRA industry by local government level to ensure there is greater transparency about the footprint of the sector in NSW. Such an approach is currently taken in Tasmania where the state government (via Consumer, Building and Occupational Services) publishes a [quarterly report](#) for the STRA sector.
4. Collecting information from Hosts about whether their STRA listing is a primary or secondary residence in the interests of further understanding the industry.

**Recommendation 4:** That the NSW Government considers enhancements to the registration scheme by:

- Implementing Host identity verification mechanisms via the NSW Planning Portal;
- Collecting information from Hosts about their ability or willingness to share their home in times of emergency;
- Collecting information from Hosts about whether the STRA property is their primary home;
- Publishing aggregated registration data at the LGA level.

## Registration fees

Airbnb is supportive of a tiered approach to the registration fee structure which takes into account the usage of properties for STRA.

The current fees of \$65 for initial registration should continue to apply to all hosted accommodation, in acknowledgement of the low-impact nature of this form of hosting on the housing market. We also note the need to preserve the economic lifeline opportunities that this style of hosting provides to those who wish to make best use of under-utilised space in their own homes.

It is important to remember that there are different styles of accommodation – and different styles of hosting activity – that occur on booking platforms, including Airbnb.

For non-hosted accommodation, distinctions could be made between primary and non-primary residences noting the differing nature of these forms of hosting. The designation of individual listings could be determined through the application process and also equip the State Government with more data about the usage of properties for non-hosted accommodation. Primary homes would attract a lower fee given they're a further utilisation of one's own property that should be encouraged by the system, noting current cost of living pressures and in line with a similar treatment to primary and non-primary residences in a strata context.

A further segmentation of fees for non-primary residences used for non-hosted STRA could be considered based on the number of nights hosted in the previous 12 months. For example, lower rates could be applied to more casual hosting activities.

However, there are certainly some properties which could be considered as *dedicated* STRA properties, and charging a higher fee for those hosting above a particular threshold in a calendar year could be appropriate. A standard flat rate could be applied to newly registered non-hosted properties.

The revenue collected through the tiered fee system could be used to fund STRA sector compliance efforts by the State Government, or to provide additional assistance to local governments for their own local compliance and enforcement efforts.

A tiered approach to [authorisation fees](#) is currently applied to taxi or booking services (including ride sharing) in NSW and overseen by the NSW Point to Point Commissioner.

Similarly, tiered fees for STRA are currently applied in [Portland \(Maine\)](#), in the United States, where the annual fee is based on the owner-occupier status of a home.

**Recommendation 5:** That the NSW Government considers a tiered approach to annual registration fees, taking into account the usage of properties for STRA, and with increased fees used to further resource compliance and enforcement efforts by local councils.

## Data sharing arrangements

Airbnb strongly supports the current arrangements for automated, daily data sharing between the NSW Government and booking platforms. Our industry provides real-time information about bookings that is used to support compliance and enforcement of the current framework. We warmly welcome continued collaboration with the government to ensure that processes for sharing data are working appropriately to support the enforcement efforts of local government areas.

At present, booking platforms including Airbnb share a number of data points with the NSW Government regarding registered listings on our platform including:

- Property ID;
- Postcode;
- Booking reference number;
- Start date of booking arrangements;
- End date of booking arrangements.

Our view is that good policy-making starts with good data, and the NSW Government is uniquely placed to have a clear understanding of the footprint of STRA in NSW. We note that other jurisdictions around the country are looking to the registration and data sharing arrangements in NSW as a guide for their own frameworks.

As noted in the discussion paper, the NSW Government has welcomed the ‘integration and partnership with the major online booking platforms, which has helped to ensure high compliance with the planning and regulatory framework for short-term rental accommodation’.<sup>31</sup>

There may be further scope to enhance the information available to local governments to support their efforts to investigate and enforce the current planning and regulatory framework for STRA. This is further explored in the ‘*Compliance and enforcement*’ section (p.25).

**Recommendation 6:** That the NSW Government undertakes a gap analysis to identify additional data points that local governments may require to appropriately enforce the current planning framework, in close cooperation with booking platforms.

## Day caps

In our experience, caps on the number of days a non-hosted listing can be utilised as STRA has not been shown to achieve the purported outcomes of ‘returning’ properties to the long-term rental market, or indeed incentivising that behaviour. Airbnb has consistently opposed arbitrary caps that can often result in more, rather than less, under-utilisation of homes.

Many properties listed on platforms like Airbnb will never move to the long-term rental market because they were never used in that way previously, or they are not suitable for that purpose. This is because Hosts might be sharing their primary place of residence, or because the listing has always been a holiday home and is used by the Host themselves.

As day caps are typically defined arbitrarily, they can impact listings which will never be made available for long-term rental, subjecting the owner to red tape and restrictions, and may often result in a home remaining empty. This clearly impacts the potential economic contribution that the

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<sup>31</sup> NSW Government, ‘[Discussion paper on short and long-term rental accommodation](#)’, February 2024.

property could otherwise make to the local visitor economy and broader community, and to Hosts themselves.

As the discussion paper suggests, there is also the risk of day caps artificially distorting the market, resulting in less utilisation of homes and higher prices for traditional accommodation.

This should not be misconstrued to suggest that the current cap level, as it applies in key areas of NSW, is not set at a low enough point. Regardless of how high or low the level, the use of caps for the STRA sector, throughout the world, has proven ineffective in producing the purported housing objectives. As the discussion paper has identified, caps “may not effectively add more properties to the stock of long-term rental accommodation.”<sup>32</sup>

For example, in New York City, where a de-facto ban on STRA has applied since September 2023, the [following impacts have been identified](#):

- **Rents for long-term rental remain unaffected.**

Across the city, rents in December 2023 increased by 2.3% from a year earlier, according to Apartment List’s rental index. While the first half of 2023 was marked by a downward trend in rental growth rates, the minor increase in December demonstrates the loss of thousands of STRA listings has not led to an immediate improvement in rental affordability.

- **A drop in STRA listings in NYC has not translated to a surge of apartment inventory.**

An Airbnb analysis of data from [StreetEasy](#), a real estate listings company, shows available rental inventory across New York City fell by 6.3% since August, when adjusted for monthly seasonality. Apartment List, which maintains an NYC [vacancy index](#), reported the share of rental units available for rent in December remained at 3.2%—unchanged from September.

- **Housing inventory remains tight.**

An analysis of [StreetEasy](#) data also shows little growth in the number of homes up for sale since September. In December, the net increase in for sale inventory over the previous three months was actually smaller than the three months ending September — increasing only 2.9% from September, adjusted for monthly seasonality, down from 3.5% growth between June and September, before Local Law 18 went into effect.

- **Hotel pricing has surged.**

Since September, New York City has also experienced higher hotel prices and the development of an underground market for unregulated STRA. According to the [Trivago Hotel Price Index](#), this past holiday season, the price of an average hotel room increased by nearly 20%, which was 8% higher compared to last December.

- **STRA listings have moved underground to unregulated sites.**

[Reports](#) also indicate some STRA activity has moved to unregulated sites that are not subject to the same regulatory scrutiny by the city.

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<sup>32</sup> NSW Government, ‘[Discussion paper on short and long-term rental accommodation](#)’, February 2024, page 32.

The above impacts highlight the shortcomings of bans or arbitrary controls, and the unintended consequences for trying to find quick-fixes for the housing crisis.<sup>33</sup>

As noted, STRA should complement, not overwhelm local communities and we recognise that regulation should be responsive to localised issues.

It's worth noting that in Byron Shire, there are localised challenges and a higher proportion of STRA to total dwellings than elsewhere in NSW. Our view is that further reduced caps is not a sustainable solution to issues being faced in communities like Byron Shire and that alternative, more sustainable options should be considered instead.

With regards to caps, it is worthwhile considering if other methods would be more effective in achieving the Government's housing objectives including those which are proposed in this submission.

For that reason, Airbnb recommends that the NSW Government consider removal of the current day caps within the existing STRA regulatory framework. It is our view that the range of additional measures that Airbnb recommends (such as sustainable tourism levies, tiered registration fees and enhanced compliance and enforcement) would be more effective in meeting the Government's stated aims.

**Recommendation 7:** That the NSW Government considers removal of the current day caps that apply in select local government areas across the state, in acknowledgement of their lack of efficacy and resulting underutilisation of homes, as noted in the discussion paper.

## Guest limits in STRA

Airbnb understands that limits on the number of guests is being considered as part of the framework review. We note that during the 2016 consultation on the draft STRA framework, limits on the number of guests in STRA were also proposed as a policy option.

At that time, the proposal provided for no more than two persons per bedroom or 12 persons, whichever was the lesser. Our view is that overly prescriptive requirements of this nature are unnecessarily complex and may have unintended practical implications. For example, the bedroom limit would have expressly prohibited parents sleeping in a bedroom along with a newborn baby or child. The current rules instead apply the permissible limits that are allowed under the existing planning consent, which is a more practical approach.

It's also worth noting that all Airbnb listings have advertised guest limits applicable to every reservation based on the capacity for the listing to safely and appropriately accommodate guests.

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<sup>33</sup> S. Calder-Wong, C.Farronato, A.Fradkin, '[What Does Banning Short-Term Rentals Really Accomplish?](#)' *Harvard Business Review*, 15 February 2024.

This is generally based on a bedding allocation for the listing. Deliberate flouting of these limits may be a violation of our platform's Terms of Service and may warrant further action to be taken against the Host or guest.

## **Sustainable tourism levies**

Airbnb in-principle supports the implementation of tourism levies to fund much-needed community infrastructure and services — ideally, social and affordable housing projects — in communities around Australia.

We believe tourism levies are a fair and sustainable way to raise revenue for local communities, especially in areas of high tourism, as they broaden the tax base without imposing an additional burden on local ratepayers or businesses.

A tourism levy that is similar to the NSW Passenger Service Levy which was implemented as a recommendation by the NSW Point to Point Transport Taskforce would be a helpful starting point.

The NSW Passenger Service Levy was introduced to fund the NSW Government's industry adjustment assistance package designed to help taxi licence holders adjust to the new regulatory framework. A similar sustainable tourism levy could likewise fund social and affordable housing projects.

In adapting the design elements of the NSW Passenger Service Levy, we suggest that a sustainable tourism levy for STRA could be:

- Broad in scope to increase revenue which funds worthy social housing infrastructure projects.
- Simple to encourage higher rates of industry compliance.
- Minimal exemptions which decrease the need to educate affected parties and again, broaden the potential revenue stream.
- Simple calculation of the levy - e.g. based on a percentage of the accommodation charge, paid by the guest at the time of payment.
- Clear transition period / commencement date - any new levy should also take into account the time required to educate the industry and public, as well as for industry participants to build systems and processes. We recommend a minimum 12 month notice period, having regard to the similar time frame provided for the introduction of the NSW Passenger Service Levy.
- Set at a rate between 3 to 5%, in line with sustainable examples from overseas.<sup>34</sup>

It's important to recognise that Hosts are real people, who love their communities, support jobs, and direct guests to local businesses during their stays, but who are also struggling with the cost of living. They also provide a service that people love, with more than one million people staying in an

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<sup>34</sup> Quebec has a 3.5% rate. Queenstown has proposed a 5% levy.

Airbnb globally every night. Guests will bear the brunt of additional costs for travel and so any revenue options or contribution amounts considered by the NSW Government must carefully balance these interests.

**Recommendation 8:** That the NSW Government considers exploring the introduction of a sustainable tourism levy, at an appropriate rate, to provide much-needed funds for social and affordable housing projects.

## Code of Conduct

Since 2020, Airbnb has worked closely with the NSW Government to implement and educate our Host and guest community on the Short-Term Rental Accommodation Industry Code of Conduct and [Exclusion Register](#). Our view is that the Code has established clear standards and expectations of behaviour for Hosts, guests and booking platforms, as well as robust avenues for recourse where contraventions of the Code occur.

Importantly, the Code is supported by the world-first Exclusion Register which is a clear mechanism for addressing repeated instances or escalations of bad behaviour, and ensuring the safety of all participants in the industry. It further complements the range of initiatives implemented by Airbnb to encourage responsible behaviour on our platform such as the party ban, high-risk reservation queue and Neighbourhood Support Line.

In terms of enhancements, Airbnb recommends that further resources be deployed to educate the broader community of the existence of the Code of Conduct and Exclusion Register. At present, there is low awareness of the expectations and obligations set out in the Code (and low awareness of the general planning and regulatory framework).

**Recommendation 9:** That the NSW Government undertakes further community education on the regulatory framework and Code of Conduct to raise awareness of the robust regulations that currently apply to STRA in NSW.

It is in all stakeholders best interests, including Government, for there to be transparency around the guardrails that apply to our industry. Greater awareness of the rules and regulations would lead to better enforcement outcomes and empowerment of local communities to appropriately enforce the robust set of rules that are currently in place.

Our further views on compliance and enforcement of the regulations are set out below.



## Compliance and enforcement

Airbnb submits that local government areas must be further resourced to enforce the current regulatory arrangements, which are robust by global standards and solve for the range of issues that might arise in the context of STRA.

We note the discussion paper acknowledges the importance of ensuring that local governments have the right legislative and regulatory powers to effectively enforce and regulate STRA activities in their local communities. We support compliance and enforcement with the framework and we actively encourage our Host and guest community to uphold their responsibilities under the Code and planning framework.

Airbnb understands that some local government areas have indicated they are inadequately resourced to enforce the current rules appropriately. In particular, we note that there may be additional information that local authorities need to enforce the current framework and we would welcome the undertaking of a gap analysis to identify whether potential evidentiary hurdles need further consideration.

Alternatively, if local governments are unable to monitor ongoing compliance matters or take enforcement action with sufficient resourcing, we encourage the consideration of additional powers for state government agencies to take a greater role in aspects of the framework. We acknowledge that localised planning issues are generally matters for local governments, however in the interests of ensuring all STRA participants are playing by the rules, we support further oversight from relevant NSW Government agencies, where needed.

There may be some significant benefit in relevant NSW Government agencies taking the lead on enforcement and compliance of the STRA framework, to ensure that there is a more streamlined process and consistency across the state. As mentioned previously, additional revenue created by the tiering of registration fees could be used to fund these compliance efforts.

**Recommendation 10:** That the NSW Government considers:

- Further opportunities to resource local governments to enforce the current regulatory framework in line with their existing obligations; and
- Whether a greater role should be taken by relevant NSW Government agencies in enforcing compliance with the STRA framework.

## City Portal

To better support local governments, Airbnb has recently launched a new product known as the City Portal to better equip regulators with information and tools to enforce local rules.

Our track record of innovative product design is based on feedback from our Hosts, guests, communities and policymakers. This purpose-built City Portal tool has the ability to help policymakers across the state get access to better data, leading to better policies.

Through the City Portal, local Governments can have access to key tools and resources, including;

- The extent of STRA properties in the area, the number of guests in a given month and insights into where guests are travelling from
- The average amount an Airbnb guest spends per day in the local community, the local businesses and attractions they recommend, and other economic impact data.
- Streamlined access to Airbnb's 24/7 Neighbourhood Support Line to quickly address neighbourhood concerns, and Airbnb's dedicated law enforcement portal where local law enforcement officials can submit legal requests for information.
- Improved compliance capabilities to help local governments enforce STRA laws. In jurisdictions with applicable STRA laws, government officials can use the City Portal to search for listings in their registration system, work with Hosts to support compliance and take action on problematic listings that violate local regulations.

As it currently stands, the planning and regulatory framework for STRA in NSW is extremely robust and efforts must be taken to actively investigate and enforce against potential instances of non-compliance. In this regard, deploying the compliance capabilities of the City Portal may be a useful next step for local governments in NSW and Airbnb would welcome further discussions with the NSW Government and local governments to roll-out this industry-leading solution.

As noted, Airbnb strongly supports efforts to encourage compliance and take action against wrongdoers. The communities in which we operate are just as important as the users of our platform and we are committed to being a collaborative partner to all levels of government.

**Recommendation 11:** That NSW local governments seeking to enhance compliance efforts at the local level work with Airbnb to deploy the compliance capabilities of the Airbnb City Portal.

## **Eviction protections for long-term tenants**

While this is not an issue we see on our platform, Airbnb notes that eviction protections for renters in NSW are under review and we would welcome further engagement to ensure that they remain fit-for-purpose and provide adequate peace of mind.

At Airbnb we think there is no place for unscrupulous landlords, and we are committed to working with the NSW Government to be part of the solution when it comes to ensuring long-term renters have appropriate protections.

Airbnb has previously voiced its support for reviewing eviction protections in states and territories where required, to enable governments to identify any potential shortcomings or gaps in the regulatory frameworks that protect long-term tenants.

## **Opportunities for reform**

In summary, Airbnb has 11 recommendations:

### Recommendation 1

**That the NSW Government retains the current exempt development pathway for STRA**, as it continues to provide certainty for Hosts and industry participants, as well as a balanced approach for local communities.

### Recommendation 2

**That the NSW Government retains the current land use types and definitions for STRA**, noting they are appropriate and fit-for-purpose and any further categorisation would create unnecessary confusion and complexity for the sector.

### Recommendation 3

**That the NSW Government undertakes further education on the definitions for hosted and non-hosted STRA**, including a clarification that an ancillary dwelling is a type of hosted accommodation.

### Recommendation 4

**That the NSW Government consider enhancements to the registration scheme by:**

- Implementing Host identity verification mechanisms via the NSW Planning Portal;
- Collecting information from Hosts about their ability or willingness to share their home in times of emergency;
- Collecting information from Hosts about whether the STRA property is their primary home;
- Publishing aggregated registration data at the LGA level.

### Recommendation 5

**That the NSW Government considers a tiered approach to annual registration fees**, taking into account the usage of properties for STRA and with increased fees used to further resource compliance and enforcement efforts by local councils.

### Recommendation 6

**That the NSW Government undertake a gap analysis to identify additional data points that local governments may require** to appropriately enforce the current planning framework, in close cooperation with booking platforms.

### Recommendation 7

**That the NSW Government consider removal of the current day caps that apply in select local government areas across the state,** in acknowledgement of their lack of efficacy and potential for underutilisation of homes as noted in the discussion paper.

Recommendation 8

**That the NSW Government consider exploring the introduction of a tourism levy,** at an appropriate rate, to provide much-needed funds for social and affordable housing projects.

Recommendation 9

**That the NSW Government undertake further community education on the regulatory framework and Code of Conduct** to raise awareness of the robust regulations that currently apply to STRA in NSW.

Recommendation 10

**That the NSW Government considers:**

- Further opportunities to resource local governments to enforce the current STRA framework in line with their existing obligations; and
- Whether a greater role should be taken by relevant NSW Government agencies in enforcing compliance with the STRA framework.

Recommendation 11

**That local governments seeking to enhance compliance efforts at the local level work with Airbnb to deploy the compliance capabilities of the Airbnb City Portal.**

## **Conclusion**

Airbnb welcomes the opportunity to continue working constructively with the NSW Government and other stakeholders to support the development of evidence-based policy that meaningfully builds housing supply, and ensures that the visitor economy continues to contribute to the prosperity of the state.

Airbnb's message is clear – we want to be a responsible partner to governments and communities to create best-practice regulatory frameworks that are fit for purpose in the 21st century. We are committed to supporting the sustainable growth of the visitor economy throughout NSW, ensuring that everyday people can benefit from the economic empowerment of hosting on Airbnb, and balancing the needs of a diverse range of stakeholders.

Airbnb looks forward to working with the NSW Government to support fair, balanced and sustainable regulations for the STRA sector.