Holiday Rental Solutions Pty Ltd
Submission

Re: NSW Government Short-term Holiday Letting in NSW Options Paper
Document Authority

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(c) Holiday Rental Solutions Pty Ltd
Attention:  
Director  
Housing Policy  
Department of Planning and Environment  
GPO Box 39  
Sydney, NSW, 2001  


To whom it may concern,

Holiday Rental Solutions Pty Ltd (HRS) is pleased to provide the NSW Department of Planning and Environment (NSW DP&E) and the NSW Department of Fair Trading (NSW DFT) with the following submission, which supports many of the recommendations handed down by the NSW Parliament Legislative Assembly Committee on Environment and Planning following the Inquiry on the Adequacy of Regulation of STHL. This submission builds on and complements previous HRS information provided to the NSW Government, including:

- HRS Short Term Rental Accommodation Quality Assurance & Accreditation System - Documents 1, 2, & 3 (Submission for the NSW Parliament Legislative Assembly Committee on Environment and Planning’s inquiry on the Adequacy of Regulation of Short Term Holiday Letting); and
- HRS Industry Report & Recommendations July 2013 (NSW Parliament General Purpose Standing Committee No. 3 Inquiry Into Tourism In Local Communities (see here).

The following HRS submission should be read as a companion document to the above HRS submissions which provide extensive information regarding the HRS System and the regulation model that HRS has advocated for many years.

HRS is happy to provide further information.

Kind regards,

Daniel Kobeleff  
CEO  
Holiday Rental Solutions Pty Ltd
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Introduction

HRS believes the Short-term Holiday Letting in NSW Options Paper (Options Paper) to be the most comprehensive government consideration of the STHL industry, regulatory options and legitimisation of the industry to date. We believe that to be the case because the Options Paper touches on the considerations that HRS has been advocating publicly since the NSW Land and Environment Court Case *(Dobrohotoff v Bennic, 2013)* that deemed STHL illegal in local government areas that do not include STHL in their Council planning instruments.

HRS recommends a hybrid model of the Options Paper’s regulatory options being a combination of the following:

- A Standard planning definition and local government planning controls
- A government administered Code of Conduct
- Participating organisations
- Strata by-laws
- A government licensing system
- The HRS System

The HRS System provides an industry based, online:

- Regulation enabling system; and
- Quality assurance and accreditation system.

The System was launched at the beginning of the NSW Government endorsed STHL self regulation trial to support industry stakeholders and regulation objectives. The System has been operating for over 6 years on the NSW Central Coast, providing enabling functions and successfully supporting the Central Coast Council’s STHL co-regulation planning provisions.

The System is an integral part of the regulatory model as the System facilitates Code implementation and compliance, complaints management, education, monitoring and reporting, and quality assurance and accreditation functions; ultimately with the objective of all members achieving and sustaining the highest standards of STHL management and performance. A key feature of the System is that it can be extended and revised to accommodate any future STHL accreditation and/or regulatory requirements.

Importantly, the System is that it creates a centralised point of contact in a fractured industry, allowing the collection and sharing of necessary and valuable data.

The HRS System cannot operate independently of other regulation bodies and government.
Regulation Model

HRS is an industry leader with a history of lobbying for sustainable co-regulation of the industry. HRS has met with State Government bodies and relevant Ministers to provide industry insight and expertise, and accurately identified the challenges it foresaw arising from the corrupted self-regulation process, which ultimately led to:

- the failure of the NSW industry’s self regulation trial;
- market failure;
- multiple NSW Parliamentary Inquiries; and
- the Options Paper.

The NSW Government and the STHL industry are now at the precipice of the creation of a legitimate industry by way of legal recognition. It is HRS’s firm belief that it is imperative that the regulations adopted must not be a piecemeal approach. Formal communication channels between all regulation stakeholders must be created and utilised. If this does not occur, HRS are convinced that the challenges industry stakeholders now face will be compounded exponentially; the outcome of which will be significant legal and financial consequences.

HRS continues to advocate the adoption of a co-regulation model that utilises existing regulatory options and is based on the successfully adopted and implemented regulations implemented on the NSW Central Coast. The model supports many of the Legislative Assembly Committee’s findings and is proven, adequate, and sustainable, and includes:

- **A standard planning definition and local government planning controls**
  To legalise and facilitate compliance enforcement.

- **A government administered Code of Conduct (Code)**
  To prescribe minimum standard STHL management and guest behavioural expectations.

- **Strata by-laws**
  To address unique strata challenges.

- **A Government licensing system**
  To compel Code compliance and enable enforceable consequences for non-compliance.

- **Participating organisations**
  To support, promote and assist compliance and agreed regulation objectives.

- **The HRS system**
  To facilitate and enable regulation implementation and compliance, complaints management, education, and monitoring and reporting, and quality assurance and accreditation functions. Regulation enabling systems cannot operate independently of other regulation bodies & government.
Recommended industry structure
The HRS System

The HRS System provides an industry based, online, regulation enabling and quality assurance and accreditation system. The System was launched at the beginning of the NSW Government endorsed STHL self-regulation trial to support industry stakeholders and regulation objectives. The System has been operating successfully for over 6 years on the NSW Central Coast, providing enabling functions and supporting the Central Coast Council's STHL co-regulation planning provisions.

The System facilitates regulation implementation and compliance, complaints management, education, and monitoring and reporting; ultimately with the objective of all members achieving and sustaining the highest standards of STHL management and performance. The System also:

- bridges the gap between regulation and compliance,
- provides a proven self assessment process which enables code implementation and compliance,
- includes a registration system,
- assists members to meet the needs of all stakeholders and avoid and address recognised community challenges,
- provides a quality improvement and assurance, and accreditation framework that can be extended and revised to accommodate any future STHL accreditation and regulation requirements,
- transparently supports stakeholders, and
- facilitates effective and transparent communication and other channels between all regulation stakeholders.

An additional key feature of the System is that it creates a centralised point of contact in a fractured industry, allowing the collection and sharing of necessary and valuable data.

HRS understands that registration and licensing functions may be provided by government; however, they are a necessary component of proactively compelling dwelling managers to comply with regulations, where there has been no compulsion before. HRS views the Code as a minimum industry standard, and adherence should be compelled by a government licensing system.

The HRS System goes beyond regulatory compliance, as it facilitates education and behavioural management for managers, guests and the community. It transparently places the onus of compliance on a manager or guest, and takes that burden away from the Government, if the system is required as part of a licensing system.

Our System provides essential enabling tools for implementation and compliance with regulations, thereby achieving the very objectives of regulation. Above and beyond that and in totality, the System will bring about a positive change in culture in the industry for both managers and guests; as HRS has successfully achieved on the NSW Central Coast and for those HRS members outside of the Central Coast.

System principles

Overall, the system reflects three fundamental principles:

1. To reinforce and extend HRS's role, status and standards as a leading professional organisation in STHL regulation enabling and quality assurance and accreditation;
2. To ensure that the System meets STHL standards and provisions as they have been prescribed in the Code and applicable legislative framework; and
3. To ensure that, as far as possible, any member, under the provisions of this System will make a positive contribution to the success of the STHL sector and to the quality of STHL generally.

System objectives

The objectives of the HRS System are to:

1. Ensure that HRS members achieve and sustain the highest standards of practice and performance;
2. Enable members to implement and verify compliance with the Code, government regulation and...
HRS quality assurance & accreditation standards & practices;
3. Assist members to meet the needs of all stakeholders;
4. Assist members to avoid and address recognised community challenges;
5. Provide a framework that can be extended and revised to accommodate any future STHL accreditation and/or regulatory requirements; and
6. Reinforce HRS’s position as the leading professional Australian STHL regulation enabling and quality assurance & accreditation organisation.

HRS corporate governance

HRS supports quality, compliant STHL managers and organisations in Australia with a STHL regulation enabling and quality assurance & accreditation system. As a regulation enabling body, HRS will comply with Code, legal and regulation requirements. The HRS Executive Board is responsible for the implementation of the system.

HRS maintains a flexible, efficient and robust system that can be expanded to accommodate developing government, tourism, industry and insurance concerns.

The System must operate in collaboration with Participating Organisations such as Holiday Letting Organisation Central Coast (HLOCC), other regulation bodies and relevant government departments to verify and address misconduct challenges. The HRS System cannot operate independently of regulation bodies or government.

Why Holiday Rental Solutions?

HRS offers the only STHL regulation enabling and quality assurance and accreditation system in Australia. The System is managed by recognised industry and accreditation experts who assisted with the development of the Code and local government STHL planning provisions. HRS:

1. Is the leading professional Australian STHL regulation enabling and quality assurance and accreditation organisation.
2. Provides a System that meets the STHL standards and provisions as they have been prescribed in the Code and applicable legislative framework.
3. Enables members to implement and verify compliance with the Code, government regulation and HRS quality assurance & accreditation standards & practices.
4. Assists members to meet the needs of all stakeholders.
5. Assists members to avoid and address recognised community challenges.
6. Provides a framework that can be extended and revised to accommodate any future STHL accreditation and/or regulatory requirements.
7. Liaises with relevant government bodies.
8. Maintains working relationships with important industry based organisations

System benefits for Government

- Supports local government planning controls.
- Supports strategic planning visions.
- Provides practical Code implementation solutions.
- Enables access to vital industry statistics and information.
- Structure for identifying and resolving areas of improvement for management.
- Provides a transparent complaints and misconduct management system.
- Provides a complaints handling process.
- Creates a closed communication loop between stakeholders ie Government, Associations, Owners/Managers, Guests, Neighbours, Security Companies and the Community.
- No cost to any level of Government.
- Flexible platform that will adapt to changing Government, industry and insurance requirements.
- Helps professionalise the industry.
- Practical engagement tool.
- Supports stakeholders in a legal, transparent manner.
- Transparently defines and directs regulation responsibility.
- Unifies a fractured industry.
System benefits for Industry & Tourism

• Assists the professionalisation of the industry.
• Provides practical Code implementation solutions.
• Structure for identifying and resolving areas of improvement for management.
• Provides a transparent complaints and misconduct management system.
• Provides a complaints handling process.
• Flexible platform that will adapt to changing Government, industry and insurance.
• Supports stakeholders in a legal, transparent manner.
• Transparently defines and directs regulation responsibility.
• Unifies a fractured industry.
• Provides and promotes proof of quality assurance and best practice standards.
• Improves management standards.
• Provides a practical engagement tool.
• Helps to create a more valuable accommodation product.
• Helps to create a more marketable accommodation product.
• Helps to successfully target various visitor markets.
• Addresses recognised stakeholder challenges.
System communication facilitation & information storage

Note: HRS Terms, Conditions, Policies & Procedures account for stakeholder responsibilities.
Conclusion

This HRS submission makes a number of important regulation recommendations that utilise existing regulatory options. The recommendations acknowledge and support many of the NSW Legislative Assembly Committee's findings and endorse a co-regulation model based on the successfully adopted and implemented regulations found on the NSW Central Coast. The model is adequate, sustainable, and proven.

Co-regulation to include:

1. A Standard planning definition and local government planning controls
2. A government administered Code of Conduct
3. Participating organisations
4. Strata by-laws
5. A government licensing system
6. The HRS System

HRS believes its System is necessary whatever the regulation outcome is; however, we believe the co-regulation model that we are advocating to be the most effective and sustainable way to regulate the industry; based on our 12 years of experience and extensive consultation with industry, government, community and tourism stakeholders.

It is HRS's firm belief that it is imperative that the regulations adopted must not be a piecemeal approach. Formal communication channels between all regulation stakeholders must be created and utilised. If this does not occur, we are convinced that the challenges industry stakeholders now face will be compounded exponentially; the outcome of which will be significant legal and financial consequences.

Finally, it is pertinent that the HRS System is formally included in the regulation model and for a formal relationship to be formed between HRS, other regulation bodies and government.