



Jul 8, 2023

Dear Members of the Legislative Council's Legal and Social Issues Committee,

I am writing on behalf of more than 100,000 of individual short-term rental accommodation (STRA) property owners, managers, and associated service providers across Australia, seeking your valued consideration of our submission to the committee inquiry into the rental and housing affordability crisis in Victoria.

The Australian Short Term Accommodation Association (ASTRA), as an organisation, diligently represents the interests of owners and operators and property managers across Australia, as well as the increasing number of holidaymakers, business travellers, and remote workers who prefer STRA accommodations. The families and small businesses that own and support STRA properties in Victoria have made a substantial investment, exceeding \$75 billion. Apart from providing essential income for these property owners to meet their mortgage obligations, the industry also makes a significant contribution to local economies and employment.

While the popularity of STRA accommodations, which has been an Australian tradition for over 100 years and is a core accommodation sector has indeed disrupted the traditional accommodation sector, it is imperative to acknowledge that housing and rental affordability, as well as rental availability issues, persist across various regions of Australia, including Victoria. Data shared by University of Queensland's urban geographer, [REDACTED] highlights that the portion of housing stock allocated to STRA, excluding properties designated as short-stay apartments (e.g., beachside units), amounts to a mere 1% of the nation's overall housing stock<sup>1</sup>.

ASTRA's estimates indicate that approximately 40,000-45,000 properties in Victoria are utilised for short-term rentals, with roughly half of them being non-hosted. Comparing this figure to the total

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<sup>1</sup> <https://www.realestate.com.au/news/the-regions-being-most-impacted-by-short-term-rentals/>

number of dwellings across Victoria, STRA accommodations constitute only 1.5% of the overall housing landscape (or less than 1% for non-hosted properties). Moreover, it is essential to consider that a significant proportion of these properties are utilised by their owners throughout the year, rendering them unavailable for long-term rentals. Additionally, many of these properties are not viable options for long-term tenants due to their weekly rent pricing. Consequently, the impact of STRA on housing and rental affordability remains considerably low or minimal.

Furthermore, an extensive review conducted by a bipartisan federal committee in March 2022, titled "The Australian Dream: Inquiry into Housing Affordability and Supply in Australia," presents a comprehensive perspective on the matter under scrutiny. The report's key recommendations revolve around enhancing housing density in appropriate urban centres, addressing planning restrictions that escalate housing costs, incentivizing state and local governments, adopting improved 'planning' approaches, building more affordable housing, promoting public-private partnerships for 'rent-to-buy' initiatives, allowing buyers to utilise superannuation for deposits, and maintaining the existing negative gearing policies, while considering the replacement of stamp duty with land tax. Notably, STRA was not addressed or referenced as a contributing factor in the report's findings.

Based on the aforementioned insights, we firmly believe that STRA is not a root cause of the housing crisis; rather, it should be viewed as a potential component of the solution. ASTRA has been actively collaborating with the New South Wales government since 2016 to create a regulatory framework for STRA. This collaboration commenced with the Legislative Assembly Committee on Environment and Planning's inquiry into STRA regulations in NSW. Over the years, ASTRA has contributed several submissions, participated in committee hearings, collaborated with Planning NSW through the Options Paper process, and played a vital role on the Advisory Committee of NSW Fair Trading in formulating the mandatory Code of Conduct.

We wholeheartedly welcome regulations that elevate industry standards, enforce compliance and accountability, and provide certainty for both our property owners and the broader community. Equally important is the recognition and accommodation of evolving preferences among travellers, as well as meeting the short-term needs of visiting families, individuals relocating, attending

conferences, sporting and cultural events, seeking medical treatment, and other similar circumstances.

We firmly believe that the regulatory framework implemented in NSW serves as a valuable template, which, with appropriate modifications to suit each jurisdiction's unique requirements, can be adopted by other states. The considerable contribution of STRA to local economies across Victoria, amounting to hundreds of millions of dollars, combined with an efficient regulation and registration framework, can be harnessed to support the quest for effective solutions to the housing crisis.

ASTRA eagerly anticipates actively participating in the discussions surrounding this matter and contributing constructively to the development of viable solutions. We would be honoured to have the opportunity to meet with you and engage in further dialogue.

Thank you for your valuable time and consideration.

Yours Sincerely,

Yoav Tourel

Acting Chair, Australian Short-Term Rental Accommodation (ASTRA)