

# Submission to the Select Committee on Short Stay Accommodation Sector

Tuesday, 20 May 2025  
City Finance and Governance  
Committee

Strategic Alignment - Our Community

Public

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Shaping

## EXECUTIVE SUMMARY

The purpose of this report is to seek endorsement of a submission to the Select Committee on Short Stay Accommodation Sector (the Select Committee). The Select Committee is seeking submissions until 2 May 2025 and the City of Adelaide has been granted an extension to provide a submission by 30 May 2025 to enable consideration by Council.

The Select Committee of the Legislative Council has been established to inquire and report on the short stay accommodation sector in South Australia, with reference to:

- a) The role of short stay accommodation in contributing to the rental affordability crisis;
- b) The social and economic impacts of short stay accommodation on South Australian communities;
- c) The potential to regulate the short stay accommodation sector;
- d) The effectiveness of regulatory models adopted in other jurisdictions, both nationally and overseas;
- e) Potential taxes or levies that could be applied to short stay accommodation and long-term vacant residential property;
- f) Incentives that could be provided to home owners to transition properties listed on short stay accommodation platforms onto the long-term rental market;
- g) Other strategies that could be adopted to activate residential property that is vacant long term; and
- h) Any other related matters.

The City of Adelaide's draft submission, contained in **Attachment A**, addresses the Terms of Reference of the Select Committee. It is based on the potential and reported benefits and impacts of short stay accommodation in the City of Adelaide, current Council actions, and highlights proposed strategic investigations and projects.

## RECOMMENDATION

The following recommendation will be presented to Council on 27 May 2025 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Endorses the submission to the Select Committee on Short Stay Accommodation Sector as contained in Attachment A of Item 7.2 on the Agenda for the meeting of the City Finance and Governance Committee held on 20 May 2025.
2. Authorises the Chief Executive Officer, or delegate, to make minor technical or typographical amendments to the submission to the Select Committee on Short Stay Accommodation Sector as contained in Attachment A of Item 7.2 on the Agenda for the meeting of the City Finance and Governance Committee held on 20 May 2025 for the purposes of finalising and lodging the submission.

## IMPLICATIONS AND FINANCIALS

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|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| City of Adelaide<br>2024-2028<br>Strategic Plan                        | <b>Strategic Alignment – Our Community</b><br>Support increased residential growth and housing affordability through partnerships and advocacy.<br>Reduce rental pressures by increasing housing supply and unlocking properties for long-term tenants. |
| Policy                                                                 | The recommendation proposed in this report aligns with the City Plan – <i>Adelaide 2036</i> and Housing Strategy – <i>Investing in our Housing Future</i> .                                                                                             |
| Consultation                                                           | This report responds to a consultation process being undertaken by the Select Committee of the Legislative Council on Short Stay Accommodation Sector.                                                                                                  |
| Resource                                                               | Not as a result of this report                                                                                                                                                                                                                          |
| Risk / Legal /<br>Legislative                                          | Not as a result of this report                                                                                                                                                                                                                          |
| Opportunities                                                          | To seek State Government regulation of the short stay accommodation sector to ensure a uniform approach to taxes, fees and/or registrations statewide and avoid shifting the issue between local government areas.                                      |
| 24/25 Budget<br>Allocation                                             | Not as a result of this report                                                                                                                                                                                                                          |
| Proposed 25/26<br>Budget Allocation                                    | Not as a result of this report                                                                                                                                                                                                                          |
| Life of Project,<br>Service, Initiative<br>or (Expectancy of)<br>Asset | Not as a result of this report                                                                                                                                                                                                                          |
| 24/25 Budget<br>Reconsideration<br>(if applicable)                     | Not as a result of this report                                                                                                                                                                                                                          |
| Ongoing Costs<br>(eg maintenance<br>cost)                              | Not as a result of this report                                                                                                                                                                                                                          |
| Other Funding<br>Sources                                               | Not as a result of this report                                                                                                                                                                                                                          |

# DISCUSSION

## Background

1. The Select Committee on Short Stay Accommodation Sector (the Select Committee) was established in March 2025 to inquire and report on the short stay accommodation sector in South Australia and is seeking submissions up to 2 May 2025.
2. The City of Adelaide has been granted an extension of time until 30 May 2025 to enable Council consideration of a written submission to the Select Committee.
3. The terms of reference for the Select Committee are:
  - 3.1. The role of short stay accommodation in contributing to the rental affordability crisis;
  - 3.2. The social and economic impacts of short stay accommodation on South Australian communities;
  - 3.3. The potential to regulate the short stay accommodation sector;
  - 3.4. The effectiveness of regulatory models adopted in other jurisdictions, both nationally and overseas;
  - 3.5. Potential taxes or levies that could be applied to short stay accommodation and long-term vacant residential property;
  - 3.6. Incentives that could be provided to home owners to transition properties listed on short stay accommodation platforms onto the long-term rental market;
  - 3.7. Other strategies that could be adopted to activate residential property that is vacant long term; and
  - 3.8. Any other related matters.
4. The Lord Mayor of Adelaide, Dr Jane Lomax-Smith, made a verbal submission to the Select Committee on 8 April 2025, reflecting current positions and challenges for Council. The main points raised were:
  - 4.1. Outlining the City of Adelaide's new approach to rating short stay accommodation as commercial activity that has been introduced to ensure rating equity for the accommodation sector in the City of Adelaide, noting that it collects minimal rating revenue.
  - 4.2. Challenges regarding data collection and reporting on the number of short stay accommodation properties due to a lack of available information.
  - 4.3. Request for State legislation to ensure consistency across the state in regulation, rating and management of short stay accommodation.

## City of Adelaide Context

5. In 2024/25, the City of Adelaide revised the rating approach for residential properties available for 90 days or more per annum for short stay accommodation. These properties are rated at 22.5% higher than residential properties to provide greater parity with the commercial accommodation sector.
6. The rating approach is considered conservative, particularly when compared with Brisbane Council's 65% rating increase for short stay accommodation and Hobart Council's doubling of the residential rate in the dollar.
7. There are an estimated 900 short stay accommodation properties in the city (of a total of 4,500 in Greater Adelaide). The Council's rating structure applies to 205 of these properties.
8. Council pays for data on the location of short stay accommodation properties.
9. The State Government's Planning and Design Code defines short stay accommodation as 'tourist accommodation'. Development approval is required to use an existing dwelling for tourist accommodation, regardless of the number of guests accommodated.
10. However, the definition of 'tourist accommodation' in the Planning and Design Code does not clearly set out when a short stay rental property triggers this requirement. Further, there are limited tools available for councils to reject these applications, nor set conditions on permits.

## Draft Submission

11. A draft submission is provided as **Attachment A** – Submission to the Select Committee on Short Stay Accommodation Sector.
12. The draft submission addresses the Terms of Reference of the Select Committee and is based on the potential and reported benefits and impacts of short stay accommodation within the City of Adelaide, current Council actions, and proposed strategic investigations and projects.

13. Key points from the draft submission include:
- 13.1. Short stay accommodation may benefit the local economy by providing surge visitor accommodation and an alternative to conventional tourist accommodation.
  - 13.2. Benefits should not come at the cost of long-term housing provision or offer unreasonable competitive advantage with conventional visitor accommodation.
  - 13.3. The City of Adelaide has applied a revised commercial-other rate for short stay accommodation.
  - 13.4. Increased noise and disturbance where short term guests may be less considerate of residential norms.
  - 13.5. Loss of security and safety with high turnover of guests making it difficult for neighbours to recognise who belongs in the community.
  - 13.6. Limited ability for strata and body corporates to impose and enforce rules about the use of properties for short term rentals.
  - 13.7. Increased impact on infrastructure and services, including residential waste management, demand for parking, and increased congestion.
  - 13.8. Difficulties and costs associated with accessing accurate data about the short term accommodation sector.
14. The draft submission makes the following recommendations for the Select Committee's consideration:
- 14.1. State-wide approach - The State Government to legislate and regulate the short term accommodation sector to ensure a uniform approach to taxes, incentives, fees and/or registrations across the State. This should include consistency of provisions between short stay accommodation and conventional accommodation providers, while allowing for flexibility in local responses.
  - 14.2. Legislation should include compliance and management tools to mitigate the potential impacts of these developments. This should include designating the role of local government.
  - 14.3. Data sharing – Policy and/or regulatory changes to require data sharing with regulators to enable compliance monitoring.
  - 14.4. Clear definitions and policy in the Planning and Design Code – Amendment of the definition of 'tourist accommodation' in the Planning and Design Code to include the number of nights per year the property can be made available for short stay rental. Amendment of planning policy in the Planning and Design Code to guide assessment of these types of development, including visitor management plans, drop-off and pick-up points, reception areas, noise requirements, parking and waste management.

### Next Steps

15. Pending Council's decision, the submission will be provided to the Select Committee on Short Stay Accommodation Sector by 30 May 2025.

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## ATTACHMENTS

**Attachment A** – Submission to the Select Committee on Short Stay Accommodation Sector

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