

Submission to the **State
Development, Infrastructure and
Industry Committee** on the

**STATE DEVELOPMENT,
INFRASTRUCTURE AND
PLANNING (RED TAPE
REDUCTION) AND OTHER
LEGISLATION
AMENDMENT BILL 2014**

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QUEENSLAND TOURISM INDUSTRY COUNCIL

QTIC is the State's peak body for tourism in Queensland and represents the interests of business operators, 20 sector associations, 3,000 regional members and all of Queensland's 13 Regional Tourism Organisations (RTOs).

QTIC works in partnership with government agencies and industry bodies at a local, state and national level to strengthen the voice of tourism in all relevant policy forums. QTIC's partnerships with the industry and government enable a greater level of responsiveness to increasingly diverse policy settings.

RESPONSE

The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to provide feedback to the State Development, Infrastructure and Industry Committee on the *State Development, Infrastructure and Planning (Red Tape Reduction) and Other Legislation Amendment Bill 2014*.

The following submission addresses the proposed amendments to the *Sustainable Planning Act 2009* which enables local government to regulate party houses as a specific land use in planning schemes. Under the amendments local governments will be responsible for ensuring compliance with any development approval issued for a party house. We understand that the details of the new amendments are yet to be released and offer the following position as guidance in drafting the regulations.

Party houses

From a tourism perspective, short-term rental holiday homes increase the stock and options for short-term accommodation and work towards a desired tourism outcome for the destination. Party houses that produce unacceptable noise and behaviour however, are an undesirable subset of short-term rental holiday homes that do not deliver quality products or experiences that align with a destination's vision and branding. Party houses are short-term rental holiday homes that are being used - or misused - sometimes contrary to what the accommodation provider intends for the home to be used for. Party houses which are repeatedly used to host wild, uncontrolled parties which disrupt neighbourhoods are understood to be run by "rogue operators".

Party Penthouses

In consultation with QTIC's Associations Council, it was revealed that another prevalent issue is the use of penthouses or large apartments, and not just standalone homes, as party venues. A significant number of rogue landlords and outside agents have converted some short-term accommodation penthouse units into "party penthouses". Many of the problems associated with capacity, behaviour of occupants and disturbing the peaceful enjoyment of others are amplified when the "party house" phenomena is shifted to a high rise complex. These issues are exacerbated given the higher proportion of communal space including parking, and the fact that residents share the same building, same floor and/or same walls. New regulations must ensure that party penthouses can also be dealt with under the new rules.

Land use proposal

Creating a separate land use for the purpose of a party house may worsen the issue as these operators may view it as a licence to operate in a disruptive or offensive way unless sufficient controls are established. It would be viewed that an approval of any sort, without restrictions, gives consent for the proponent to undertake the activity that is sought under such approval. For example, development approvals allow for development to proceed, as a liquor licence would allow for liquor to be served. An approval of a party house allows for parties to be held, no matter what the impact may be.

A considerable risk associated with “approving” such land use is that it may promote offensive behaviour - with a lack of concern on the part of the owner or the occupier - while at the same time the occupants are self-supervised. Any process of approval for party houses would not address the fundamental issue of holding regular events that may create excessive noise and offensive behaviour within residential areas.

It was indicated that the potential cost and need for approvals may force some operators out of the market. Some short-term rental holiday homes may shift their business models into long-term rental homes or completely out of the rental space entirely if these new laws prove to be too difficult or too risky. Dependent on the specifics of new regulations and how operators will react, it is not expected that there will be a significant impact on the accommodation sector or the wider tourism industry.

Short-term rental holiday homes

The importance of maintaining short-term rental holiday homes that are appropriately managed and located in traditional holiday locations should be reinforced. The tourism industry needs to keep this sector and product available to continue attracting this market, maintain a destination’s family-friendly status, and provide quality options and experiences for visitors. At the same time, the industry has a strong interest in maintaining the goodwill and support of the resident population.

RECOMMENDATIONS

Commercial zoning

Introducing a land use for a party house under a residential zoning raises several issues:

- Short-term rental holiday homes more closely align with commercial activity as opposed to residential activity. It is understood that most short-term accommodation such as hotels are classified as commercial activities. The proposed land use and associated activities are not considered compatible with residential uses.
- Even with an approval in place, excessive noise and offensive behaviour may still be an issue for the nearby residential properties and their living amenity.
- It is assumed that most residential areas will want to fall under the party house restriction area. It will be extremely difficult for local government to determine which areas would not be included within the party house restriction area.

The land use for a party house that instead falls under a commercial zoning, however, is a step towards adequately notifying neighbours and future investors in an area about the type of activities they should expect. In addition, a commercial zoning will allow for local governments to more easily apply permits and local laws if this is to eventuate.

Furthermore, commercial zoning provisions are more consistent with more high impact activities that may not be suitable for all residential areas. This means that allocating land for this use would require strategic and logical reasoning as opposed to perhaps “favouring” certain suburbs over others despite same zoning allocations.

While this may not resolve party house issues immediately, over time new residents will come into neighbourhoods with certain expectations, and new party houses that become established in these areas can be controlled by local planning provisions that require adequate sound proofing, parking spaces, etc., that differ to a typical “dwelling house”.

Capacity control

The trigger of many of the issues that arise from party houses - such as noise, parking and behaviour – could essentially be put down to placing a restriction on the number of guests (transient occupants) and the number of visitors at the premises. Other more traditional short-term accommodation providers such as hotels, motels and resorts, with on site management in place, include measures to control the number of transient occupants and the number of motor vehicles that are permitted. To ensure that the cap on guests is adhered to, security cameras and security personnel are often utilised. State and local governments should consider mandating similar control measures as a way of removing rogue operators from the market.

Registration and other controls

Another way of ensuring that rogue operators are removed from the industry is to mandate for all short term rental houses to be registered and that they comply with the various commercial requirements such as pool safety, fire safety and other associated compliance measures which are required to be met and maintained by other forms of short term letting accommodation providers.

These premises were initially built for residential purposes regardless of zoning. These homes when used for commercial purposes or event venues contravene the Building Code as the houses have not been constructed with the same considerations that apply to short-term accommodation usage. Furthermore, most of these property owners would not currently hold the appropriate insurance coverage that corresponds to the activity that takes place onsite.

As much as these are control measures, it also addresses safety concerns and minimises the number of incidents that are more likely to arise due to overcrowding and unsafe behaviour.

ENQUIRIES

We thank you for considering this submission and welcome any feedback you may have. For all enquiries, please contact Daniel Gschwind (07) 3236 1445 or email policy@qtic.com.au.