

ANTI-POVERTY NETWORK SOUTH AUSTRALIA



Submission To The Parliamentary Select Committee On The Short-Stay Accommodation Sector

May 2025

Dear Members of the Select Committee:

We write to you on behalf of the Anti-Poverty Network SA¹, a grassroots community organisation working to address the structural causes of poverty and housing insecurity in South Australia.

We welcome this opportunity to provide a submission to the Select Committee on Short-Stay Accommodation and urge the Committee to recommend strong, fair, and enforceable regulations that prioritise access to long-term, affordable housing over profit-making from short-term letting platforms.

While short-term rentals (AirBnBs) can provide a useful service that is particularly important to local economies in tourism-oriented areas, the fact that the properties concerned are removed from the potential market for long-term worsens the acute, near state-wide deficit of long-term rental accommodation.

The high rental costs that result from this deficit are a key contributor to the cost of living pressures that afflict people living on low incomes. Accordingly, Anti-Poverty Network SA in 2024 studied the question of short-term rentals and adopted a policy statement.²

¹ The Anti-Poverty Network South Australia (APN-SA) is a grassroots community advocacy group run by volunteers with lived experience of poverty and housing insecurity. Further info:

<https://apn-sa.org/about-us>

² <https://apn-sa.org/wp-content/uploads/2024/11/final-air-bnb-position-statement-november-2024.pdf>

Further Analysis

For the purposes of this submission the analysis performed, and the conclusions reached, will be summarised on the basis of the terms of reference provided by the Select Committee.

The rental affordability crisis, and the role played in it by short stay accommodation:

About 6,000 people in South Australia are homeless each night³ while the number on the state's public housing waiting list is some 16,000.⁴ Meanwhile, the number of entire dwellings being let as short-term rentals in greater Adelaide in 2023 was about 3,000 (0.5 per cent of total housing stock).⁵

Clearly, the crisis of rental affordability has roots much deeper than the diversion of houses and apartments to the short-term market.

But although the number of 3000 Airbnbs may seem small, it is close to three times Adelaide's critically tiny figure for rental vacancies—as of August 2024, a mere 1,021.⁶

It is evident that reducing the number of rental premises let out short-term could significantly alleviate the housing pressures to which our state's poor—along with broad numbers of middle-income earners—are subject.

In addition, measures to shift housing from short-term to long-term rental would start relieving housing pressures immediately, without requiring new dwellings to be built.

The social and economic impacts on SA communities:

The shortage of affordable rentals in our state carries a high cost in social dysfunction.

A report by the Property Council early in 2025 concludes that key workers such as teachers, police and ambulance personnel are being priced out of suburbs as remote from central Adelaide as Salisbury and Hallett Cove.⁷ The social convenience of having AirBnBs available in Adelaide must be weighed against this cost.

³ catherinehouse.org.au/resources/homelessness-facts/

⁴ www.indailysa.com.au/news/archive/2023/11/27/waiting-lists-soar-as-cook-works-to-shift-housing-crisis-dial

⁵ <https://trovepm.com.au/files/reia-short-stay-accommodation-report-sep23.pdf>

⁶ <https://propertyupdate.com.au/rental-vacancy-rates>

⁷ www.propertycouncil.com.au/submissions/beyond-reach-the-key-worker-housing-crisis-in-south-australia

In regional areas, the impacts of short-term rentals tend to be quite mixed. In towns such as Victor Harbour where the local economy is based largely on tourism, Airbnbs provide visitor accommodation during peak seasons.

But a 2024 study put the number of short-term rental properties in Victor Harbor at an extraordinary 28.6 percent of the figure for long-term rentals.⁸ Many workers who needed to live locally were finding suitable accommodation impossible to find or afford.

Regulating the sector: models in other jurisdictions:

Internationally, cities that have restricted short-term renting include Amsterdam, Munich, New Orleans, San Francisco, London, Berlin, Los Angeles and Paris. Barcelona is in the process of banning the practice almost entirely.

A measure commonly applied in these cities involves restricting the number of nights per year for which a short-term rental property can be let out. This limits the financial advantages for landlords of short-term compared to long-term rentals.

A study of tourist areas around Australia argues for a system of licensing permits, with a cap on the number of short-term rental properties per municipality. Where the number of such properties is judged unreasonable, the number of licenses would be reduced over time.⁹

In Victoria, the state government from this year is to place a tax of 7.5 per cent on short-stay bookings, again to limit the attractiveness to property owners of Airbnb-style operations.

In drafting legislation, a particular need is to make a distinction between small-scale businesses, and corporate organisations that buy up numerous dwellings in order to let them on a short-term basis. If corporations want to cash in on the demand for short-term rentals, they should build the accommodation to start with. They should not be allowed to use existing housing for this purpose.

Also, legislation needs to take account of the distinct role played by AirBnBs in localities where demand for accommodation is strongly seasonal, as in tourist centres. In these localities there is an argument for municipal or regional authorities, with their greater knowledge of local conditions, to have extensive powers to decide regulations.

A vacant properties tax?

Available data show that substantial quantities of housing in South Australia are unoccupied

⁸ https://grounded.org.au/wp-content/uploads/2024/06/Grounded_AirbnbSolutionReport.pdf

⁹ https://grounded.org.au/wp-content/uploads/2024/06/Grounded_AirbnbSolutionReport.pdf

at any given time. Figures by the organisation PropTrack indicate that in June 2024, an astonishing 20 percent of listed residential properties in Adelaide City were vacant.

In Mount Gambier the figure was 10 per cent, while for Adelaide suburban areas it was typically in the range of 5–8 per cent.¹⁰

Property owners can have diverse reasons for leaving premises empty. But in speculative markets, artificial restriction of supply can serve to boost prices. Then when the time comes to sell, the ability of owners to make quick sales is at a premium.

There is good cause to believe that in South Australia at present, speculative considerations are inducing owners of residential property to keep it untenanted. A Prosper Australia report from 2017 observes:

“With investors constituting 40% of all housing loans in recent years, we need to be alert to the fiscal and monetary policies that make it a viable investment strategy to hold property vacant.”¹¹

APN-SA’s position is that there must be a mix of punitive legislation like a vacancy tax but also an incentive to build up the state’s public housing supply. A vacancy tax could lead to a desire to sell vacant property while also giving the state an opportunity to buy up vacant housing to help build up the public housing dearth we are experiencing.

Our Recommendations

We urge the Committee to recommend the adoption of a regulatory approach that reflects the complex and localised nature of short-stay rental impacts, while ensuring consistency across jurisdictions. Specifically, we support:

A State-Wide Licensing and Registration System:

All dedicated short-term rental properties (not spare rooms in owner-occupied homes) should be licensed, with hosts required to register annually. This would support better monitoring and enforcement and provide accurate data to inform policy decisions.

Caps and Nightly Limits:

Caps should be introduced on the number of short-stay rentals permitted in each local

¹⁰ www.realestate.com.au/news/revealed-where-thousands-of-vacant-homes-have-been-uncovered-in-sa/

¹¹ Cited in: www.sheltersa.asn.au/site/wp-content/uploads/Shelter-SA-Empty-Homes-Project-Report-FINAL.pdf

government area, especially in areas with low rental vacancy. Additionally, annual limits on the number of nights a short-stay property can be rented out, (such as the 180-night cap used in NSW) and should be considered to discourage landlords from abandoning the long-term rental market.

Local Government Oversight:

Councils should have the power to determine local conditions for short-stay rental operation, including development approvals and zoning restrictions. Councils know their communities best and should be empowered to manage short-stay rentals accordingly.

Tiered Regulation for Commercial Operators:

A distinction must be made between individuals renting out a spare room and corporations or investors purchasing multiple properties solely for short-stay use. The latter should be subject to stricter regulation, including limits on the number of properties owned and mandatory conversion to purpose-built short-stay accommodation if they wish to expand.

Financial Disincentives for Short-Stay Conversion:

Councils should be encouraged to adopt higher council rates for short-stay rentals, as seen in Hobart and Brisbane. State governments should also impose levies on short-stay bookings, with the revenue ring-fenced for building public and community housing. We strongly support the model being introduced in Victoria in 2025, which includes a 7.5% levy on short-stay bookings.

Enforcement and Platform Accountability:

Platforms that continue to list unregistered or non-compliant properties should face substantial fines. Data-sharing agreements between platforms and state agencies are essential to ensure transparency and compliance.

Conclusion

The short-term rental market must be brought into balance with the needs of South Australians struggling to access secure, long-term housing. Unregulated, profit-driven short-stay accommodation has become a hidden contributor to the housing crisis, particularly for the most vulnerable.

Anti-Poverty Network SA believes that homes should be for living in – not primarily for generating profit. We urge the Committee to take decisive action that reasserts the public good over private gain.

We would welcome the opportunity to appear before the Committee to further discuss our submission.