

No need for loony Victorian idea here

Paul Nicolaou



Sydney would choose to “borrow” few ideas from backward Victoria which plans to tax holiday-makers via short term rental accommodation — an idea ripe for the reject bin.

The Victorian government is pushing ahead with a 7.5 per cent tax on this accommodation category and to allow individual councils to apply their own restrictions, a recipe for confusion. It’s not hard to see where it’s going with NIMBY councils south of the border emboldened to reject anything that looks like a boost to tourism.

The Victorian move is ostensibly a “tax the rich” scheme to raise revenue for new social and affordable housing but it’s family holiday-makers and group travellers who would pay.

Apart from generating a warm inner glow for some, it would do little for housing supply given the scale of the housing crisis.

They’re also dreaming that short-term rental property owners can be compelled into shifting their properties to the long-term rental market.

There is currently a ministerial review in NSW of the short term rental sector led by Housing Minister Rose Jackson.

Our state government needs to

head off any wacky Victorian ideas before they get a toehold here. And that’s because Sydney has never needed lots of stay accommodation more to boost the visitor economy.

The last thing needed is an ill-conceived bed tax or to allow local councils to run rampant with their own hotchpotch of rules. Tourism Minister John Graham will soon release plans for the visitor economy. He knows Sydney needs thousands of additional beds if our wonderful city is to make the most of the tourism opportunity.

Short term rental accommodation holds the greatest promise of quickly producing the beds needed to satisfy potential demand.

We saw how important short stay accommodation is and how wide the benefits can be during Taylor Swift’s series of sellout concerts at Homebush. Airbnb reported a noticeable uptick.

Short-term rental accommodation will play a similar role as Sydney ramps up events and applies ambitious goals for the visitor economy.

We can’t afford to adopt crazy, ideologically driven ideas from Victoria that just make family holidays more expensive.

Paul Nicolaou is executive director of Business Sydney