

MEDIA RELEASE

New luxury hotel for Sydney welcomed – but TAA calls on Government to protect hotel investors by cracking down on unregulated short-term accommodation

16 September 2015: The announcement that Singapore's Pontiac Land Group has won the right to develop the two heritage sandstone buildings in Sydney's Bridge Street into a \$300 million, 240-room luxury hotel has been welcomed by Tourism Accommodation Australia (TAA), but the hotel representative body is calling on the NSW Government to crack down on the flood of unregulated short-term accommodation that is unfairly competing with Sydney's hotels.

The Pontiac Land Group has committed up to \$300 million to convert the 19th century landmark buildings into one of Australia's premier 5-star hotels when the re-development is completed by 2021.

"This is great news for Sydney tourism and is part of a wave of new hotels and serviced apartments that are scheduled to be added in the city over the next five years," says Carol Giuseppi, CEO of TAA.

"The new hotels will play a crucial role in supporting the launch next year of the new International Convention Centre and will help elevate Sydney into one of the world's greatest business and tourism destinations.

"However, the cost of developing hotels in Sydney is extremely high and needs to be based on a sustainable demand-led model if we are to continue to attract future investment.

"The new investment in our city is threatened by the spiralling increase in unregulated short-term accommodation – some within a few hundred metres of the sandstone buildings – which are operating contrary to strata, council and other rules.

"Investors in Sydney need to be confident that their hotel properties will be able to operate on a level playing field. It is estimated that there are over 10,000 rooms and apartments being made available for short-term rental across Sydney, many of which are operated as commercial businesses without the requisite permits. This is not good for future investors.

"These unregulated short-term commercial accommodation providers do not generally employ people, they don't pay the appropriate council charges, there is a question about taxation, they often do not meet safety requirements and they contribute nothing to tourism promotion.

"In other words, they are not a sharing economy, they are a taking economy.

"With this exciting new project announced and other hotel developments in the pipeline we believe it is crucial that there is a review of rules and regulations governing short-term accommodation to ensure future investment in the city's tourism infrastructure is not jeopardised."

Further information:

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