



PO Box 1
Pacific Palms NSW 2428

To:	Commissioners: Dr Sheridan Coakes, Prof Richard Mackay AM, Ms Juliet Grant
Cc:	Planning Director, Mr Stephen Barry and Planning Officer Mr Oliver Cope
From:	Mr Colin Hussey, Chairperson ASTRA Byron
Subject:	Byron Shire Council's 90 day cap planning policy on short term rental accommodation
Date:	15 February 2023

Dear Commissioners,

Please see the following information for consideration prior to our video conference this Friday regarding Byron Shire Council's proposal to cap short term rental accommodation (STRA) to 90 days.

We appreciate you listening to the concerns that have been raised below by small and family businesses that make up the fabric of the tourism industry in Byron Shire and neighbouring Local Government Areas.

We remain concerned in relation to the due process of Council's planning proposal, it is driven by ideology, rather than sound policy and founded research. Much of the data contained within Council's Planning Proposal is inaccurate and has been used to mislead the community during the public exhibition process which commenced on 1 September 2022 and concluded 31 October 2022.

For your reference, the following information can be provided upon request:

1. The State Government commissioned Urbis Report (*see attached copy*)
2. Fact vs' Fiction document - an analysis of Council's 90 day planning proposal (*see attached copy*)
3. Property owner survey (*see attached copy*)
4. The economic impact on local jobs and the economy (*a copy of the research report can be provided upon request*)
5. Legal advice.

Urbis report

The NSW Department's Planning Delivery Unit and Byron Shire Council jointly engaged Urbis to undertake an Economic Impact Assessment of the proposal to analyse the potential impacts of implementing varying caps on the number of days per year properties can be made available as non-hosted STRA. Urbis recommended the following:

Based on the outcomes of the economic impact assessment, we consider the implementation of a 180-day cap across the entire Byron LGA in accordance with State Environmental Planning Policy (Affordable Rental Housing) Amendment (Short-term Rental Accommodation) 2021 (i.e. the Base Case: SEPP Default) to represent the best proposed policy option.

The Base Case: SEPP Default is not only estimated to generate the highest overall net benefits, it is also estimated to generate net benefits for all relevant groups except Visitor Market Visitors. Critically, under this option, strong benefits are expected to accrue to Residential Property Market Renters and Purchasers and Local Residents / Community without any net disbenefits accruing to Residential Property Market Owners, Local Services and Businesses, Local Workers.

*Although Option 1: Council's Current Gateway Planning Proposal is estimated to also generate strong benefits for Residential Property Market Renters and Purchasers, and Local Residents / Community these net benefits come at the cost of **net disbenefits accruing to Residential Property Market Owners, Visitors, Local Services and Businesses, and Local Workers.***

Therefore, we consider the Base Case: SEPP Default (a 180-day cap across the entire LGA) to represent the preferred policy option from an economic perspective. It is estimated to provide the most substantial benefits across almost all relevant groups while minimising detrimental impacts on Visitor Market Visitors.

Despite the recommendation above, Council ignored Urbis's report and continued to pursue its 90 day cap policy regardless of negative economic impacts highlighted.

Fact vs Fiction - A look at Council's Planning Policy

Fiction

Byron Shire Council claims that STRA properties make up 35% of the total housing stock in Byron Shire and that Byron is estimated to have the highest concentration of STRA of any LGA in NSW by a considerable margin. Council also claim there are 5,249 non hosted STRA properties in Byron Shire.

Fact

As on 26 January 2023, the NSW Department of Planning, Industry and Environment officially reported there were 1,288 non-hosted STRA properties in Byron Shire making 7.6% of the total housing in Byron Shire STRA.

Note: the 35% figure that Council quotes in its Planning Proposal is gathered from airDNA, which includes: motel rooms, on-site cabins, seasonal holiday homes, serviced apartments, bed and breakfast rooms in people's homes, duplicate listing across Airbnb, Booking.com and Stayz, and owner-occupier homes listed while the owner goes on holiday.

Note: As of 7 February 2023 there were 134 properties available for permanent rental on realestate.com, the breakdown of properties available are as follows:

House type	Total number	Average amount of rent per week
1 bedroom	22	\$533
2 bedroom	32	\$744
3 bedroom	39	\$1,427
4 bedroom	29	\$1,649
5+ bedroom	12	\$1,703

The 90 day cap policy will return a handful of properties to the permanent rental pool and these houses will sit on realestate.com with the housing already listed above. It is more complicated than a mere supply issue. This policy will significantly impact the tourism industry, putting 1,448 jobs at risk and removing hundreds of millions from the local economy.

The short term rental accommodation visitor is high yield and low impact and these families disperse to other towns and villages within the Shire and region. It takes 38 day visitors to equal the spend of just one STRA visitor. We urge you to consider the impact this will have on removing high yielding guests from the region's visitor economy.

Property owner survey

In its planning proposal Council states... *'a 90-day cap for STRA will see 1,524 long term rental dwellings and 224 owner occupier dwellings returned to the permanent housing market.'*

As outlined above, there are currently 1,288 non-hosted STRA properties in Byron Shire, which makes it impossible to return 1,500 to the permanent housing pool.

ASTRA Byron undertook primary research and sent a survey to 800 (of the 1,288) non-hosted property owners that it represents. 180 property owners responded to the survey, representing a 22.5% response rate. A summary of the results are as follows:

1. 96.09% of owners **will not** return their home to the permanent rental pool
2. 75% of owners have had their property for between 3 - 25 years
3. 90% of property owners said the 90 day caps will put them at a financial disadvantage

4. 52% of property owners will see a financial downturn of between 50 - 100+%

Feedback from two property owners is captured below

It's a discriminatory policy that segregates those who already own beachfront and Wategos property (we do not) and makes them even richer with more of a monopoly on the tourist market as well as increasing their property values and decreasing everyone else's. They do not need this. Those like us, who live and work hard in the shire and employ local workers to make an honest living are thus penalised. We also help the local businesses - cafes, restaurants, shops etc by recommending them to our guests to boost the local economy.

This directly affects my funding for retirement

Economic impacts

ASTRA Byron commissioned research using data from the ABS and Tourism Research Australia's National and International Visitor Survey. The data showed that:

- Up to 1,448 jobs will be lost under this policy
- \$267m will be removed from the local economy each and every year.

The 90 day cap policy will result in significant impacts not only in the Byron Shire, but in neighbouring local government areas and the broader North Coast region.

In addition, STRA is frequently utilised to house families and community members in need during bushfires and natural disasters, which includes floods. After the February 2022 floods the STRA industry housed hundreds of families during their time of need, as well as emergency workers. The STRA industry will continue to house those in need and this emergency accommodation has proved vital during natural disasters.

Legal advice

In March 2022, the Byron Holiday Letting Organisation engaged Barrister Michael Astill and Senior Counsel Stephen Free to advise whether the new STRA regulations could legally have an effect of restricting the number of days per year which a dwelling can be used for STRA. A summary of the advice is as follows:

Where, by reason of an existing development consent, there is an existing right to use a dwelling for short term occupation, the amendments to the ARH SEPP do not legally have the effect of restricting that right. Nor is there anything else in the STRA Initiative that would operate to confine such existing rights of use to any limited number of days per year.

Submissions to Byron Shire Council

Through ASTRA Byron more than 700 letters from concerned property owners, small and family run businesses, local workers and the broader community were submitted as part of Council's public exhibition process.

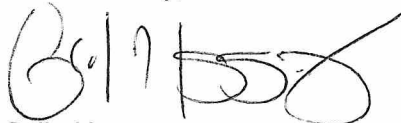
Our community is engaged, we are speaking up. We are concerned that Council will proceed with a policy that will not return homes to the permanent rental pool and will devastate the local economy and jobs for our community.

We hope you will consider the unintended consequences this policy will have on the Byron Shire community and the broader Northern Rivers region.

If you would like further information or to discuss any of the above further, please contact me via email colin@aperfectstay.com.au.

We look forward to our meeting on Friday.

Your sincerely,

A handwritten signature in black ink, appearing to read 'Colin Hussey', with a long horizontal stroke extending to the right.

Colin Hussey
Chairman ASTRA Byron.