

Byron Shire Short-term rental accommodation (STRA)

Independent Planning Commission Public Hearing

Byron Community Centre

Department of Planning and Environment

21-22 February 2023

Presenters

Luke Walton

Executive Director, Economic Policy

Malcolm McDonald

Executive Director, Local and Regional Planning

Introduction

Byron Shire is experiencing high growth and housing supply pressures. Improving housing supply in the Byron Shire LGA is a key issue for Council and DPE.

Council has been working on a number of housing initiatives, together with DPE, to help support the housing needs of the community.

Housing supply in the Byron Shire LGA has been impacted by many factors including bushfire, COVID-19 and the recent floods.

Accommodation and food services are the largest sectors of employment in the Byron Shire. In 2019, 2.41 million tourists visited the LGA, contributing \$883 million to the local economy.*

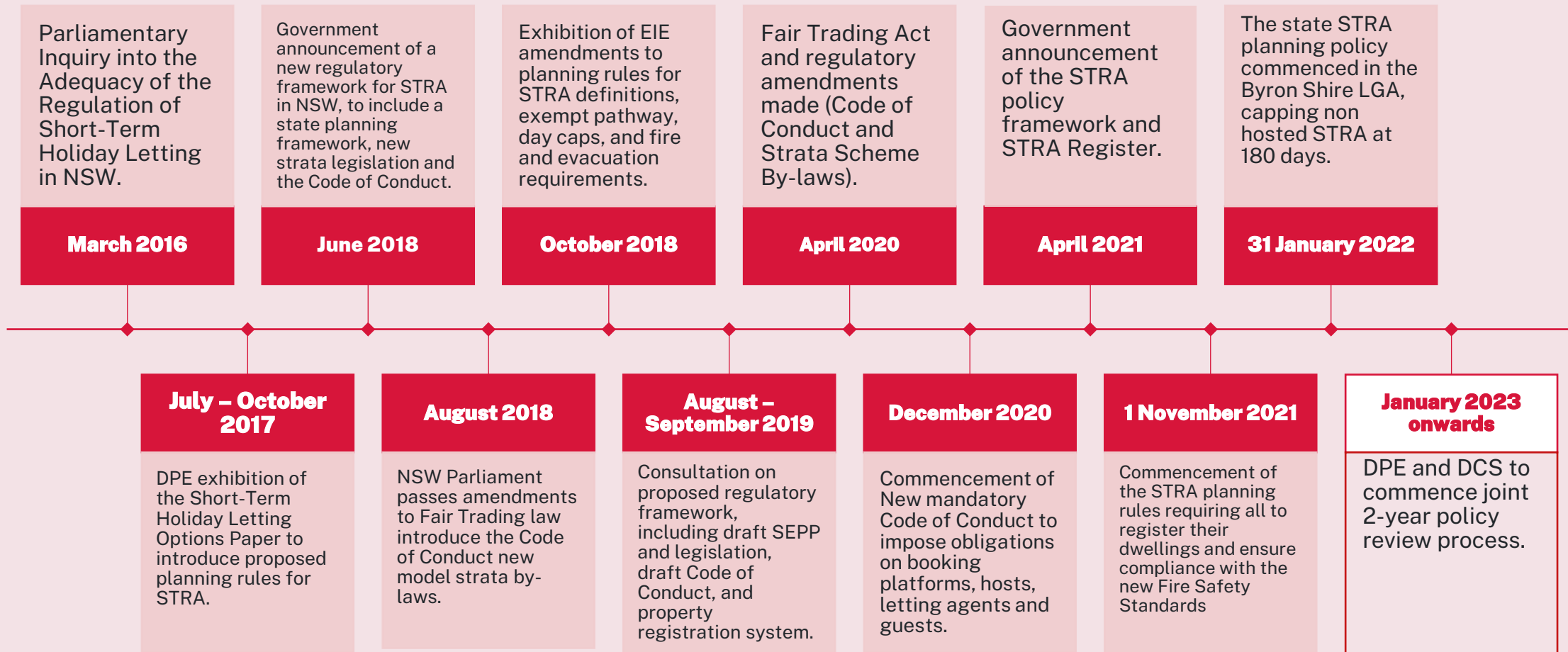


* data sourced from Byron Shire Council and id.community

Minister's request

- Provide advice on the status of housing and rental affordability and rental availability in the Byron Shire, including the impact of non-hosted STRA as well as recent flood events.
 - Provide recommendations to DPE to improve housing affordability and rental availability in the Byron Shire.
 - Provide advice on the economic contribution of the STRA industry in Byron Shire, and any potential economic implications for Byron Shire with the introduction of Council's proposed 90 and 365-day caps for non-hosted STRA in parts of Byron Shire.
 - Hold a public hearing to provide the opportunity to hear public views from the community and industry.
 - Provide advice to the Minister on whether the planning proposal to reduce the number of days of non-hosted STRA in parts of the Byron Shire should be finalised, with or without amendments, and whether any further information may be required for finalisation of the proposal.
-

Policy milestones



Evolving policy drivers

ISSUES

- Rise of party houses
- Guest safety and behaviour
- Inconsistent regulatory settings and planning approval pathways
- Government position to accept STRA as a legal home-sharing activity and apply minimum intervention to mitigate the key issues
- No firm understanding of the size or scale of the industry



RESPONSE

- Mandatory Code of Conduct and associated penalties under Fair Trading Law
- Mandatory Fire Safety and Emergency standards
- Simple planning framework and exempt development pathway
- Clarification that use of a dwelling for STRA is consistent with its primary residential purpose
- State registration system to enable improved data on the scale and location of an unknown industry

Growing focus on housing market impacts

NOV 2022 – 2023

- STRA discussions refocused to respond to pressures on housing markets following COVID-19, floods and bushfires
- Reducing rental availability and affordability, particularly in regional housing markets
- Limited and inconsistent evidence base available, to understand relationship between STRA and housing pressures on a general or localised scale



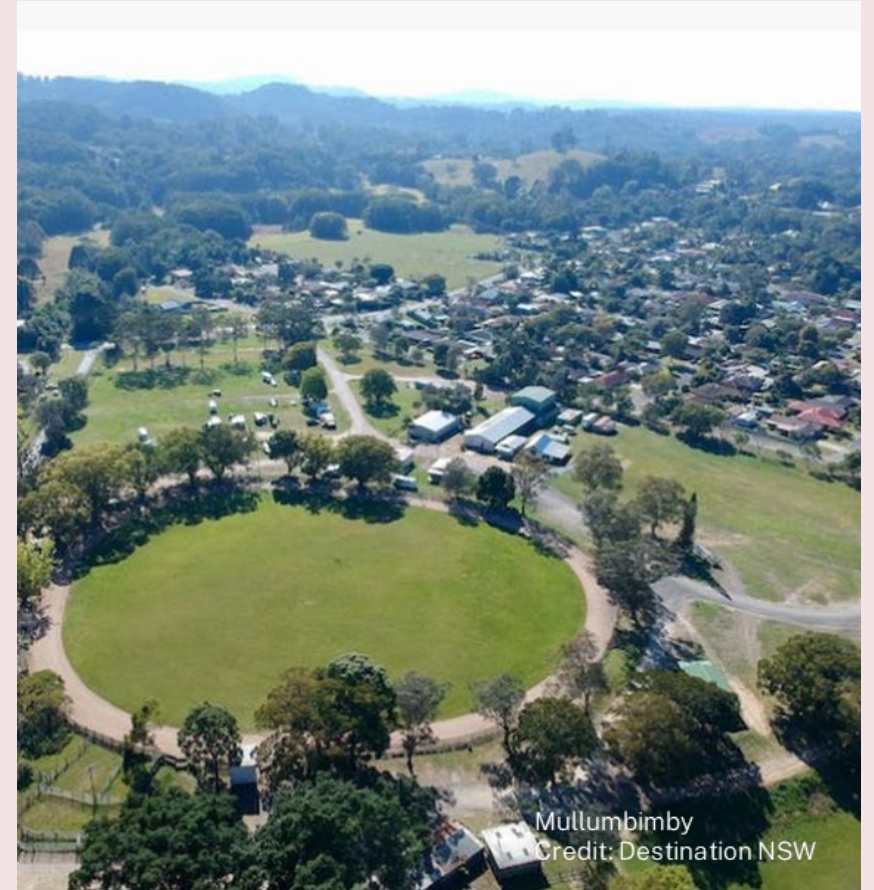
RESPONSE – 2023

- Government committed to review the STRA regulatory framework within 2 years of implementation
- Review terms currently being agreed with DCS, potential focus areas include:
 - Impact of night caps on balancing STRA against local and regional housing market pressures
 - Effectiveness of Code of Conduct in managing amenity and behaviour impacts
 - Compliance and complaints processes

Planning framework


The whole-of-government regulatory and planning framework for short-term rental accommodation in NSW includes:

- Definitions for hosted and non-hosted short-term rental accommodation
- Exempt development approval pathways under the Housing SEPP 2021
- Fire safety standards and associated penalties
- Short-term rental accommodation premises register, all dwellings used must be registered
- Mandatory Code of Conduct for the STRA industry and Exclusion Register (DCS)



STRA Register – Key statistics

	NSW	Byron Shire
# Active STRA Registrations	40,791	2,272
# Active non-hosted STRA Registrations	26,646	1,292
# NSW active hosted STRA Registrations	14,145	980
# De-registrations (house sold or no longer used for STRA)	1,628	63
# Non-renewed properties (currently blocked from booking on major sites)	5,669	14

0.81%  Average percentage of all private dwellings in NSW registered for non-hosted STRA

Data source: STRA Register 23 January 2023, ABS 2022 (All private dwellings – NSW)

NSW overview – top 10s

Non-hosted STRA registrations

LGA	No. STRA (non-hosted)
Shoalhaven City Council	2,987
Central Coast Council	2,105
Northern Beaches Council	1,389
Mid-Coast Council	1,388
Port Stephens Council	1,370
Byron Shire Council	1,292
City of Sydney	1,289
Waverley Council	840
Tweed Shire Council	779
Clarence Valley Council	634

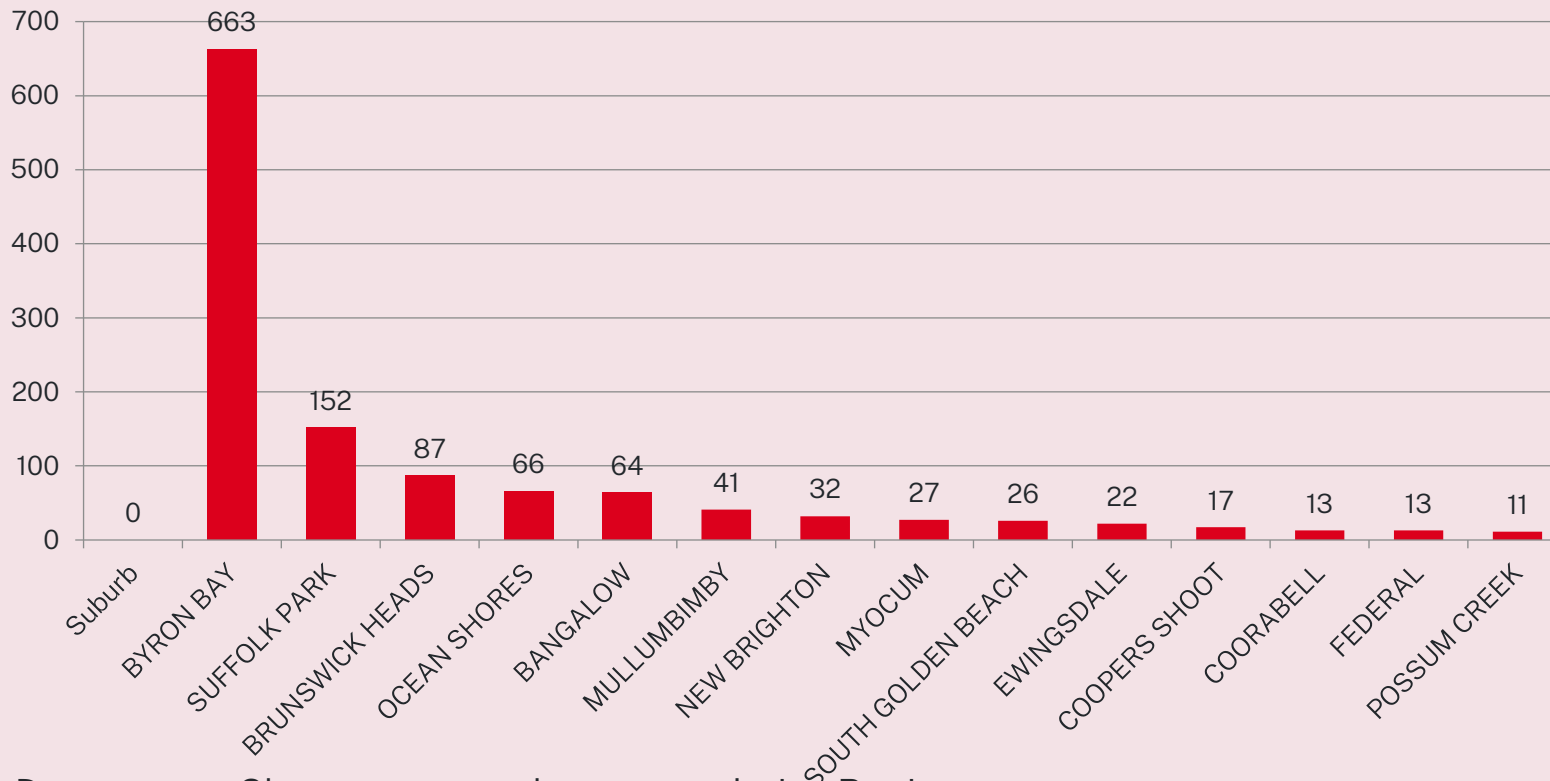
Non-hosted STRA registrations as a % of all private dwellings

LGA	Percentage of STRA (non-hosted)
Byron Shire Council	8.49
Snowy Monaro Regional Council	5.74
Shoalhaven City Council	5.39
Kiama Municipal Council	5.06
Port Stephens Council	4.02
Kempsey Shire Council	3.84
Bega Valley Council	3.13
Mid-Coast Council	2.93
Waverley Council	2.69
Clarence Valley Council	2.63

Data source: STRA Register 23 January 2023, ABS 2022 (All private dwellings by LGA)

STRA Register Data

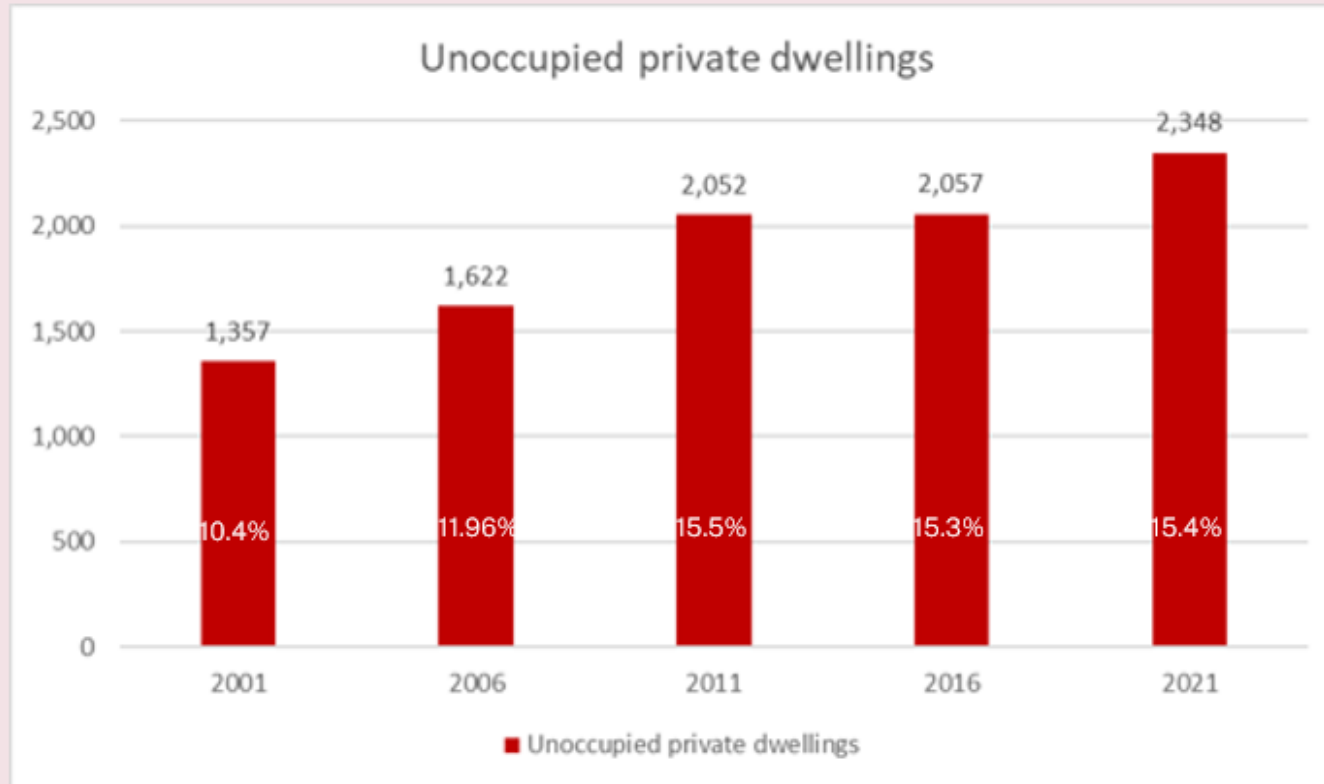
Byron Shire: Non-hosted registrations by suburb
(suburbs with under 10 registrations excluded)



51% of non-hosted STRA dwellings in the LGA are located in **Byron Bay**.

Data source: Short-term rental accommodation Register

Unoccupied private dwellings



Data source: ABS 2001-2021

The latest Census data indicates that 15% of private dwellings in the Byron Shire LGA are unoccupied. The NSW average is 10%.

Similar to other regional coastal areas in NSW many unoccupied dwellings are private holiday homes that would not ordinarily be available on the local rental market. For example, Eurobodalla, on the south coast has around 27%.

Between 2011 and 2021, Census data indicates that the number of unoccupied dwellings in both the Byron Shire LGA and NSW have remained relatively consistent as a percentage of all dwellings.

Planning proposal milestones



Planning proposal versions

1

Version # 1

Dated March 2020

Pre Gateway version.

Proposes amendment to Byron LEP 2014 to include definitions for hosted and non-hosted STRA, establish circumstances where STRA is exempt development or permitted with consent, restrict non-hosted STRA to 90 days across the LGA, prohibit STRA in certain locations and introduce a register for monitoring and enforcement.

2

Version # 2

Dated March 2021

Gateway version.

As per earlier version, including to identify STRA precincts where non-hosted STRA may occur 365 days per year - otherwise 90 days,

3

Version # 3

Dated March 2022

Pre exhibition version.

Addressed some of conditions of Gateway determination, including additional information about economic and social implications of proposal.

4

Version # 4

Dated July 2022

Exhibition version.

Introduction of deferred commencement provisions, timeframe for public exhibition, details of local plan-making authority and project timeline.

Thank you

Department of Planning and
Environment

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