



New South Wales Government
Independent Planning Commission

TRANSCRIPT OF PROCEEDINGS

RE: BYRON SHIRE - SHORT TERM RENTAL ACCOMMODATION
PLANNING PROPOSAL (PP-2021-3351)

BYRON VISITOR CENTRE MEETING

COMMISSION PANEL: DR SHERIDAN COAKES (Panel Chair)
PROFESSOR RICHARD MACKAY AM
JULIET GRANT

OFFICE OF THE IPC: STEPHEN BARRY
OLIVER COPE

BYRON VISITOR CENTRE: GAIL FULLER
DEBORAH McBRIDE

LOCATION: VIA VIDEO CONFERENCE

DATE: 4.00PM, FRIDAY, 17 FEBRUARY 2023

TRANSCRIBED AND RECORDED BY APT TRANSCRIPTIONS

DR SHERIDAN COAKES: So good afternoon. Before we begin, I would just like to acknowledge that I'm speaking to you from Worimi land and I acknowledge the traditional owners of all the country from which we virtually meet today and pay my respects to their Elders past and present. Welcome to the meeting today to discuss the Planning Proposal to reduce the number of days of non-hosted short-term rental accommodation in parts of the Byron Shire currently before the Commission for advice. My name is Dr Sheridan Coakes, I'm the Chair of the Commission Panel and I'm joined by my fellow Commissioners Professor Richard Mackay and Ms Juliet Grant. We are also joined by Stephen Barry and Oliver Cope from the Office of the
10 Independent Planning Commission.

In the interests of openness and transparency and to ensure the full capture of information, today's meeting is being recorded and a complete transcript will be produced and made available on the Commission's website. This meeting is just one part of the Commission's consideration of this matter and will form one of several sources of information upon which the Commission will base its advice. It's important for the Commissioners to ask questions of attendees and to clarify issues whenever it is considered appropriate. So if you are asked a question and you're not in a position to answer, please feel free to take that question on notice and provide any
20 additional information in writing which we will then put up on our website and if all members here today could introduce themselves before speaking for the first time and for all members to ensure they do not speak over the top of each other to ensure accuracy of the transcript. We will now begin.

So thank you very much for your time on a Friday afternoon. We're very keen to hear from you today just in terms of, I guess, how the Byron Visitors Centre views the importance or the contribution of short-term rental accommodation to the Byron Shire economy, your experiences in terms of tourism demand in the Byron Shire and also your views on the Planning Proposal and really form the levels of regulation from your
30 perspective. So if you could hand over to you one of you to commence that would be fantastic.

MS GAIL FULLER: Would you like to just run through a bit of this agenda or should we just - - -

DR COAKES: Yes, yes, if you could, Gail, that would be fantastic.

MS FULLER: Okay. Thank you for your opening statement. The STRA in the Byron Shire economy, if we look at the moment I would - I mean, I've been in - sorry,
40 I didn't introduce myself, I'm Gail Fuller, I have participated and been a member of this community for about 26 years. I've been President of the Chamber of Commerce,

I sit on quite a lot of the boards, at the moment I'm chairing the Visitor Centre Board and I have the manager with us. So from - I'm also a real estate agent, have been doing that for 25 years and also in all sectors permanent sales and holiday management.

10 In regards to the visitor economy and the economy at large at this present time I would say certainly from a financial perspective, from the business element it is probably at the lowest it's been for a long period of time. The general consensus in retail and/or, you know, restaurants and just - yeah, just the business - the business community is numbers are down. There are a lot of shops that are vacating. Like in my building alone I sit at the top of Johnston Street by the Beach Hotel, we have five shops downstairs, four have given notice in the last week and they are long-term businesses that have been there for 20 years.

20 My landlord, he's been here for 30 years, he said, Gail, it's the first time in 30 years I've seen what I'm seeing today. He said, sure, I've had one shop maybe empty but to have four within one week and these are long term businesses that have been established for about 20 years. I have, you know, other properties that we manage, I have landlords that own restaurants and they say, we're not making any money, Gail. They also have a holiday let, we're not getting letting in either. Across the board in regards to the visitor economy that is probably down 40 to 50 per cent in what we normally see coming into the area.

30 There are, what I feel, quite a few factors in that, one being which I feel is the - definitely the standout elephant in the room is being the celebrity status that Byron Bay has held or is held, I feel has been very detrimental on this town. The reason being, if you look worldwide any town that has had very large money come into it you will see that the local community becomes poorer for it and that's what we're seeing at the moment, there's a disparity and with the high number or the high amounts that people are paying for property, whether it's permanent rental, doesn't matter, for an investment perspective they're looking for high returns when, you know, the average is a \$2 million buy-in.

40 That has got nothing to do with holiday letting, that's just the economy of what Byron has become and it's - obviously we've had - also had Covid which Byron became, I don't know, a fantasy town for people to be in during Covid. You know, we had every man and his dog up here because New South Wales, virtually here, this is as far as they could get, they couldn't get over the border so everyone loves to be identified about being in Byron. So they rule here basically and it was - you know, it is what it is but what I'm seeing on the other side of it now, especially on the sales side with the huge drop, you know, probably I think up to about 28 percent now that many of these

investments are being sold at quite a large loss and there's a lot of disappointment, there seems to be a lot of bad press also going around with Byron at the moment, the Sydney and Melbourne papers, so it seems to be leading to this - a bit of a negative approach to the visitor economy coming here and staying. So as I said, yeah, from a business perspective it's probably the lowest in confidence that I have ever seen in the town and I think we're actually in a lot of trouble personally. Yeah.

DR COAKES: Thanks, Gail. And, Gail, I guess what's your view on the Planning Proposal and the proposed approach around capping and precinct development?

10

MS FULLER: I'm going to go probably against the grain here. What I feel and I don't - I only run a very small holiday platform now so I don't have any vested - really no vested interest in it from a financial perspective but I actually feel that we should have a 90-day minimum cap so that we have straight holiday letting and then we have permanent and it's very clearly defined so that - because what's happened, we traditionally always about a thousand as being the number for holiday rentals or holiday let properties in Byron Bay and they're traditionally in those peak areas where we have said 365 days is going to be cap. We've got - what is it, I think it's 1,280 or something on the register at the moment with a big bunch of non-hosted - what is it, about 985 or something non-hosted.

20

If we had a 90-day minimum we would then be able to clearly define what is going to be holiday let and what isn't, and accordingly whether it's a commercial rate that they pay, council rate that they pay for the privilege of holiday letting, something like that. But what I see is we have a lot of people or a lot of homes, properties being let that are for say five weeks, six weeks, seven weeks of the year in the peak periods and that's when we have this bulk. A lot of the owners go overseas and then it's this micromanaged and a lot of them give them to agents and some will just do it with cleaners but we then fall into this - it's a lot to take on a new property from scratch and they've got high expectations on price and it's very hard to resource at the peak time of the year, there's just not enough staff to be running these things, whether it's, you know, from the cleaners and linen, all the small companies then go to overload.

30

So I would be probably - I'm sure it's not in favour but I would be taking away that and just having it very traditional, if it's a holiday let, it's a holiday let, that's it and that's where the Airbnb influence has created this second economy for people to do part-time lettings.

DR COAKES: Gail, is there any other sort of, I guess, regulation or strategies that you feel are really important to address the issues in the shire?

40

MS FULLER: I feel that we should have quite strict fines for noise pollution. Myself we have a \$500 fine for any callout and to have something a little bit more measured across all the platforms, whether it's the agents monitoring it. We have signs up at all my properties, it's \$500 fine if I get one callout fee. So it's - you know, it's instantly in their face that it's a non - you know, I've got this sign here and it's like Byron Shire Council, we have a no - you know, we're very strict, a no noise policy. So I make that - it's a very - it's very clearly communicated before their stay that this is what this shire represents and how we - you know, we care for our community. That noise is not something that we'll tolerate. So I would say a bit more stricter controls but it was
10 across all of the managers as such.

DR COAKES: And do you feel, Gail, that that - you know, obviously part of the Planning Proposal is suggesting that, you know, to release additional housing for long-term rental. What's your view on that issue in terms of whether that's conversion, I guess, from short-term rental to long term, yeah, what's your feel?

MS FULLER: I don't think it's going to really make any difference because as I said, you know, when people have got to buy in at two to \$3 million for say an apartment down on Johnston Street, they're new, they can't holiday let, they can only
20 permanently let. For a two million buy their expectations are 950, thousand dollars a week, they're investors, they're not going to spend \$2 million on a product and say, hey, look, I'll only take \$500 a week. It's not going to happen. You know, this is Australia-wide, this isn't a holiday letting issue in Byron, this is Australia-wide, we have a shortage of housing. I would say definitely opening it up - more rural land needs to be opened up. I know in Western - I think it's Western Australia they're working in conjunction with councils to open up land that they're encouraging businesses to buy and build for their staff. It's not - it's not Byron-based.

DR COAKES: Richard and Juliet, do you have any questions?
30

PROF. RICHARD MACKAY: No, I think that's all very informative, thank you both very much. Well, I guess I might just ask Deb, put her on the spot whether she agrees with Gail's position about the inverse 90-day cap which I don't think the Commission has heard before.

MS DEBORAH McBRIDE: Yeah, I am. I think - when you see it from a purely visitor perspective which is what I've got, like the day-in, day-out I see the numbers of people that have dropped. There was - there's old footage of our numbers and data of our numbers where they were in the 600s regularly over a season and this season
40 regularly we've been in the 200s and 280 was our highest. So whilst that's a great number to have through your door it's nothing like it has been in the past and the thing

that - Gail and I were talking earlier about the trend that's happened in Byron. What we get asked when people come in is they - they want to see why Byron Bay is so popular, like they want to see why it's got the reputation that it's got, they're looking for the Byron culture, and this Byron culture it doesn't really exist. The rents got so high in the town that the shops that were there, you know, the boutique kind of speciality kind of Byronesque type of thing had to move out because they could no longer afford it.

10 So even though they've - you know, they've struggled enormously to keep the level of buildings down and we haven't got a whole lot of high rise and stuff, we have shops that people can find anywhere in Australia, so the culture of Byron - and our website will show you the statistics on this because we have a website that's hugely popular, we're always in the top three, you move between one and two and three on a regular basis, but when you Google "Byron Bay" our website is one of the ones that comes up. So we get a kind of great across the board idea of what people are looking for who are coming into the town and one of the things that's the highest hit on is the markets because people are desperate to see where this culture is, and the markets is kind of like the last bastion of where you can find Byron Bay. And then we don't have the infrastructure of the buses to get them to those markets so they're kind of stranded in
20 the town if they've come up by plane and they - and they can't go anywhere.

This is not exactly answering your question but I'm just kind of trying to give you a snapshot into the types of people who are coming here who, you know, like are spending their money here, and I agree with Gail that they are the people - it's always seemed to me that they're the people that actually support us as locals and have done for a long time and that we need them, we need them desperately and they're dropping in numbers and there's all these sorts of reasons around it and I was telling Gail about Christmas Day as a great example of Byron Bay.

30 So on Christmas Day in Byron Bay this year you could either go to a \$200 per person banquet, lunchtime banquet and 200 and up, it was - some of them were higher than that and there was two or three places offering that, or you could go to a lunch for the homeless and that was it. They offer nothing else on Christmas Day. So tourists would come in and say to us, "What do we do on Christmas Day?" and in the end we ended up putting on something ourselves because there's just nothing there. The culture has died along with this kind of - I agree on that celebrity side of it and have to put my hands up that I came from the film industry and was one of the original managers that was trying to build that industry in the town, but the industry, it's gone top heavy, it's really brought in the celebrities and it's brought in this fake kind of
40 economy that was never going to be able to be sustained, whereas Byron's idea -

ideally idea was that it was a separate industry for the young people to have another career out of hospitality but that's kind of gone awry.

DR COAKES: Deb, so around having sort of adequate accommodation to meet those visitor needs, you know, you're saying it's got very high-end rather than actually catering for - - -

MS McBRIDE: Exactly. Yeah, that's right, what we see on the ground because most people when they're going on a holiday will have booked their accommodation
10 beforehand, but what we see is the people who arrive there either last minute or they just came down from Gold Coast and they like what they saw and they wanted to stay a night, so we see those types of people and we get an array - the range is kind of like I want something quick and cheap and so that will be cabins in a caravan park, basically that's going to be the bottom end for them, or they want a motel and so we're sending them to the motels. These are not typically the sorts of people who are going to take a three-bedroom apartment and commit to the sort of \$5,000 price tag that goes with it.

So that's what we see as visitors that come in, they're already booked in and we also have, you know, like a membership base and some of our members find themselves
20 with apartments on the main street opposite Main Beach and they're not part of the golden triangle and I just - that is - like that's just madness because it's purpose built to be short-term rentals, all the owners that own the apartments it's always been a short-term rental and that's the one up at the top, there's three of them, there's Bay Royale, Bayview Apartments and Beach Suites and so that kind of - you know, that - I don't know, I just wanted to mention it because it just seems one of those sort of incoherent things that's happened because of the building regulations from some years ago.

DR COAKES: Juliet, any further questions from you?
30

MS JULIET GRANT: No, not from me, thank you.

DR COAKES: Thank you both very much for joining us today. We appreciate that insight and, yeah, thank you for your time.

MS FULLER: Yeah. Can I just finish off? I just say if - I think the greatest fear - I think, yes, definitely there's - it needs a few more controls in regards to the holiday letting but just lastly, if we got down to that 90 day across the board I think the small businesses - there will be so many that will go under and I've taken the time, I've
40 spoken to electricians, to plumbers, cleaners and we're at that point now where they're saying, you know, the cleaners - one cleaning company she said I'm getting between

20 and 30 people a month - sorry, a week contacting her looking for work. She said, I've not even advertised anywhere, they're ringing off the internet.

I've got electricians, plumbers saying they're actually starting to get quiet. Builders, I've got actually no forward work so it's changing, the economy is falling big time and I think people aren't realising that, and if we also go down to this 90 days, if anything, the rental prices for holiday letting are going to go up so we're going again be attracting - moving away from our traditional model, which is families and children, which is what we want to encourage, we're going to be going to either groups that can
10 afford big prices because these people are going to want to get money to pay, you know, for the land tax.

Like one of the guys at Wategos, his land tax was just shy of a quarter of a million dollars, you know, he said, Gail, I can't afford to holiday let anymore, and he's coming out of the 365. He said, I can't do it, because we're not making that much money. So, you know, there's - there's going to be that. And lastly, last point is we have traditional holiday letters that have been doing it for, you know, however long,
20 10, 20 years and their buy-in was maybe 400, say up to a million dollars at the very most, if - so their return on their investment, sure they're doing well now but if they get to the point where they've got to sell and the next buy-in is say at \$3 million, their expectations on their return are going to be far higher than someone who bought in at four, five, say a million dollars. So again we're going to have a greater disparity between what we're trying to achieve and getting sensible holiday letting or, you know, permanent - permanent - you know, getting more housing for people because their expectations for investors will be higher because they've had to spend more money.

DR COAKES: Thank you, Gail, that's been very good to give us a context of what's going on from your - - -
30

MS McBRIDE: Can I say one last thing too? I just - we've got two very different areas covered but I just did want to mention something because it was in the agenda about the infrastructure. We spend a big, big portion of our days getting people on buses to get them out of the town and to get them into the town, and the reason being, and it's not an old person's thing, this is not because they can't Google, this is because Google is very confusing because Google doesn't understand the bus going in and out of Byron, you have to have a kind of insider knowledge of what's going on there because we're way under-supported by public transport.

40 DR COAKES: Okay.

MS McBRIDE: Just that fact that you can't get around the rural area on the weekends when most people are there, which is like shameful really in a town like Byron, but also you can't get out of Byron during the festivals. You know, they're young, they come in and they go - they're in tears, I wanted to get on a bus and there's no buses available and we go, that's right, there's nothing now until the day after tomorrow.

DR COAKES: Okay. All right. Thank you. That's been very informative so thank you - thank you both again for your time today.

10 MS McBRIDE: Thanks very much. Bye.

MEETING CONCLUDED

[4.25pm]