



New South Wales Government
Independent Planning Commission

TRANSCRIPT OF PROCEEDINGS

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

DESTINATION NORTH COAST MEETING

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

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DESTINATION NORTH COAST: MICHAEL THURSTON

LOCATION: VIA VIDEO CONFERENCE

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TRANSCRIBED AND RECORDED BY APT TRANSCRIPTIONS

DR SHERIDAN COAKES: So just before we begin, I would 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 and I'm the Chair of this 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 Independent Planning
10 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 one part of the Commission's consideration of this matter and will form one of several sources of information from which the Commission will base its advice. It is important for Commissioners to ask questions of attendees and to clarify issues whenever it is considered appropriate. 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 additional
20 information in writing which we will then put up on our website and I request that all members here today just introduce themselves before speaking for the first time and obviously not to speak over each other to ensure accuracy of the transcript. So we can now begin.

So welcome, Michael, thank you for joining us this afternoon. We did provide a bit of an agenda through to you to, I guess, obtain Destination North Coast's perspectives on the importance or contribution of STRA to the North Coast economy. We're quite interested in your views around tourist demand in the Byron Shire and also the regulation of short-term rental accommodation as well, Michael. So if you're
30 comfortable I will hand over to you.

MR MICHAEL THURSTON: Okay. No problem. I was mainly geared up here to talk about the STRA proposals but in terms of demand around the Byron Shire what are you wanting, on trend or shift in demand, specifically what would you like to know?

DR COAKES: Yes. I guess really just getting some perspective from you about that demand for tourism, any sort of trends, visitor type of profile, you know, your views on whether you think there's adequate tourism accommodation to meet need, is there a
40 need for anything else, those sort of aspects?

MR THURSTON: Yeah. So in terms of, you know, recent trends obviously coming out of COVID it's like a rollercoaster. So the data's very hard to paint a picture there but, you know, we've seen an evolving - an increase in demand for the Byron Shire for sometime now and I think one of the key changes has been that we are seeing more upmarket clientele wanting to travel to the region and particularly families as well who spend a lot of money.

10 In terms of accommodation stock, I think that we are lacking commercial accommodation stock in Byron Bay. There's some new large developments in the pipeline, either started or approved which will go somewhere to address that but I do still think there's a shortfall in that commercial accommodation and the big part of the reason why STRA-style accommodation is so popular in that shire is because it's providing a level and a style of accommodation that consumers are desperately seeking. You know, the average STRA property in the Byron Shire I think returns about over four and a half thousand dollars a week on average so it is a high-yielding product predominantly, you know, catering to well-spending families. Obviously it does bring in a lot of other different types of clientele into those homes but I think, you know, that's where a lot the growth is coming from.

20 DR COAKES: Juliet and Richard, did you have any questions of Michael on that context?

PROF. RICHARD MACKAY: Not at this stage, thank you.

MS JULIET GRANT: Yes. Thanks.

DR COAKES: Thanks, Michael. So moving then, Michael, more then to the actual planning proposal and your views on that.

30 MR THURSTON: Well, Destination North Coast is positioned - you know, we acknowledge that there needed to be compromise within this part of the sector but we feel that the 180-day mandate of trading restrictions and the introduction of the code of conduct with a compromise that has been needed. We don't feel they've had adequate time to be embedded and I don't think they've been adequately supported and been rolled out. You know, there's two vital issues we're trying to address here, you know, the supply of housing obviously is one but (2), the behaviour of guests and the community impact of it. That's why we were very enthusiastic to see the code of conduct be implemented, you know, with a two strikes policy that can see properties removed from trading but that only works if the registration system is working
40 because that is the - you know, the carrot and the stick is the losing your commercial licence to operate.

So we feel that these are the areas that need to be supported more and adhered to. You know, there are reports of a lot of properties trading outside of that and without a registration number, that's the issue we feel that needs to be addressed really strongly and where Byron Council needs support. You know, the trading platforms they're very visible by the nature of their business, if they are trading unregistered properties, there needs to be a consequence there. And if it's been managed at that top end then, you know, it's more manageable at the localised area. We're not completely opposed - we don't - that's what we think is the best method moving forward that option.

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DR COAKES: And just on that registration process then, Michael, just adding to what you were saying, so do you feel that there is still a large number of properties that are not registered through that system?

MR THURSTON: I haven't seen it but people - anecdotally people have been stating this to us that there are operators operating outside the bounds there and on main sites. When people have stated this we have asked for them to substantiate that people haven't been able to do it but we do think that it's the right path but it just needs greater communication and support to make it really effective and impactful.

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DR COAKES: Michael, you made the point around that there hadn't been enough adequate time for the 180-day cap to be really embedded, have you noticed any changes since the introduction of that?

MR THURSTON: Well, I guess the number - it depends on how you're looking at it. If you look at the state registry, you know, at the end of January there's 1288 properties registered in the Byron Shire. The numbers that equated outside of that anecdotally tend to be much higher but I feel this is really what we need to go off, this is the only, I guess, firm number we have at the moment. There are various other numbers, you know, and I appreciate it's a very difficult landscape to get exactly the number there but, you know, since it's been enacted the 180 days we haven't really - it's been a very dynamic period, you know, we've had - we've been coming out of COVID lockdowns and all the rest of it so I don't think it's had even a full calendar year of operation uninterrupted where we've been able to really see the benefits of it and I don't think Council's had enough time to work out how they police it and how it's - how it's controlled. So, yeah, it's hard to say if there's been any true impacts as yet but I don't feel that the policies have actually been imparted or enacted on in their full ability as yet either.

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DR COAKES: And so what do you feel will be the impact? You know, obviously the economic impact assessment has looked at the different - the different options from

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the base case through. What - if the cap was reduced to 90 days, what do you think would be the main impact of that on the tourist economy - on the North Coast economy?

10 MR THURSTON: There would be a reduction of visitors obviously across the calendar year. I feel it would have the unintended negative impact of consolidating visitation into peak seasons even more so. I think there will be job losses, varying amounts have been quoted. My fear is though I don't - I'm not convinced that it will return the quantity of housing to the permanent letting market that's desired here. You know, the average - the median house price in Byron Bay, I think, as of last month was about 2.3, \$2.4 million. Those houses do not return to the permanent letting pool as affordable housing. That's - so, yeah, I think unfortunately I don't - I can see the desire and where they're trying to get to, I just don't think it will have the material return they're hoping for.

DR COAKES: Richard's got a question.

20 PROF. MACKAY: Michael, thank you for all of this. Do you have access to any actual data about the average number of days in any year that letting properties are actually booked for?

MR THURSTON: No. No. I don't know who does besides the individual booking platforms, you know.

30 PROF. MACKAY: Yeah. I mean, it's certainly one of the issues that the panel's turning its mind to because it's - it's quite unclear where in that sort of spectrum between zero and 365 the reality is. The suggestion in the - one of the reports before us is that it's somewhere between the 180 and 90 but it would be very informative to have some data around that.

MR THURSTON: Yeah, I feel the only way you're going to be able to get that data would be through the people managing the properties themselves, which is an enormous ask. There's obviously some larger operators but then there's a big large cohort of people doing it independently who are probably operating on less days as well. So very difficult question that one.

PROF. MACKAY: Thanks.

40 DR COAKES: And, Michael, what's your view on the - some we talked a little bit about the caps but on the precincts approach in the proposal?

MR THURSTON: I can see - I can see where some of the logic there. I do feel it's a bit arbitrary in how it's been determined. I do feel that it would be very hard to enact and what's been put forward, if that was the path, I do feel that the zones are inadequate; namely, the Byron CBD would need to be expanded - sorry, I just have a map up because I do get confused with the streets sometimes - to at least go as far east as Middleton Street. And I do - the latest proposal had Suffolk Park removed from the zones as well and Suffolk Park is a very important zone for visitation as well as community, I accept, but having that removed would be a huge loss to the sector.

10 DR COAKES: Okay. And Brunswick Heads, just in your - - -

MR THURSTON: Brunswick Heads. We'd like to see it expand a little bit but we do appreciate there's a fair - a finite stock of accommodation in Brunswick Heads so, I guess, the balance there is probably more appropriate than the other areas.

DR COAKES: Okay. So, I guess, just to put it fairly simply, what sort of form and level of regulation then do you see as appropriate? Stick with - you know, you're saying 180, see how that works and then - - -

20 MR THURSTON: 180 in code of conduct that's supported and enacted upon. You know, I have real concerns about - we as an industry body do not want to see any unregistered properties, you know, trading in this area, it benefits nobody in that regard and then they're outside the control of the code of conduct and I think they're the right mechanisms to address the issue that we have at hand.

DR COAKES: Okay. No further questions from me but Richard and Juliet, anything further from you?

30 PROF. MACKAY: No. I'm fine but that's actually really helpful, thank you, Michael.

MS GRANT: I do have one question, Michael, going back to what you said about there were a couple of projects in the pipeline for the commercial, you know, purpose-built elements in the pipeline. Is there - is there a fundamental blockage or is there something that's stopping that form of tourism development being delivered in the region?

40 MR THURSTON: It's a difficult question. Many people - I think there's been numerous applications blocked by Byron Shire Council but I also appreciate a lot of those applications were outside the bounds of what's permissible so people have been pushing the needle too far in their applications on occasion. The fact that some more

recently, Barbotine and another - some other larger ones have been passed through I think is very positive. It's a difficult process we find across many LGAs. You know, often developers want to go bigger than what fits the profile. So it's a constant challenge, isn't it, I feel, it's like the flow of the tide pushing the boundaries and trying to maintain character. So it has been - it can be difficult but I think it could - you know, the more - if we don't facilitate enough commercial accommodation then naturally other sectors look to fill the void.

10 MS GRANT: So those - the ones that you've got in mind in that pipeline, are you able to just say which ones they are so that we can have a little look and understand sort of the scale and nature of those?

MR THURSTON: I'm just looking for a couple of names but the Barbotine's a good example. A series of - - -

MS GRANT: Barbotine, did you say?

20 MR THURSTON: Barbotine, B-A-R-B-O-T-I-N-E. You know, they're creating high-end apartments that would be very comparable to what is offered through the STRA sector as well, you know, of a standard that the consumers are anticipating as well. So I think that is a great example of what can be done.

MS GRANT: Cool. Thank you. Appreciate that.

DR COAKES: Okay. Well, thank you, Michael, for your time this afternoon, we appreciate that. Actually just one quick question. What's the relationship between Destination North Coast and Destination Byron?

30 MR THURSTON: Well, Destination Byron is the tourism association essentially so that's a bunch of tourism operators who get together. We - like all our local - there's 14 local government areas within our patch, like all local government areas and tourism associations we like to support as much as we can. So one of our staff does - we've only got two fulltime staff, one of us does try to attend the Destination Byron Board meetings which happen monthly. We do that as, I think, an associate member there.

DR COAKES: Okay.

40 MR THURSTON: Not as a full voting member.

DR COAKES: No. Okay. Thank you. Thank you. Well, thank you, Michael, for your time this afternoon, we really appreciate it.

MR THURSTON: No problem. Thank you, guys.

MS GRANT: Thank you.

DR COAKES: Thanks. Bye.

10 **MEETING CONCLUDED**

[2.49pm]