



Byron Shire Council

Short-Term Rental Accommodation
Planning Proposal
Engagement Report

November 2022

Acknowledgment of country

In the preparation of this document, Locale Consulting acknowledges and pays respects to the Bundjalung of Byron Bay – Arakwal People as Traditional Custodians of the land within Byron Shire, and form part of the wider Aboriginal nation known as the Bundjalung. In addition, Locale Consulting acknowledges and respects the Widjabal and Mindjungbul people as Traditional Custodians within the Byron Shire. Locale Consulting acknowledges the Aboriginal and Torres Strait Islander people who now reside within this area.



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Executive summary

Byron Shire Council's planning proposal to amend the rules for Short-Term Rental Accommodation (STRA) under the State Environmental Planning Policy (Housing) 2021 was publicly exhibited between 1 September and 31 October 2022 (inclusive).

Locale Consulting was engaged by Council to assist with the design and delivery of a range of engagement activities during and following the exhibition period including the preparation of this engagement report. The activities included an online survey, review of written submissions, one-to-one interviews and focus groups with a range of stakeholders.

This report documents the feedback received through these engagement activities and provides a high-level summary of this feedback to highlight key themes, as well as the different perspectives and views of stakeholder groups. The results of each engagement activity are summarised in the report as follows:



- Section 3: Survey
- Section 4: Written submissions
- Section 5: One-to-one interviews
- Section 6: Focus group sessions

In total, over 1,500 forms of feedback were received whilst the planning proposal was on exhibition:



Overall, the feedback showed general support for some form of regulation of the STRA industry and that better management of STRA is required, particularly to address amenity impacts. Many also agreed that it is important to provide more housing stock that is affordable for people in the Shire, particularly essential and frontline workers. However, many felt that the planning proposal will not address the issues relating to housing affordability, availability and security in the Byron Shire and that housing supply is a separate issue (requiring different policy responses) to regulating STRA.

The lack of support for the planning proposal was often related to the significant changes that have occurred in recent years that stakeholders feel need to be considered in any policy response to STRA in the Byron Shire. These include:

- The introduction of a new regulatory framework by the NSW Government which took effect in the Byron Shire on 31 January 2022
- The professionalisation of the STRA industry and increasing reliance on third-party booking platforms since the arrival of Airbnb
- The impacts of COVID on travel patterns and visitation numbers, as well as housing prices
- The impacts of the flood events in early 2022 particularly concerning housing availability and affordability

There was also concern about the potential for negative impacts on the local economy and employment. Many saw the local economy as intrinsically linked to tourism and the STRA industry, and that the proposed changes would create seasonal tourism and result in job losses, particularly for those industries that service STRA or indirectly benefit from STRA visitors.

There was, however, a difference of perspective between STRA property owners and other property owners or residents about the proposed changes. STRA property owners often raised concerns about the adverse impacts of the changes on their personal situations. Despite this concern, many stated they would retain their property for personal use rather than changing it to long-term rental. More broadly, the proposed changes and precinct model were often seen as inequitable and unfair, particularly for STRA property owners subject to a 90-day cap.

On the other hand, residents shared stories and lived experiences about the unpleasant impacts of STRA on their neighbourhood and the sense of community. These stakeholders welcomed the proposed changes as a way of addressing these impacts and some felt the changes could go further. At the same time, concern was expressed by some that the 365-day precincts would exacerbate the loss of a sense of community in those areas, particularly in areas such as Suffolk Park and Brunswick Heads.

There was also concern expressed that the proposed changes could result in a change in the demographic of residents and visitors alike, changing the fabric of the community and making holidaying in the area unaffordable for the average person and families. Others felt that the changes were long-over due and would bring a sense of balance back to the community.

Overall, there was limited support for the proposed precinct model. Concerns were raised about its underlying basis, the data used, equity issues and financial implications for STRA property owners. Others were concerned about its practical implementation and how the rules will be enforced. The broader STRA industry (including STRA property managers and booking platforms) would prefer for there to be no cap at all or for the current regulatory framework to continue. Others, often residents of the area, want stricter controls in residential areas.

There was also a wide range of views expressed about the proposed precinct boundaries. Some people want the precincts to be removed completely, whilst others asked for the precincts to be expanded or reduced. Generally, STRA property owners asked for the boundaries to be expanded to include their property for equity reasons, whilst residents wanted them to be reduced due to amenity concerns.

Despite these differences of opinion, across the various engagement activities, there was some relatively consistent feedback about the precinct boundaries including the expansion of Byron Bay (East) and Byron Bay (West), the reduction or removal of Suffolk Park and reduction of Brunswick Heads. There was also commentary about expanding STRA opportunities to other towns/villages and hinterland areas.

Alternative policy measures were also shared by many stakeholders. These measures were often aimed at addressing STRA management, along with housing affordability and access to housing. These were generally considered to be outside the scope of, or in addition to, the current planning proposal and included:

- Differential rating of STRA properties
- Addressing housing affordability and availability through other interventions e.g. affordable housing supply, new land release etc.
- Restricting STRA properties based on zoning e.g. excluding STRA from residential zones
- Increasing enforcement to better control STRA impacts and poor operators
- Creating a stronger tourism focus within the Byron Bay township
- Enabling a STRA approval process for quality / long-term operators
- Establishing a levy to generate funds to cover enforcement and infrastructure demands
- Improving public transport to enable local workers to live across the Shire

In summary, the exhibition process and engagement activities highlighted the wide diversity of views on both STRA and broader housing matters within the Byron Shire. Views between different stakeholder groups varied widely, with highly passionate perspectives provided both in favour and against restrictions on STRA properties.

1. Introduction

1.1 Overview of engagement activities

Locale Consulting has been engaged by Byron Shire Council (Council) to undertake a range of engagement activities during the public exhibition of the planning proposal relating to proposed changes to the rules for Short-Term Rental Accommodation (STRA) under the State Environmental Planning Policy (Housing) 2021. This includes:

- Preparing material for the Your Say page (Section 2)
- Presenting to the Community Roundtable (Section 2)
- Designing, hosting and analysing the online survey (Section 3)
- Reviewing and collating written submissions to highlight the main themes (Section 4)
- Undertaking one-to-one stakeholder interviews (Section 5)
- Facilitating the online and in-person focus group sessions (Section 6)

1.2 Our role

In undertaking these engagement activities, our role has been to listen and document the views of stakeholders and to report on these to Council for consideration in its decision-making process. We have not undertaken a review of the merits of the planning proposal, nor does this report make any recommendations to Council about how the planning proposal should progress.

1.3 Council's role

Council staff have assisted with the logistics of the engagement activities including:

- Establishing the Your Say page (Section 2)
- Sending written notifications to property owners (Section 2)
- Communicating about the proposed changes via its communication channels (Section 2)
- Answering questions through the dedicated STRA planning proposal team (Section 2)
- Approving the survey for publication (Section 3)
- Collating written submissions for reporting to Council (Section 4)
- Deciding the stakeholders to be invited to participate in one-to-one interviews (Section 5)
- Determining the stakeholder list for the focus group sessions and inviting stakeholders to these sessions (Section 6)

1.4 Report purpose

This report documents the feedback received through the engagement activities and provides a high-level summary of this feedback to highlight any key themes as well as the different perspectives and views of stakeholder groups. This report will inform Council in its post-exhibition decision-making process about the planning proposal.

2. Exhibition and notification

2.1 Overview

The planning proposal was on public exhibition from 1 September 2022 to 31 October 2022 (i.e. 61 days). It was also available on the NSW Department of Planning & Environment planning portal (reference PP-2021-3351).

2.2 Written notification to property owners within mapped precincts

On 28 August 2022 Council sent written notification letters by way of post to 458 property owners located within the four precincts mapped for 365-day STRA. This letter included a two-page fact sheet that summarised the proposed changes.

2.3 Written notification to registered STRA property owners

On 2 September 2022 Council sent written notification by way of email to 1,944 property owners who are currently registered for STRA on the NSW Government register. This email included a two-page fact sheet that summarised the proposed changes.

2.4 Your Say page and communication channels

Council established a Your Say page on its website to exhibit the planning proposal and associated documents. This included a series of fact sheets to explain the proposed changes as well as a recorded webinar that provided an overview of the proposed changes. Council also used its communication channels to publicise the exhibition of the planning proposal.

2.5 Presentation to Community Roundtable

On 14 November 2022 a representative of Locale Consulting attended the Community Roundtable meeting and made a presentation about the changes proposed by the planning proposal. This was based on the same content as the recorded webinar that was available on Council's Your Say page.

3. Online survey

3.1 Overview

An online survey on the planning proposal was available on Council's Your Say webpage between 1 September and 31 October 2022. The survey sought to obtain information on:

- Where people lived, either within or outside the Byron Shire LGA
- Whether they owned residential property within the Shire
- Whether they used their property for STRA purposes
- Whether they lived or owned property within the proposed 365-day precincts
- Whether they agreed or disagreed with the proposed precinct boundaries, including how and why changes should be made to the boundaries
- What other interests they may have in the area and/or subject matter if not living or owning property in the Byron Shire
- How they believed they will be impacted by the changes
- Any other comments that they would like to make, and
- Whether they had made or were intending to make a written submission

The survey received a total of 766 responses. We have reviewed these based on four perspectives that are further outlined below (noting three respondents did not continue past the first question and some respondents did not answer all questions available to them):

- Those that live in the Byron Shire and own property in the area – 456 respondents
- Those that live in the Byron Shire but do not own property in the area – 154 respondents
- Those that live outside the Byron Shire, but own property in the area – 79 respondents
- Those that live outside the Byron Shire, do not own property but have some other interest in the area – 74 respondents

We have also summarised the feedback on the proposed 365-day precincts, the overall perception of impact resulting from the planning proposal and other matters raised within the survey comments further below.

3.2 Respondent perspectives

People who live in Byron Shire and own residential property in Byron Shire

A total of 456 people responded to the survey that they live and own property in the Byron Shire. A majority of these respondents did not use their property for STRA purposes (290 or 64% of respondents to that question).

Of those that do use their property for STRA purposes (161 or 36%), around two-thirds (100) identified that these were operated as non-hosted STRA and would therefore be directly impacted by the planning proposal. A total of 31 respondents identified that they had property within the 365-day precincts (some having property in more than one precinct), being:

- Byron Bay (East) – 11 respondents
- Byron Bay (West) – 10 respondents
- Suffolk Park – 6 respondents
- Brunswick Heads – 7 respondents

Of those that live and own property in the Byron Shire, 40 respondents did not operate a STRA property but did live within a proposed 365-day precinct, including:

- Byron Bay (East) – 7 respondents
- Byron Bay (West) – 7 respondents
- Suffolk Park – 19 respondents
- Brunswick Heads – 7 respondents

It is noted that there is a larger number of those living in the Suffolk Park 365-day precinct that did not operate as a STRA property.

Of those that live and owned property in the Byron Shire and responded to this question, only 167 or 38% agreed with the proposed 365-day precinct boundaries (268 or 62% disagreed). This proportion drops to only 28% (18 respondents) for those that currently live within the precincts, 13 of which are STRA operators.

Open questions were then used to further understand respondent views. Overall, there was significant divergence in key themes from these responses including (noting that the numbers provided in brackets are indicative only – responses without brackets, or referencing a ‘small number’, were identified as having less than five (5) written responses):

- That 365-day areas could be expanded (56), with the main reasoning being equity, the inclusion of areas walkable to services or not suitable for permanent residents (e.g. main roads), or to incorporate key tourism locations – particularly the Byron Bay town centre.
- That 365-day areas could be reduced (49), with the main reasoning again being equity, as well as to better reflect existing communities / tourism areas, or to mitigate amenity impacts within residential neighbourhoods.
- That the 180-day cap be retained, and no precincts be implemented (42).
- That 365-day precincts be removed (24) and a 90-day cap be used equitably across the Shire, or increased only by an individual development consent or similar processes.
- That additional or alternative policy measures be considered (15), such as a variation to rates for STRA properties, inclusion of hinterland or smaller / other towns in precincts, focus of tourism on Byron Bay and excluding / reducing STRA from other areas, or applying variation to rules based on application, length of current use or quality of management.
- That STRA areas be more aligned to commercial uses in commercial zones (9), rather than in residential areas.

Based on responses from this cohort, changes to precincts that were readily identifiable included:

- Potential removal of the Suffolk Park precinct (17), generally reflecting the desire to retain a residential character of the area (noting a small number of requests were also made to increase the mapped areas to include more properties to the east of, and potentially including properties along Bangalow / Broken Head Road).
- Potential reduction of the Brunswick Heads precinct (18), generally reflecting the desire to balance community and tourism activities, noting that variations of this request ranged from complete removal, to reduction to exclude residential zones or only utilise town centre areas (e.g. north of Booyun Street). A small number of respondents did specifically acknowledge that areas east of Simpsons Creek could be retained in the 365-day precinct. A small number of others also identified the potential to expand the precinct to add

housing to the west, all areas in the main town area, and/or all or some of the Bayside locality.

- Potential expansion of the Byron Bay precincts to include a greater portion of the town centre (15), with varying views of where the boundaries should extend (noting a small number of requests were also made to reduce mapped areas at Wategos Beach, Belongil and the western end of Shirley Street).
- Potential to include new precincts at New Brighton and / or South Golden Beach were also made by a small number of respondents.

People who live in Byron Shire, but don't own residential property in Byron Shire

A total of 154 people responded to the survey that live in the Byron Shire, but do not own property in the area. A total of 42 respondents identified that they lived within the proposed 365-day precincts, with specified locations including:

- Byron Bay (East) – 5 respondents
- Byron Bay (West) – 6 respondents
- Suffolk Park – 21 respondents
- Brunswick Heads – 10 respondents

Of those that currently live in a proposed 365-day precinct, only 7 respondents agreed with the boundaries (17%). That number increases to 37, or 35% of respondents that currently living outside the precincts, albeit still noting that the boundaries were agreed with by a minority of both these groups (overall, only 30% of respondents (or 44 in total) agreed with the proposed boundaries).

Open questions were used to further understand respondent views. Overall, there was a much clearer position from this cohort that the extent of STRA should be reduced to enable the continuation or re-establishment of permanent residents / communities. However, there were also exceptions to how this could be progressed, with key themes from these respondents including (noting that the numbers provided in brackets are indicative only – responses without brackets, or referencing a 'small number', were identified as having less than five (5) written responses):

- That 365-day areas could be reduced (36), particularly within predominantly residential areas such as Suffolk Park and Brunswick Heads, with the main reasoning being to better reflect existing communities and to mitigate amenity impacts.
- That the 365-day areas could be expanded (8), particularly within the Byron Bay town centre area, but also a smaller number suggesting the broader Byron Bay area. The main reasoning was related to the area being the primary tourism location with supporting infrastructure and walkability.
- That 365-day precincts be removed (32) and that a consistent cap instead be applied. This varied from all areas being 365-days, 180-days as existing (6), 90-days (9), 60-days, 30-days or not be allowed at all (5). This was generally justified in the context of fairness and consistency.
- That additional alternative policy measures be considered (6), such as the inclusion of hinterland or smaller / other towns in precincts, applying variation to rules based on application or density, and addressing the housing issue by government funded affordable housing.

People who live elsewhere and own residential property in Byron Shire

A total of 79 people responded to the survey that do not live in the Byron Shire, but own property in the area. A majority of these respondents use their property for STRA purposes (66 respondents or 84% of this group), and of these, 61 (95%) were identified as being non-hosted STRA and would therefore be directly impacted by the planning proposal.

Within this cohort of 79 respondents, 62 disagreed with the boundaries of the 365-day areas and only 13 agreed. Of STRA operators in this cohort 58 or 92% disagreed. A total of seven (7) respondents identified that they had a STRA property within the 365-day precincts, one in Brunswick Heads and two in each of the other precincts, with only one (1) agreeing with the boundaries.

Open questions were used to further understand respondent views. Overall, there was a relatively clear position from this cohort that a more flexible approach was needed to benefit STRA operators and maintain this segment of the tourist market. Key themes from these respondents include (noting that the numbers provided in brackets are indicative only – responses without brackets, or referencing a ‘small number’, were identified as having less than five (5) written responses):

- That 365-day areas could be expanded (35), with the main reasoning being equity, the inclusion of areas walkable to services or on main roads, or to incorporate key tourism locations – particularly the Byron Bay town centre.
- By comparison, only a small number of respondents felt that the 365-day areas could be reduced.
- A small number also felt that the 180-day cap could be retained, with or without precincts, rather than the 90-day cap being introduced.
- A small number identified alternative policy measures that could be considered (5), such as an application or approval process or consideration of past performance.

Based on the responses of this cohort, changes to precincts that were readily identifiable included:

- Potential expansion of the Byron Bay precincts to include a greater portion of the town centre (12), with varying views of where the boundaries should extend, including to the southern side of Shirley Street.
- Potential to include new precincts at New Brighton and / or South Golden Beach (8).
- Potential expansion of the Suffolk Park precinct, to include additional land to the west and the ‘Tucker Estate’ area.
- Potential to include new precincts at ‘north’ Byron Bay, including the industrial estate and surrounding residential areas.

People who live elsewhere and have another interest in Byron Shire

A total of 74 people responded to the survey that do not live in the Byron Shire, and do not own property in the area. Of these respondents, 31 (or 42% of responders noting that more than one interest could be identified) identify as tourists or regular visitors to the area, 19 (26%) as workers and 5 (7%) as business owners. A further 27 (36%) identified other reasons for their interest, many either living nearby (i.e. outside but closer to the LGA) or having grown up or lived in the Byron Shire previously.

As this cohort did not have property or live within the Byron Shire, response information was largely gained from the open question that enabled respondents to comment on the planning proposal. Key themes from these respondents include (noting that the numbers provided in brackets are

indicative only – responses without brackets, or referencing a small number, were identified as having less than five (5) written responses):

- From the perspective of those that generally sought to live in or felt that they had been ‘forced out’ of the area:
 - A reduction in STRA would benefit the local community, including in terms of housing availability / affordability (16), balancing tourism and community needs (14), and assisting in worker availability (5).
- From the perspective of a tourist or visitor to the area:
 - The proposal will impact on tourism reputation in terms of availability and affordability (11), meaning an impact on jobs and the local economy (8), and that the changes would result in vacant holiday homes that would not address the housing issues of the area (5).

A small number also had specific comments on other policy options, such as recognising past performance, increasing rates, a density cap or a zero-cap approach / restriction on any investment properties.

Few specific comments were made on the precinct boundaries, with a small number seeking the removal of the Suffolk Park precinct or expansion of the Byron Bay precinct into the CBD.

3.3 Overall feedback on precinct boundaries

Byron Bay (East)

Across all cohort groups, as identified above, there was a generalised acceptance that the Byron Bay (East) precinct (particularly the CBD) represented the most recognisable, or core tourism area of the Byron Shire. As such, and given the supporting infrastructure available, this area could be expanded to include a greater area of the CBD in particular, and potentially broader areas of the adjoining residential areas, within the 365-day precinct (~26). A comparatively smaller number (~8) did however have concerns regarding the inclusion of the Wategos Beach area in this precinct.

Byron Bay (West)

There were more variable responses to the Byron Bay (West) precinct from respondents. A relatively small number (~4) identified the removal of the Belongil Beach area from this mapping, whilst a larger number (~12) identified the inclusion of the southern side of Shirley Street (including Shirley Lane). A small number again identified the potential inclusion of areas to the west of Byron Bay, including the industrial estate and adjoining residential area (e.g. Belongil Crescent) (~3) and the small urban pocket west of Butler Street (e.g. Burns Street and Somerset Street).

Suffolk Park

While a relatively small number of respondents (~8) identified the various iterations of potential increase to the Suffolk Park precinct, a much greater number (~47) from a more diverse set of respondents sought the removal of Suffolk Park from the mapping. Suffolk Park generally received a much greater proportion of concerned residents seeking intervention to avoid the deterioration of the community essence of the area.

Brunswick Heads

Similar to Suffolk Park, while a relatively small number of respondents (~5) identified the various iterations of potential increase to the Brunswick Head precinct, a much greater number (~36) of respondents sought the removal or reduction of the area that would apply to this precinct. Areas that were most readily accepted by respondents included the main town centre area, the area north of Booyun Street, and the area to the east of Simpsons Creek. Other areas were often seen to be more residential in character and desired to be retained for permanent residents.

Other areas

A number of other areas were also identified by respondents, either for consideration of inclusion or confirmation of exclusion from proposed precincts. These included the potential for some hinterland and smaller towns / villages to have greater STRA representation was identified by some. Hinterland and rural areas (~11) were sometimes seen to be more amenable to tourism accommodation, while smaller villages and towns, e.g. South Golden Beach and New Brighton (~18) were also considered to be important to the overall spread of visitation.

3.4 Overall perception of impact of the proposed changes

As outlined above, there were highly variable outcomes associated with the survey across the various perspectives identified. Whilst the majority of respondents identified that some form of regulation was necessary, where this balance was between STRA owners' capacity to operate and community desires for amenity and/or access to housing was a key difference.

What was relatively consistent was respondent concern with the precinct model being proposed. The main concerns raised were typically with respect to the way that the precincts were established, the fairness or equity of the resulting outcomes, and the potential for concentration of tourism use that would benefit STRA owners within these areas, but at the detriment of either the neighbouring community or STRA owners outside these areas that would be unreasonably restricted.

As a likely consequence, a question posed to all respondents sought to identify how they perceived the impact of the proposed changes on them (based on a 1 to 10 scale, 1 being the most negative impact, 5 being no impact, and 10 being the most positive impact). The average score for this question is identified below for each of the four perspectives outlined earlier:

- People who live in Byron Shire and own residential property in Byron Shire – 4.8
- People who live in Byron Shire and don't own residential property in Byron Shire – 4.9
- People who live elsewhere and own residential property in Byron Shire – 2.2
- People who live elsewhere and have another interest in Byron Shire – 5.1

Other scores of different segments are also provided below:

- STRA owners located within 365-day precincts – 4.9
- STRA owners outside of the 365-day precincts – 3.0
- Property owners (not STRA) located within 365-day precincts – 3.4
- Property owners (not STRA) outside of the 365-day precincts – 5.6
- Non-hosted STRA owners within 365-day precincts – 4.2
- Non-hosted STRA owners outside the 365-day precincts – 2.2

3.5 Other comments on the planning proposal

As identified above, respondents provided a range of other comments in response to the planning proposal that were not necessarily related to the proposed directions set out. We have referred to these as being 'alternative policy measures'. These alternatives were suggested by many to be used alongside or in lieu of the planning proposal identified. These include:

- Addressing housing affordability through increasing government stocks through additional funding, including increasing rates for STRA properties to assist in raising these funds
- Inclusion of hinterland or smaller / other towns in precincts within increased STRA precincts to ensure the availability of a range of accommodation options within the sector
- Establishing stronger policies that focus tourism within Byron Bay, whilst seeking to reduce the presence of STRA properties in other areas
- Establishing a STRA approval system to enable an increased level of use based on factors such as density of STRA properties, length of current use, quality of management, past performance and the like

The applicability of any or all of these alternative policy options was not the focus of the survey or planning proposal more broadly, but may be considered further by Council moving forward.

4. Written submissions

4.1 Overview

During the exhibition period, people could make a submission on the planning proposal via Council's Your Say page, the planning portal on the Department of Planning & Environment's website, Council's STRA email address or the generic Council address. A total of 784 written submissions were received over the exhibition period, with 530 identified as STRA property owners and the majority of those submissions being pro-forma letters (379).

In reviewing the submissions, we identified:

- whether the submission was from a STRA property owner
- whether the submission was against the planning proposal or was in full or partial support of the planning proposal
- whether the submission agreed with the precinct maps or had no comments on the precincts
- whether the submission stated that the precincts should be expanded, reduced or removed
- the three main themes for each submission
- any specific references in the submission to property addresses, suburbs or other policy suggestions
- whether the submission was a pro-forma letter or petition
- whether the submission was missing or a duplicate

The written submission data has been consolidated with a high-level summary of support identifying:

- 631 did not support the planning proposal
- 79 partially support the planning proposal
- 74 support the planning proposal

The main topics identified in the submissions have been summarised below (noting that the numbers provided in brackets are indicative only – responses without brackets, or referencing a 'small number', were identified as having less than 5 written responses). Overall, the diversity in the submissions reflects the complexity of the issue and that the proposed changes impact people in different ways.

4.2 Precinct model

The majority of the submissions did not support the planning proposal and did not agree with the precinct model. These submissions noted that the proposed precinct model was unfair and disproportionately benefited the wealthy, both in terms of its impacts on property owners and accommodation offerings for visitors to the area (e.g. being beachfront areas owned by the wealthy and unaffordable to the average visitor). There was concern that this will only increase the financial divide within the community and fundamentally change the nature of Byron Shire.

There were:

- 22 submissions that expressly stated the precincts should be removed completely. The reasons were varied including that there should be one rule for everyone, the existing 180-day is fair and equitable, and the 365-day precinct model favours the wealthy and creates a divide in the community.
- 26 submissions noted that the proposed precinct model strikes a good policy balance between the needs of residents, tourism and housing availability.
- 27 submissions noted that the existing 180-day cap for all properties is more appropriate.
- A small number of submissions suggested changes to the nightly cap. For example, having no cap at all, expanding precincts with 180-day cap, increasing to 130-day cap or a 90-day cap for all residential areas.
- Ten submissions raised concerns about how the rules would be enforced.

Many submissions noted the need for further analysis of the potential social and economic impacts of the proposed changes and in particular, the need for the consideration of:

- Up-to-date data about the number of non-hosted STRA properties in the Byron Shire
- The current number of STRA properties compared to the total dwellings for each proposed precinct
- New census data

Some submissions also noted the significant impacts of COVID and the floods need to be taken into account before further changes should be made.

4.3 Precinct boundaries

The majority of submissions did not provide any direct comment on the precinct boundaries. Only seven submissions expressly agreed with the proposed boundaries, whilst 96 submissions centred on expanding the precinct boundaries, particularly in Byron Bay (East) and Byron Bay (West) and 39 submissions centred on reducing the precinct boundaries, particularly in Suffolk Park and Brunswick Heads.

More specific feedback on each proposed precinct is provided below.

Byron Bay (East)

Around 21 submissions requested that this precinct be expanded to include the CBD including Bay Lane, Bay Street, Jonson Street and Ruskin Lane. The majority of these submissions (14) were received from owners in the Bay View Apartment complex noting that this was well-established tourist accommodation and should be included within the precinct. The main reason was due to the high tourism appeal of this location and that properties in this area have been used for STRA for an extended period.

Five submissions requested that this precinct be expanded to include properties on Massinger Street, in particular the apartment complex known as Colinda Sol (9 Massinger Street). The main reason was due to the proximity to the beach and other amenities. It is noted that there was one submission from a resident in Massinger Street who raised concerns about amenity impacts of non-hosted STRA and only supported the precincts if there are no residents in these areas.

Five submissions requested that this precinct be extended more broadly (ranging from all commercially zoned land or 2km radius from the CBD). Specific requests were received to include Lawson Street, Marvel Street and Paterson Street in the precinct.

A small number of submissions asked for Wategos Beach to be removed from this precinct noting concerns about amenity impacts from STRA including noise and traffic congestion. Other submissions queried the inclusion of Wategos Beach in the precinct given it is not close to amenities or services.

Byron Bay (West)

A total of 16 submissions requested that this precinct be expanded to include properties in Shirley Lane and to the south of Shirley Street. The main reason was due to the number of existing STRA properties within this area already and that this area meets Council's identified criteria for the STRA precincts.

Several submissions considered the precinct should be expanded to include all areas within walking distance of the bus terminal and market site to promote car-free options, and several more requested the precinct be expanded to include Somerset Street noting its proximity to the CBD, main beach and bus station, park and commercial areas and that Somerset Gardens apartment complex has operated successfully with past 30 years with a mix of STRA, permanent and residential use.

In addition, specific requests were received to expand the precinct to include Oakland Court, Milton Street and Gordon Street. The main reason for inclusion related to the adverse impacts on STRA property owners and inequity in the precinct model.

A small number of submissions asked for Cavanbah Street to be removed from this precinct noting this area has a mix of permanent residents and the increased cap will adversely impact the sense of community in this locality.

Suffolk Park

There was significant feedback, being 27 submissions, that Alcorn Street, Suffolk Park should be removed from the 365-day precincts with the main reasons being the negative impacts of STRA on residential amenity, the loss of sense of community and inadequate infrastructure to cater for increased tourist usage.

Five submissions requested the extension of the area, with the majority of these submissions from owners in the complex at 2 Alcorn Street.

Brunswick Heads

There was conflicting feedback in the submissions relating to this precinct. The submission from Brunswick Heads Chamber of Commerce advocated for the expansion of the 365-day precinct to include properties west of Tweed Street, whilst others requested the precinct be reduced to reflect commercial zoning.

Other locations

Several other locations were identified in the submissions as being appropriate for 365-day STRA use. This included:

- Nine submissions about New Brighton
- Six submissions about South Golden Beach
- Two submissions from hinterland properties
- One submission about Skinners Shoot from the Skinners Shoot Residents Association
- One submission about Ocean Shores
- One submission about Bangalow
- One submission about Broken Head
- One submission about McLeods Shoots
- One submission about Ewingsdale
- One submission about Coopers Shoot

4.4 STRA property owners

530 submissions were received from people who were identified as STRA property owners, with the majority of these being pro-forma letters (379).

Around 444 submissions (including the pro-forma letters discussed below) identified that they would be adversely impacted by the proposed changes (particularly those that would be the subject of the 90-day cap) and felt this was an unfair infringement upon their property rights and would impact property values. The precinct model was seen as inequitable and primarily benefiting wealthier areas.

The majority of submissions stated that they would not return their properties to the long-term rental market. This was primarily because they purchased the property as a holiday home and would retain it for personal use and maximise the occupancy with increased rates during the 90-day cap period. A small number of submissions noted that the changes would cause financial hardship.

Many were also concerned about the potential for negative impacts on the broader local economy given the wide range of services they use in maintaining and servicing their properties (see further in section 4.3 below).

Others expressed that they operate high-quality STRA properties, and they ensure that guests are vetted and do not cause any impact on neighbours.

A small number of submissions:

- Noted that they would be forced to sell their properties as it would no longer be financially viable to retain their property
- Appeared to be operating hosted-STRA (rather than non-hosted) and had misunderstood that the changes do not apply to their circumstances
- Operated STRA in hinterland areas and viewed it is unfair that the 365-day precincts were limited to beachfront areas
- Raised concern about the retrospective application of the rules

4.5 Local economy and tourism

543 submissions (the majority being pro-forma letters - 379) raised concern about the potential for proposed changes to adversely impact the local economy, with many stating that the local economy

relies heavily upon tourism. 77 submissions raised specific concerns about the impact of the proposed changes on local tourism and the visitor economy.

Around 30 submissions were received from local business owners who support the STRA industry or work in the tourism sector. Most of these business owners identified that they would be adversely impacted by the proposed changes (particularly the 90-day cap) and that the changes could result in a loss of income and the likelihood of job losses.

Many of the submissions from STRA property owners noted the contribution they make to the local economy and cited a wide range of services that they use to service and maintain their properties for STRA guests. This includes cleaners, linen services and property maintenance contractors. More broadly, submissions noted that there would be indirect impacts on all businesses within the Byron Shire due to the proposed 90-day cap and subsequent reduction in visitor numbers. This includes restaurants, cafes and retail.

A small number of submissions were from visitors who noted that the proposed changes would deter their return to the area.

Other submissions noted that the 90-day cap will result in STRA properties being rented at peak time only, driving up accommodation prices, creating seasonal tourism and reducing the diversity of accommodation options for visitors, particularly families. Concern was expressed that this will also make holidaying in the Byron Shire out-of-reach for average people. This would impact the region's ability to meet the surge capacity for major events and festivals. Others raised concerns that visitors will go elsewhere.

On the other hand, 14 submissions noted that changes would help local workers and would not have any adverse impact on the local economy.

4.6 Housing availability, affordability and security

523 submissions (the majority being pro-forma letters - 379) identified that the proposed changes would not solve the housing issue within the Byron Shire. The main reasons cited were:

- STRA property owners would not return houses to long-term rental pool
- STRA properties tend to be on the medium to high-end of the property market and these properties will be not affordable for those in need of housing

Other submissions raised concern about increased housing insecurity for tenants if STRA property owners decide to permanently rent for 9 months of the year and then evict tenants over the peak Christmas / Easter period.

A small number of STRA property owners noted that they had previously rented their properties for long-term rentals in the past. However, due to poor experiences, they would not do so again.

Other submissions noted that the real issue is a lack of affordable housing supply and that more land needs to be released for housing, with higher density options.

A small number of submissions noted concern that property owners with granny flats that currently accommodate permanent tenants may be swapped to STRA for 365 days per year (as hosted-STRA). They stated this type of housing stock provides a significant amount of affordable housing, especially for lone households.

On the other hand, 53 submissions considered that the changes would improve housing affordability and availability, particularly for local workers who have difficulties accessing affordable housing. This issue appeared to be more acute in Byron Bay compared to other locations in the Shire.

4.7 Residential amenity and sense of community

Around 62 submissions noted the detrimental impact that STRA has on the amenity of local residents living within residential areas. Many examples were provided of how STRA use adversely impacts amenity and erodes the sense of community. This includes noise, congested parking, anti-social behaviours and sleep disturbance. Many residents who live, or have lived, near non-hosted STRA properties are in favour of stricter regulations and controls.

35 submissions agreed that the 90-day cap would improve amenity and the sense of community within residential areas. This feedback was strongest in Suffolk Park, where there was strong objection to the inclusion of any area in the 365-day precinct due to amenity concerns.

Other submissions spoke more broadly to the special nature of the Byron Shire and how it is important to retain its eclectic feel and that STRA use erodes the sense of community by driving out essential workers and long-term residents who have contributed to its culture.

4.8 Pro-forma letters

Byron ASTRA

A total of 306 pro-forma letters were received via Byron ASTRA from property owners who operate STRA. The main points within these submissions were:

- The proposal will take away property rights and decrease property values without increasing the rental pool for workers. Queried what compensation should be paid for lost income and devaluation of property.
- The policy relies on misleading data and assumptions, particularly in regard to the number of STRA properties within the Shire (5,428 v 1,136 non-hosted STRA properties) and how many properties will be returned to the permanent rental pool.
- Their houses are holiday homes, not investment properties. Many of the property owners have visited Byron for decades, love the town and feel part of the community.
- STRA use contributes to the local economy (adding 1,448 jobs and \$267m per year).
- Guests are low-impact and high-spenders.
- Property owners are not to blame for the lack of housing supply.

Byron Bay Accom Net

A total of 73 pro-forma letters were received via Byron Bay Accom Net from property owners who operate STRA. The main points within these submissions were identical to the pro-forma letters submitted via Byron ASTRA.

Business owners

28 pro-forma letters were received from business owners who support the STRA industry. This included submissions from a range of business types:

- 13 cleaning businesses stated they would lose a significant amount of income (ranging from 50% to 85%) and would need to lay off staff (a total of up to 65 staff).
- 4 property management businesses stated they would lose a significant amount of income (ranging from 40% to 75%) and would need to lay off staff (a total of up to 38 staff).
- 2 gardening businesses stated they would lose income ('significant' or 40%) and would need to lay off staff (a total of up to 1 staff).
- 2 linen businesses stated they would lose a significant amount of income (ranging from 30% to 90%) and would need to lay off staff (a total of up to 5 staff).
- 2 maintenance businesses stated they would lose a significant amount of income (ranging from 60% to 80%) and would need to lay off one staff member / would not be able to provide for family.
- 2 creative businesses stated they would lose income (ranging from 25% to 50%) and would need to lay off one staff member.
- 1 retail business stated they would lose 80% of income and would need to lay off 2 staff.
- 1 waste removal business that stated they would lose 25% of income.
- 1 holiday concierge business that stated they would lose 100% of income.

Other

Seven pro-forma letters were received from holiday letting businesses that raised concerns about:

- The lack of transparent economic modelling to support the changes.
- The changes are retrospective and punitively disadvantage a significant cohort of investors who have made an informed decision over many years to support the local economy and invest significant capital in Byron Bay.
- The changes increasing holiday accommodation costs and causing a shift in demand to other locations, and negatively impacting the local economy.
- The unintended consequences of poor regulations including increased activity in the 'black market'.
- Illogical boundaries for the 365-day precincts.
- The changes not resulting in more affordable housing.

Another three pro-forma letters were received that support the current 180-day cap with the 365-day precincts as these are traditional holiday areas. The 90-day cap will result in vacant properties as many STRA properties do not suit permanent rentals.

4.9 Petitions

An online petition was submitted via Change.org under the banner of 'Byron Deserves Balance'. The petition received 981 signatures online and 142 signatures offline. The online petition ran through October and included reasons for people signing the petition. The petition was in favour of the 90-day cap and was in response to the 'Byron Deserves Better' campaign run by ASTRA. The petition stated that there needs to be an equitable solution for all people and that many people have become displaced or homeless due to over-inflated rents or investors turning their properties into STRA.

4.10 Other policy options

Around 30 submissions raised other policy options for consideration. We have referred to these as being 'alternative policy measures'. These alternatives were suggested by some to be used alongside or in lieu of the planning proposal. These include:

- Changes to only apply upon the purchase of a property
- Exemptions for STRA properties owned by more than one family or for farming families in hinterland areas
- Imposition of higher rates on STRA properties due to their commercial nature with funds used for infrastructure or affordable housing supply
- A nightly tourist tax
- A vacancy tax for empty STRA properties
- A surcharge for absent owners
- Council to receive money from rentals
- Incentives for long-term rentals
- Prohibition of STRA in new residential developments
- Development approval process for STRA use
- Reduced red tape for development approval process for shop-top housing
- Encourage secondary dwellings and collect levies to support upgrades to infrastructure
- Increased housing supply by rezoning more land for residential purposes
- Zero cap for STRA in residential areas
- Employment of a tourism officer by Council

5. One-to-one stakeholder interviews

5.1 Overview

Six one-to-one stakeholder interviews were undertaken during the exhibition period. This includes interviews with the STRA industry, online travel platforms and advocacy groups that campaign to regulate the STRA industry.

The interviews were based on a common set of questions which were provided in advance of the meetings. The interviews were attended by two representatives of Locale Consulting. Below is a high-level summary of each interview. The details of what was shared during each interview are contained in Appendix A (noting the records are a summary, not a verbatim account).

Overall, all stakeholders agreed that the STRA industry needs to be regulated. However, there was a difference of opinion as to how this regulation should occur and whether Council's proposed changes were an appropriate policy response to address housing issues with the Shire. There was also consistent feedback during the interviews that any policy changes need to be supported by accurate and up-to-date data about the number of STRA properties in the Shire.

On the one hand, the booking platforms were against the precinct model and were broadly in favour of maintaining the current 180-day cap until the impacts of the new regulatory framework could be ascertained. The STRA property managers and peak body were also against the precinct model, but would prefer no cap due to the negative impacts on the local economy and tourism sector and that it will unfairly impact the rights of STRA property owners.

On the other hand, advocacy groups felt that although the proposed changes are a step in the right direction, the current regulatory system is flawed and that enforcement of the rules will be a major problem, with the responsibility unfairly resting with residents.

5.2 Australian Short Term Rental Accommodation Association

In the cover letter to the Gateway Determination, the Minister for Planning requested that Council undertake consultation with the Australian Short Term Rental Accommodation Association (ASTRA) before the exhibition of the planning proposal. ASTRA was contacted on 10 August 2022 to attend an interview, with a follow-up request sent on 24 August 2022. Ultimately, an interview was held with ASTRA representatives on 29 September 2022. The interview was attended by four representatives of Byron ASTRA, a local committee set up to represent around 800 local STRA property owners in the Byron Shire. They are also behind the 'Byron Deserves Better' campaign that represents a collective of STRA property owners and local businesses. Byron ASTRA has made a separate submission in relation to the planning proposal.

In summary, ASTRA does not support the proposed changes in the planning proposal. ASTRA is against the precinct model and considers the caps unnecessary and unlawful. The precinct mapping is also arbitrary and unfair.

It is concerned that data in the planning proposal is flawed and misleading and the proposed changes will severely impact the local economy, including the local businesses that rely upon STRA. They contend that the proposal will not free up housing stock, but instead remove the most valuable

tourists (noting that STRA guests are low-impact and high-spenders) from the area. They also believe that the proposed will be impractical to implement.

Their preferred policy position is no caps and no precincts. They believe that the steps taken by the NSW Government to regulate the industry have been effective enough and that housing supply is a separate issue.

5.3 Stayz

Stayz is an online travel booking platform for STRA properties. Its booking platform enables the booking of whole houses, i.e. 'non-hosted STRA', as opposed to a room or space within a property, i.e. 'hosted' STRA. It is now part of a larger parent company which includes brands such as Expedia, What if? and Last Minute. Stayz has nearly 30 years of history in holiday letting. An interview was held with the Director of Government and Corporate Affairs from Stayz on 13 October 2022. The Director has been in this role for the last 5 years.

In summary, Stayz supports the regulation of the industry to address amenity impacts and considers the existing regulatory framework to be appropriate. It does not support the proposed changes in the planning proposal and considers the data in the planning proposal to be inaccurate. Whilst the amenity impacts of STRA were acknowledged, it noted that STRA is not to blame for the lack of affordable housing supply. Its preferred policy position is not to have any caps and it has advocated for the current framework to be given an opportunity to be tested before further policy changes are made.

5.4 Airbnb

Airbnb is an online travel booking platform for STRA properties. It started in 2007 in San Francisco and now has 4 million hosts in 220 countries. Its platform enables the booking of whole houses as well as rooms or spaces within a property (i.e. 'hosted' and 'non-hosted' STRA). An interview was held with representatives from Airbnb on 24 October 2022, including the Country Manager for Australia & New Zealand, Head of Public Policy and a member of the Public Policy Team. A written submission was also made by Airbnb,

In summary, Airbnb supports the regulation of STRA but asks that it is fair, fit for purpose and backed by evidence. It does not support the precinct model and the introduction of a 90-day cap. It is of the view it will reduce the diversity and affordability of STRA properties and therefore have negative impacts on the visitor economy. It also considers the precinct model would create a two-tier housing market with the 365/90-day model differing across streets or roads. This was seen as deteriorating a sense of community by creating 'haves' and 'have nots'.

Its preferred policy position is for the current regulatory framework to continue as it strikes a balance – giving certainty for landowners and guests in properties that would otherwise sit empty. Its view is that the planning proposal should be paused until the impacts of the current 180-day cap are known and that consideration should be given to the introduction of visitor levies. If the precinct model does proceed, Airbnb believes that these areas should be expanded.

5.5 A Perfect Stay

A Perfect Stay is based in the Byron Shire and is a booking platform for STRA properties. They manage around 176 STRA properties in the area. An interview was held with two representatives from A Perfect Stay on 17 October 2022. This included the CEO and major shareholder who has been operating the business for 19 years, and the Manager of Growth. A written submission was also made by A Perfect Stay.

In summary, A Perfect Stay does not support the changes in the planning proposal. It considers that the information and data in the planning proposal are fundamentally flawed and misleading. It is concerned about the direct impacts on its own business including the loss of staff and the wider ramifications for suppliers and the broader economy.

Overall, it is opposed to the precinct model. It is of the view that the vast majority of STRA owners will not return houses to the permanent rental pool and even if they did, these would not be affordable to rent by workers. The STRA industry contributes significantly to the visitor economy and the amenity impacts can be managed through regulation and professionalisation of operators.

5.6 Neighbours Not Strangers

Neighbours Not Strangers is an advocacy group that raises awareness about the negative impacts of STRA on communities and advocates for the regulation of the STRA industry. It is an informal group that shares information primarily through social media channels. An interview was held with a representative from Neighbours Not Strangers on 20 October 2022.

In summary, Neighbours Not Strangers supports regulation of the STRA sector. However, it does not support the changes identified in the planning proposal. Its preferred policy position is that no STRA uses are undertaken in residential zones as it considers STRA and residential uses to be incompatible. It is also concerned that the new 90-day cap will not be able to be enforced by Council (due to the lack of funding and technology), and it places an unfair onus on individuals to instigate complaints.

It also considers that the proposal fundamentally affects property rights, particularly for property owners who live in the 365-day precincts and purchased property with the understanding it was in a residential area. It considers compensation should be payable to these owners. The proposal will not address housing affordability or availability as it will be too difficult for STRA owners to move between permanent rental and STRA use.

5.7 Victims of Holiday Lets

Victims of Holiday Lets (VOHL) is a group that advocates for the regulation of the STRA industry. It represents around 200 people who are contacted when issues arise. It is mostly focused on the Byron Shire with links to other organisations outside the LGA. An interview was held with a representative from VOHL on 24 October 2022. A written submission was also made by VOHL.

In summary, VOHL broadly supports the changes in the planning proposal and the regulation of the STRA sector. However, its preferred policy position is for the 365-day precincts to be reduced to a 180-day cap with a reduction in the size of the mapped area of the Suffolk Park precinct because there are residents living within these areas. It supports the 90-day cap in all other areas.

Overall, it considers that the changes will have a positive impact on the availability of housing. It does however remain concerned about the NSW regulatory framework including the practical enforceability of any cap due to lack of monitoring and legal action by the NSW Government and booking platforms / STRA owners 'getting around' the rules. Further, it considers that the onus being on residents to take action to ensure compliance by STRA owners and operators is unfair.

6. Focus group sessions

6.1 Overview

Eight focus group sessions were undertaken during the exhibition period. This included in-person and online sessions with a diverse range of stakeholders who represented various perspectives. This included local workers, local property industry, local property owners, local accommodation providers (who are not STRA operators), local community, local businesses, local tourism organisations and local renters / displaced people.

A total of 130 stakeholders were invited to attend the sessions, plus an open invitation was made to local property owners via Council's Your Say page and e-news. A total of 69 stakeholders registered to attend a session, and a total of 46 stakeholders shared their feedback across the eight focus groups.

The focus groups were facilitated by two representatives of Locale Consulting. They followed a consistent format by seeking feedback on the following:

- Top-of-mind issues about STRA
- The proposed boundaries for the 365-day precincts
- The possible impacts of the proposed changes on each stakeholder perspective
- The degree of support for the proposed changes

In advance of the sessions, registered attendees were sent a link to view the recorded webinar on Council's Your Say and were also provided with a copy of the webinar slides. The feedback from each focus group is documented in Appendix B, with a high-level summary provided below.

Overall, there was a low level of support for the planning proposal across all focus groups, with the majority of participants viewing the changes as having a negative impact from their perspective (ranging from mild to major). Some individuals within the focus groups did, however, express support for the planning proposal. This reflects the complexity of the issue and the impacts on stakeholders, even where they were part of the same focus group.

The key themes arising from the focus groups were around:

- The appropriateness of the precinct model to address housing affordability and availability in the Shire
- The potential for the local economy to be negatively impacted
- The potential for the local community to be negatively impacted (particularly those within the 365-day precincts)
- The need for better data about the number of STRA properties
- Concerns about how the rules would be enforced

Several other policy options were raised for regulating STRA which are outside the planning proposal including a tourist tax, commercial rates for STRA operators and grandfather clauses. We have referred to these as being 'alternative policy measures'. Many also raised the need to increase the housing supply by other means.

6.2 Local workers

A focus group with local employers was held in person on Wednesday, 12 October 2022 from 11.00am to 1.00pm. 29 stakeholders were invited to attend the focus group. This included representatives from essential service providers (such as health, education and law enforcement) as well as major employers in the area across a range of industries such as hospitality, creative industries, events and agriculture. Seven people registered but only three people attended the session. This included two representatives from Elements of Byron and one from the NSW Police. In addition, two stakeholders who were unable to attend provided feedback over the phone (Byron Shire Council and Arts Northern Rivers).

The focus group activities identified mixed views about the planning proposal that reflect the differences between the housing needs of local workers (i.e. renting or buying), and that housing is just one factor impacting the ability of local employers to attract workers.

Overall, there was mixed feedback about the precinct boundaries. Commentary suggested that the rationale for the boundaries was unclear, there was concern that permanent residents could be pushed out of some of the 365-day precincts (particularly Brunswick Heads), and that Byron Bay (East) should be expanded as the housing stock in this area was unlikely to be used by workers.

In summary, there was no definitive consensus about how the proposed changes would impact local workers, with responses ranging from positive to mildly negative impacts. This reflects the different perspectives of the different types of employers and the nature of their workforce (i.e. transient or permanent).

6.3 Local property owners

A focus group with the local property owners was held online on Wednesday, 12 October 2022 from 6.00pm to 8.00pm. This focus group was advertised on Council's Your Say page and through Council's e-news for local property owners. 26 people registered and 16 people attended the session. This represented a mix of property owners who both operate STRA and do not operate STRA on their property.

The focus group activities identified the negative impacts of STRA use. From the perspective of non-STRA owners, this related to impacts on residential amenity and a sense of community. For STRA operators, concerns related to the planning proposal not meeting the objective of delivering more affordable housing and that it would have negative financial implications for the owners.

Overall, there was mostly disagreement with the precinct boundaries, with most concern raised about the Suffolk Park and Brunswick Heads precincts. This was specifically about the residential nature of these precincts and the tourism infrastructure in these precincts being insufficient. Others thought Byron Bay (East) and (West) should be expanded.

In summary, there were mixed views about how the proposed changes would impact local property owners. Most people felt they would be very negatively impacted by the changes. However, others saw the impact as ranging between mildly negative to positive. This reflects the different perspectives of STRA and non-STRA owners.

6.4 Local property industry

A focus group with the local property industry was held in person on Thursday, 13 October 2022 from 10.00am to 12.00pm. 25 stakeholders were invited to attend the focus group. This included representatives from local real estate agencies and property managers. Seven people registered and five people attended the session. This included representatives from Harcourts, Ed Silk Byron Bay Real Estate, Elders Bangalow and Belle Property.

The focus group activities identified that some participants saw the potential for the planning proposal to change the demographic of the permanent residents and the visitors to be wealthier to the detriment of existing communities. This group identified that other policy changes are required to boost housing supply and that enforcement of the rules is essential. Participants expressed that the current regulatory framework for STRA can manage amenity impacts.

Whilst there was mostly disagreement with the precinct boundaries (as these were seen as arbitrary by some participants), it was also acknowledged that the precincts are traditional holiday spots. Some participants also saw the precinct model as a balanced policy approach with the current 180-day cap already starting to influence buyer behaviour.

In summary, there was a general view that the proposed changes would have a neutral to very negative impact on the local property industry and the changes are unlikely to stop the demand for property in the area due to its desirability as a lifestyle location.

6.5 Local accommodation providers

A focus group with local accommodation providers was held in person on Thursday, 13 October 2022 from 2.00pm to 4.00pm. 32 stakeholders were invited to attend the focus group. This included representatives from local motels, hotels, serviced apartments, backpacker accommodation and caravan parks. Four people registered and four people attended the session. This included representatives from Outrigger Bay Apartments, Villas of Byron, Bay View Apartments and Destination North Coast. In addition, two stakeholders who were unable to attend the session provided feedback over the phone (The Arts Factory Backpackers and East on Byron).

The focus group activities identified that regulated STRA can be a positive thing, as long as regulation can be enforced and is equitable, and policing occurs. STRA was seen as providing a different type of accommodation offering that assisted the local economy. Further, the participants generally felt the proposed 90-cap is appropriate in residential areas, but not in town centres.

Overall, there was general disagreement with the precinct boundaries, but support for the precinct model. Specifically, the basis for the mapping was seen to be inconsistent and purpose-built holiday accommodation in Byron Bay town centre was sitting outside the 365-day precincts. The Byron Bay precincts also excluded diverse and affordable accommodation offerings and were disproportionate to Brunswick Heads.

In summary, this group was of the view that the proposed changes would have a positive to very negative impact on other local accommodation providers. This diversity of views reflects the different needs of accommodation providers and that some see the changes as helping local workers and levelling the playing field, whilst others believe other policies are needed to boost housing supply.

6.6 Local community

A focus group with local community organisations was held in person on Thursday, 13 October 2022 from 6.00pm to 8.00pm. 22 stakeholders were invited to attend the focus group. This included representatives from organisations who are part of Council's community roundtable. Eight people registered and four people attended the session. This included representatives on behalf of Suffolk Park Progress Association, Bangalow Progress Association, Belongil Residents and Skinners Shoot Residents Association. Feedback was also provided by email from the Federal Master Plan Committee.

The focus group activities identified that there are several negative impacts of STRA use including the impact on residential amenity and sense of community, infrastructure demands and access to housing. Participants noted that additional changes are required over and above the planning proposal to address community concerns, including capturing a revenue stream from STRA use (due to its commercial nature) to assist in addressing infrastructure demands and to fund enforcement.

Overall, there was a mixed level of agreement with the precinct model and precinct boundaries. Concern was raised about the Suffolk Park and Brunswick Heads precincts due to their residential nature. It was noted the precincts are very beach-centre, and there was discussion about the opportunities for more STRA use and permanent affordable housing in rural communities.

In summary, this group was of the view that the proposed changes would have a negative impact on local communities. While there was general support for hosted-STRAs and regulation of the STRA industry, it was felt additional measures are needed to make the changes effective and to address community concerns.

6.7 Local businesses

A focus group with local businesses was held in person on Friday, 14 October 2022 from 8.00am to 10.00am. Seven stakeholders were invited to attend the focus group. This included representatives from local Chambers of Commerce, NSW Business Chamber, Regional Development Australia and Regional NSW. Nine people registered and four people attended the session including representatives of Brunswick Heads Chamber of Commerce, Business NSW and a local linen company. It is noted that there was a major traffic incident on the morning of the meeting and this may have restricted people's ability to attend.

The focus group activities identified that the STRA sector supported local employment and that the proposed changes would result in decreased income for business owners, job losses (including part-time jobs), loss of tourism, decrease in business diversity and loss of 'surge' capacity for major events. The group also felt the changes would not achieve the objective of increasing housing stock, it was the wrong policy lever to address housing affordability.

Overall, there was general disagreement with the precinct boundaries, but some support for the precinct model. The boundaries were generally considered unfair and arbitrary, with some discussion around the expansion of the precincts and the potential for new precincts to be created.

In summary, this group was of the view that the proposed changes would have a very negative impact on local businesses as the changes would be at the cost of the visitor economy.

6.8 Local tourism organisations

A focus group with local tourism organisations was held in person on Friday, 14 October 2022 from 10.30am to 12.00pm. Four stakeholders were invited to attend the focus group. This included representatives from Destination North Coast, Destination Byron and local visitor centres. Three people registered and one person attended (Byron Visitor Centre) and two provided feedback over the phone (Destination Byron and Brunswick Visitor Information Centre).

The focus group activities identified that the planning proposal would result in the loss of spending from a low-impact and high-spend tourist, loss of local employment and tourism, reduced visitor and accommodation diversity and financial implications (property values and holiday accommodation cost). There was concern about the data relied upon in the planning proposal and that recent events such as the floods and COVID had not been properly taken into account.

Overall, there was disagreement with the precinct model for different reasons. Some strongly disagreed with the concept due to equity reasons, whilst others were concerned about the impact on residents within the 365-day areas. It was also noted for example that Brunswick Heads is very different to Byron Bay and that other areas such as the hinterland and the northern part of the Shire should be included.

In summary, this group was of the view that the proposed changes would have a mainly negative impact on local tourism. There was also concern that there could be unintended and irreversible consequences from the changes, particularly around the use of hosted-STRA. It was noted other policy options need to be explored such as levies.

6.9 Local renters / displaced people

A focus group with local renters / displaced people was held online on Wednesday, 26 October 2022 from 10.00am to 12.00pm. Eleven stakeholders were invited to attend the focus group. This included representatives from local community organisations working in homelessness, housing and community services. Five people registered and two people attended the session (Mullum Neighbourhood Centre and the Shift Project).

The focus group activities identified that the changes would not achieve the objective of increasing housing stock that is affordable and other policy options need to be explored. The group strongly believes the main problem isn't housing availability, but the high cost of renting along with the lack of housing security that has substantially worsened due to COVID and flood events. The group was of the view that this matter requires a far wider response than can be addressed in this planning proposal.

Overall, there was a limited agreement with the precinct model, and the group made no specific comments on the precinct boundaries – except to note all precincts are based around the most expensive properties and that the precinct model is unlikely to help those in need of rental housing. In summary, this group was of the view that the proposed changes would have a neutral or minor negative impact on local renters.

In summary, there was a neutral level of support for the planning proposal. Whilst the changes are a step in the right direction, it was felt that the proposed changes do not go far enough to do anything on their own.

7. Next steps

This report was prepared at the end of the planning proposal exhibition period. It documents and summarises the feedback received during the exhibition period, specifically feedback provided via the following engagement methods:

- o online survey
- o written submissions to highlight the main themes
- o one-to-one stakeholder interviews
- o online and in-person focus group sessions

Locale Consulting has not undertaken a review of the merits of the planning proposal, nor does this report make any recommendations to Council about how the planning proposal should progress. Locale Consulting's role has been to listen and document the views of stakeholders and to report on these to Council for consideration in its planning proposal decision-making process.

Appendix A – One-to-one interviews

Interview – ASTRA (29 September 2022)

Please tell us about your organisation

- **What is your purpose?**
- **Who do you represent?**
- **How many STRA providers do you represent across Australia?**
- **How many are in NSW?**
- **How many are in the Byron Shire?**

At the start of the interview, it was suggested by Byron ASTRA that they email us the answers to the questions about ASTRA's purpose and role. Following the meeting, an email was sent to the Chairman of ASTRA seeking clarification about the following questions:

- What is your purpose?
- Who do you represent?
- How many STRA providers do you represent across Australia?
- How many are in NSW?
- How many are in the Byron Shire?

No response was received.

Byron ASTRA represents around 800 STRA owners (being around 75% of local registered STRA owners) as well as local businesses. It is behind the Byron Deserves Better campaign. Byron ASTRA wants good management of STRA as they are all part of the community and it helps their businesses run smoothly.

What have you seen happen in the industry over the past couple of years? Before COVID, during COVID and post natural disasters?

There are two types of STRA (professionally managed by an agent or owner and those that are not professionally managed). It was hard to know how many there were until the state register came along, but the Holiday Letting Organisation (HLO) that ran security in the area over the last 20 years had about 900 on their books.

Then 7-8 years ago Airbnb made its way to Byron and the number of STRA properties exploded. This included people renting rooms or their homes when they were away. There were many complaints, especially noise-related complaints from poorly managed properties. The part-time holiday lets have more management issues. The professional full-time STRA companies knock back many bookings as they know the bad guests are hard work. These are generally well-managed.

Not much changed until the registration requirement came in this year. COVID was a busy time (except over the lockdown period).

Before COVID, the HLO led the charge for self-regulation. This included the noisy neighbour hotline and an initial code of conduct. HRIA (the old ASTRA) adopted this code of conduct as a voluntary state-wide code before the state legislated it through Department of Fair Trading. The

new compliance regime being legislated was a good thing and it has cleaned up the industry. The main problems were noise, rubbish and car parking.

Behavioural changes didn't happen until the Code was legislated. It was an easy switch for the good operators but the poor operators weren't well prepared for it. Non-professionally managed STRAs didn't all meet the new code. So this has knocked some of the numbers down as people chose not to register.

During COVID, the number of STRA occupancy increased (as evidenced by the STRA data) and this was made up of families who preferred self-contained accommodation. No new STRA properties were coming online but the existing ones were booked for more nights per year, as some owners moved into their STRAs.

STRA visitors are good spenders and they have the highest yielding economic impact on the local economy. 1 STRA occupant = 38 day trippers due to cleaners, plumbers, gardeners, other maintenance.

Since the floods, STRA got more backlash – even though STRA owners housed 100s of families at no cost during the peak floods and they pulled together as an industry to help. The STRA industry has become a scapegoat for poor planning and a lack of housing supply.

What are your views on Council's Planning Proposal that proposes to restrict non-hosted STRA to 90-days per year, except in specified 365-day precincts?

The data in the planning proposal is flawed and misleading. The proposed changes will severely impact the local economy including the local businesses that rely upon STRA. The biggest economic driver in Byron is tourism. Tourism is worth \$1 billion and \$300 million of that comes from STRA. Domestic overnight travel has the biggest spend and families on holidays spend the most out of all those that make up the domestic overnight travel category.

The Mayor has publicly stated he wants STRA shutdown and 0 days rather than the 90 days that is proposed. Thinks it will free up housing stock but it will just remove the most valuable tourist from Byron.

The reduction in the cap to 90-days will also be impossible to implement and will have significant impacts on the broader economy given that STRA visitors are the highest spend.

The proposed changes will not resolve the housing supply issue in the Byron Shire. This is because STRA owners do not purchase holiday homes for yield. They purchase holiday homes to use for themselves and operate as STRA to offset costs. Very few STRA property owners will move to full-time rentals as they want to use them as holiday homes. STRA properties also tend to be high-end. The weekly rent (around \$2,000 or more) would be too high for local workers to rent. Byron needs rentals that are accessible to the local workers.

The rich owners will just leave their homes empty or rent them for a higher amount during the high season to meet the 90-day cap, therefore still drawing the same income but in fewer days. In this way, this proposal risks setting up an enclave for the super-rich.

The policy impacts envisaged by the proposal will not be achieved. It is a myth that holiday lets make more money than permanent rentals due to management fees and other costs. The owners have chosen the holiday let option so they can use the homes, not for maximum profit. Yield is

not the reason why people buy a holiday home. The caps won't change this. And the behavioural issues (such as noise abatement) are already being addressed by the state legislation to register and abide by the Code of Conduct. The caps won't change this.

STRA is not to blame for the increase in property prices. The real issue is Council's moratorium on development and constrained housing supply. The lack of land release and low-density approach from Council will see constrained housing supply and lack of housing for workers in Byron. The Council has said no to increasing densities and releasing land for housing, but constraining supply does not change demand it just increases the cost of available housing stock.

**Do you agree with the proposed boundaries for the 365-day precincts?
If not, why? And how should these change?**

Does not agree with the precinct model. The caps are unnecessary and unlawful. The precinct mapping is arbitrary and unfair. Looks like Council just grabbed a highlighter and mapped the precincts. One side of the street is capped and one isn't. Council hasn't shown the basis, research, transparency or due diligence for the mapping and there has been no engagement with the industry until now.

The preferred policy position is no caps and no precincts. The first plank of compliance and registration has been effective enough, and housing supply is a separate issue.

This is not up to Council or NSW Government. It is about individual owners' rights. Question asked about the legal implications of the precincts and compensation options for property owners.

What do you see as the possible impacts on the STRA market from the proposed changes?

The profile of the STRA owners will not see an increased housing supply as they will simply let for 90 days across the high season, thus making the same money. Or they will not care as they're not driven by financials (many are metro or expats).

On a practical level, implementation will be impossible. How do you run the industry with 90-days per year revenue, with 365-day expenses and fixed costs. This will make it very hard to manage the cleaners and linen services as these businesses can't just be turned on and off. There are many fixed costs that need to be covered with 90-days revenue.

Implementing the proposed changes will not see the expected benefits and will detrimentally impact the local economy. Council has overlooked the impact on the local economy. This includes the impact on associated industries (like linen, maintenance, gardeners, pool cleaners, handyman).

There will be huge job losses from this planning proposal. The business community is the local community with a large percentage of the business community living in the LGA. They are not another bunch of people; they are the community.

The retail industry will also suffer as 90% of the customers are tourists, commercial rents are very high and shops are already closing. The retail industry is very nervous about changes and concerned that lockdown during COVID will become a reality in the future.

Do you have any data that you wish to share?

The planning proposal contains numbers that aren't true and the data is misleading and incorrect ASTRA's numbers are third party and the Mayor has admitted the numbers need work and are not correct. The group sees this as a fundamental flaw in the planning proposal.

Byron ASTRA are surveying local business owners and will submit all outcomes as part of the exhibition process.

Byron ASTRA has paid for independent data and advice so they will think about how they provide that (either to us or in separate submissions).

Is there anything else that you would like to add?

STRA is consistent with Council's sustainable visitor strategy which aims to support low-impact tourism options.

Concerns were raised about how the new rules will be implemented and enforced and whether Council has the resources to effectively implement the new rules. It seems fanciful considering resources are already so stretched. Likely that owners will just let their properties in other ways (not Airbnb and the like) and this is another reason it seems like a waste of time.

Disappointed the truth isn't out there. Council isn't engaging with the whole community and the engagement techniques have not reached the business community (especially older people). Factual and ethical problems with the proposal. Concern was raised that the Chamber in Byron is being influenced by the Mayor

They organised a meeting with Council (via Tamara Smith MP) after the tourism symposium, but Council pushed on with the planning proposal. Not confident with the exhibition process and concerned that Council has delegated authority. Suggested Council has already made up their mind and it's a forgone conclusion.

Interview – Stayz (13 October 2022)

Please tell us about your organisation and role within the STRA industry

Stayz has been around for 30 years and commenced life as a physical book of holiday accommodation options that was printed annually. The book could be purchased and was also held by real estate agents.

Stayz does “whole of house” stays and is always non-hosted (unlike Airbnb and others).

Expedia also lists the Stayz properties. Besides Stayz, Expedia and Airbnb, the main online booking platforms are Last Minute and Wotif.

In Byron, most international bookings for STRA come in via Expedia and most national bookings come in via Stayz.

What have you seen happen in the industry over the past couple of years? Before COVID, during COVID and post natural disasters?

The STRA industry has experienced steep growth over the past 5 years with the ‘uberfication’ of the sector (being the introduction of online accommodation booking platforms). Tech companies have come into the industry that weren’t accommodation providers and accommodation providers that weren’t tech-savvy needed to adapt. Now all working in the online space.

Pre-pandemic and natural disasters, STRA was already on an upwards trajectory as people wanted ‘intimacy’ with family and friends -away from others that you come across in a hotel environment, and this included dining at home option. Some also couldn’t fit a family into one hotel room but could fit them into one house.

Before the pandemic, there has been an increasing appetite to experience something different. STRA has unique features that are attractive to families and groups of people coming together. This is based on the intimate experience of sharing a house.

During the pandemic, there was a very sharp increase in STRA usage as people were cashed up and wanted a unique experience. Some Stayz properties were used instead of hotel quarantine and after domestic travel was allowed STRA was still considered a safe accommodation option where families could be away from other families and common spaces such as those in hotels. So, the upward trajectory of STRA growth continued.

This growth is expected to continue and is reflective of trends across the world. STRA popularity isn’t easing today, but Byron did not see the exponential growth that some areas did post COVID as it was already performing well and there was no more supply available.

Not many STRA properties were affected by the flood events but there have been fewer people going to the Byron area because of the floods and bad weather.

What are your views on Council’s Planning Proposal that proposes to restrict non-hosted STRA to 90-days per year, except in specified 365-day precincts?

Fully supports regulating the STRA industry to address amenity impacts. This includes a Code of Conduct with teeth and registration requirements that are strictly enforced. However, there has

not been sufficient time to see how these new rules perform. Need time to understand the impact of recent regulatory changes in the sector (such as new Code of Conduct and registration requirements). It is important to collect data on the sector for the next year to understand these impacts. The Byron and Waverley approach is the result of a state election promise, rather than being based on data collected over a reasonable and useful amount of time.

Fundamentally opposed to the imposition of a cap. The cap is not the appropriate tool to address housing affordability. STRA is not the cause of the housing crisis. STRA should not be the 'whipping boy' for the lack of affordable housing and this planning proposal will not provide more affordable housing in Byron. The Commonwealth enquiry into affordable housing didn't call out STRA as a problem but did indicate that stumbling blocks for affordable housing included state and local government not releasing sufficient land in a timely manner for housing and not having planning policy in place to support new housing being built.

The figures in the planning proposal are flawed. There is a mismatch between the figure Council is relying upon and the registration numbers. Believes that the data in the register is accurate as platforms will be checking and are liable for breaches.

Has previously written to Byron Shire Council in 2018, 2019 and 2020 to raise the concerns outlined above.

Do you agree with the proposed boundaries for the 365-day precincts? If not, why? And how should these change?

Does not agree with caps at all. But agrees that the STRA market shouldn't govern itself and should be regulated and the regulation should have teeth.

STRA does have an impact on amenity and service provision but is not to blame for the lack of housing supply or affordable housing availability. Referred to the "Housing All Australians Give Me Shelter" report that did state STRA is not the cause of homelessness and housing affordability.

Observations that these are arbitrary attempts to compel someone to do something with their own private property without sufficient data. Better to use data and heat maps to build better policy. This is a further layer of regulation that is unnecessary. Let the other regulations work for some time and collect the data from this new system to lead policy direction.

Authority needed to oversee the STRA market and then act swiftly to enforce the rules

The data may show the caps are unnecessary but the government won't change its mind. Even if bookings are still under 180 days.

Complaints aren't as high as the community thinks. One bad operator or party house can taint the whole sector.

What do you see as the possible impacts on the STRA market from the proposed changes?

The proposed changes are likely to result in a contraction of STRA property numbers as people will exit the industry (due to both overzealous regulation and increasing interest rates). If changes do force property owners to sell, then it is more likely that it will be sold to owner-occupiers. If they don't sell, unlikely to free up housing stock for long-term rental as property owners are likely

to use themselves. The rental for such properties is also unlikely to be affordable. The outcome will be more vacant houses for longer periods

Expects people will exit the industry in Byron. This won't see more housing stock available for affordable housing. Some will leave STRA, and some will accept reduced days depending on the sweet spot for monetary return. If they can't make money they will stop STRA but this won't help Byron's tourist economy. Tassie has some spots where not enough workers exist for their tourist towns.

Brisbane (as an example but happening in other places too) – people who bought investment properties for STRA aren't turning over to long-term rental, rather they are selling the investments to owner occupiers or people who can afford to leave them as empty holiday houses

365 days a good idea – As an example, it was universally understood (by the previous Council in the Shoalhaven) that caps were not good due to the impact on tourism.

Expects the Council to support and endorse the plan especially as local member is in step with it.

Do you have any data that you wish to share?

Commissioned data pre-pandemic (2017/2018) that has been shared previously with Council. It showed that the STRA industry adds \$440 million value to the North Coast region and that it supports 2,400 jobs.

Trying to get a grip on the post-pandemic scenario but waiting for a longer period post-pandemic to collect data so that it has more relevance to the sector.

Council claims 30% of properties are used for STRA but where are these properties. The register doesn't show this. Considers the register is accurate and the Council numbers are wrong.

Is there anything else that you would like to add?

If someone isn't registered, neighbours are likely to dob them in. You also can't list on Stayz without being registered. Unlikely an individual would get the reach they need and advertising too expensive if they are not listed with one of the online booking platforms or registered.

Serviced apartments – cater to a different clientele – not always holiday lets. If 30 or more nights are not considered a STRA.

Would encourage Council to slow down and wait until there is sufficient up-to-date data. Council is in a rush to do something, but credibility is being undermined by using figures that are plain wrong. It also has tools available to manage amenity impacts and also to provide housing for local people.

Interview – Airbnb (24 October 2022)

Please tell us about your organisation and role within the STRA industry

Airbnb started in 2007 in San Francisco as the founders needed to pay their rent. Now has 4 million hosts in 220 countries. Started before the GFC and didn't invent the space. The business operates with the 5 following types of hosts:

- o Event host – lists property approx. 3 days per year
- o Holiday host – lists property approx. 4 weeks/ year (when they are on holidays)
- o Business and holiday host – lists property when away for holiday and /or work
- o Seasonal host – such as a ski chalet e.g.- 6 months on and 6 months off
- o Holiday home host – owner may use 4-8 weeks per year and otherwise is available for holiday let (e.g. Investment house listed 365 days/ year)

All operate differently but all have economic empowerment at the heart. The majority are mum & dad operators who are battling rising living costs. In a recent survey, 35% said they host to earn money to live and 41% said they want extra spending money in life.

They also sit in the philanthropic space with hosts opening homes during natural disasters via Airbnb.org – such as bush fire and floods in NSW.

What have you seen happen in the industry over the past couple of years? Before COVID, during COVID and post natural disasters?

In March 2020 lost 80% of bookings, but back to normal by May 2020. People then loved to travel domestically. After COVID, the following changes were observed:

- o three-hour drive window was emerging and people travelled for longer and in larger groups.
- o people wanted to take their pets with them (above swimming pools and wi-fi)
- o people chose to work from any home
- o farm stays became incredibly popular
- o majority of listings fell outside of cities
- o people wanted whole homes

Byron was the first place to show that this type of travel was going to continue into the longer term past COVID to the start of June 2020. This includes travel outside of school holidays and an overall increasing occupancy rate. Pre-COVID everyone travelled on a weekend but now people are happy to travel mid-week. Byron has remained popular. This could be the Hemsworth Effect or the 'Keeping up with the Jones' effect.

The Further Afield report about regional dispersal also showed that Australia had an increase of 60% of nights booked in non-metro areas compared to pre-COVID. People are wanting less urbanised locations for travel.

Airbnb is partnering with Destination Management Organisations including Destination NSW on Vivid Sydney and Brisbane Olympics. The aim is to reduce the need for infrastructure builds for

one-off events. They are seeing a need to support tourism and its continued popularity in this way.

Byron is an important market noting that since COVID lockdowns notable that on the clickable map, people went to other areas outside of Byron Bay when it was fully booked. This drives the tourism dollar to spend further outside the area.

The immediate change from floods was lots of cancellations. This was followed by people offering up Airbnb for displaced people. This is pretty standard in every natural disaster. A lot of insurance companies use Airbnb as a platform for providing housing during rebuild periods. Don't know how many properties are used for this as they use different booking platforms and tenants then are reimbursed by the insurance company.

What are your views on Council's Planning Proposal that proposes to restrict non-hosted STRA to 90-days per year, except in specified 365-day precincts?

Overall, Airbnb supports regulation of the STRA but asks for it to be fair, fit for purpose and backed by evidence. Happy to work on tangible policy solutions and do this all around the world. Want it to be sustainable – creating assurances for hosts and guests.

Airbnb is strongly opposed to the 90-day cap. It will reduce the number of STRA at affordable price points. This precinct model would end up with a two-tier housing market with the 365/ 90-day model across streets or roads. Not great for a sense of community – creating haves and have nots.

The current regulatory framework should be allowed to continue to operate. The 180-day cap strikes a balance – certainty for landowners and guests in properties that would otherwise sit empty. Need to pause the planning proposal until the impacts of 180-day cap are known, as it hasn't been in operation long enough to draw meaningful impacts.

Network of hosts continues to support the tourism sector in Byron as they have such a wide offering of STRA types. Flow on impacts onto town are important by way of supporting tourism spending and providing jobs.

Fundamentally disappointed at Council refuting the recommendation of the Urbis report and the 180-cap. They would prefer the 180-day cap and feel Council is just selecting some figures from the report and are using unreliable scraped data form a third third-party platform. Scraped data has flaws and doesn't accurately reflect a few months per year.

The proposal won't have an impact on housing pressure in Byron Shire and won't return properties to long-term rental. Urbis report said negligible impact only and they support this.

Hosts also rent properties for a range of reasons. May be an emotional decision whether to host or not. A holiday home not within the 365-day precinct will most likely sit empty, preventing some visitors from coming to spend money at restaurants, cafes, shops etc.

It is not a long-term solution to any local amenity issues or the housing crisis.

As an alternative solution, Council should consider visitor levies.

Do you agree with the proposed boundaries for the 365-day precincts? If not, why? And how should these change?

Strongly opposed to the designation of precincts. This will divide the community and is not fit for purpose. The concept doesn't accurately reflect the areas where hosts might choose to let their properties. There is also less of a need for STRAs close to the commercial centres where the 365 days are located. The 180-day cap should be allowed to operate for a couple of years until they can see the impact of the regulated data.

If Council wants to continue with this model, then they should expand the 365-day areas. This is because the homes would not be affordable as long-term rental housing. This includes larger regional or rural properties.

Noted it would be beneficial if there was more detail around the zones and higher resolution details such as street names. The map boundaries also seem arbitrary and it would be helpful to understand the basis for these.

What do you see as the possible impacts on the STRA market from the proposed changes?

Foresee less affordable accommodation options for STRA and guests wanting to travel at a lower price point, especially families. This relates to non-hosted larger homes in more regional parts of the LGA. These people may choose to go to neighbouring areas. Reducing supply reduces affordability. Their platform wants to democratise travel and send people to places they may not otherwise see. The 90-day cap will be a handbrake on tourism spending and other reasons to travel.

There will be an impact on STRA availability for major events, sporting events that are out of town also in relation to surge capacity. People use this platform for accessing health care and education, visiting family/ friends and transient work opportunities e.g. a month booking for a work contract.

This planning proposal will also limit hosting opportunities for those using the platform to cover the increase in living costs, who employ many workers that will lose work for those ancillary services that 'hug' the visitor economy.

Hosts give advice to people about where to visit and spend their money locally via their bookings and connecting people to local businesses event even if the host is not present on site.

Do you have any data that you wish to share?

Airbnb advised they would consider whether any data can be shared as it is commercially sensitive information. Noted that they are providing their data to the Department of Fair Trading to satisfy regulations. This is a requirement for all online booking platforms.

Is there anything else that you would like to add?

Airbnb makes decisions on five stakeholders - host, guest, community, employee and shareholder in mind.

Interview – A Perfect Stay (17 October 2022)

Please tell us about your organisation and role within the STRA industry

A Perfect Stay started 19 years ago as a small family-run business. Over this time it has slowly grown and now has around 300 STRA properties on its books, with around 176 in the Byron Shire. These are mid-high end properties.

The business employs 23 staff and has around 1,200 creditors / suppliers including many small local businesses. The business pays around \$4 million per year to local creditors.

The business has three clients - the guest, the property owner and the community. Always considers these three perspectives when making decisions and runs with the business with the aim not to negatively impact communities or the amenity of local residents (e.g. extra garbage services, after-hours call centre).

Could fill all properties every weekend with bucks or hens parties. But most owners don't want their home to get trashed but also want some income. Could double revenue but chooses not to so all three clients can be satisfied.

The STRA industry in Byron is mature compared to other regions. The Holiday Letting Organisation and a noisy neighbour hotline were established some time ago and the industry created the first Code of Conduct. As such, STRA is not a major source of complaints anymore (referred to a quote from Andrew Hill – Council's former compliance officer).

What have you seen happen in the industry over the past couple of years? Before COVID, during COVID and post natural disasters?

Noted that the response provided by ASTRA to this question is reflective of A Perfect Stay's response.

Technology has also changed the industry, especially with the introduction of Airbnb which saw the number of holiday homes swelling but many were not professionally managed and owners often absent (in Bali as an example). This triggered the Parliamentary Inquiry.

Now it is not easy to get the STRA property ID number under the new legislation. Maybe there were 5,000 STRA in Byron in the past but not now. An example was provided where an owner wanted to use their property for STRA part-time (e.g. over the high season only), but when they were advised it costs up to \$5,000 to satisfy the STRA legislation and get their home up to speed, they said no.

What are your views on Council's Planning Proposal that proposes to restrict non-hosted STRA to 90-days per year, except in specified 365-day precincts?

Does not support the planning proposal.

The numbers in the planning proposal are considered to be fundamentally flawed. The Mayor has said he knows there is work to do on the numbers so this is not an authentic process. Northern Rivers Times stated last week that the Mayor has said the vote on this planning proposal will be 7-

2 so it's a done deal. The delegated authority, therefore, bothers the industry, as the Mayor has said he will push it through.

There have been decades of green councillors and the moratorium on sewerage and low density policies has meant not enough housing for 20 years. This is not the individual housing owner's problem to solve.

One of the objectives of the planning proposal is to provide housing for workers. Agree there are not enough houses for workers but there is no way 1,500 properties will return to the permanent rental pool. A Perfect Stay has surveyed owners and 97% of owners said they will maintain STRA or lock up the property if the 90-day cap comes in. Only 3% would return to the permanent rental pool or sell.

The average value of properties listed with A Perfect Stay is \$2 million up so the average permanent rental would be \$2-4K per week. The workers who need housing actually work for A Perfect Stay and the houses they work on aren't the types of houses they live in. This won't solve the affordable housing rental problem.

At present, there are over 100 houses for rent on realestate.com so is it availability or price point that is the problem?

Beach Café and The Farm owners bought accommodation to house their workers for free and they haven't filled the properties as no employees came to fill the roles. Businesses no longer open 7 days per week due to staff shortages.

Another major concern is the impact on the visitor economy. There will also be so many knock-on effects for local businesses not just local tourism. This includes impacts on real people (e.g. plumbers, pool cleaners, cleaners etc). Council should have engaged with these people before the public exhibition when the planning proposal was being prepared. These people need to make decisions on moving away, new jobs and the Mayor hasn't sat down with these people. Many can't just get a new job.

**Do you agree with the proposed boundaries for the 365-day precincts?
If not, why? And how should these change?**

Does not support the precinct model at all.

Noted that 29% of properties managed by A Perfect Stay are in the 365-day precincts.

Noted that much of Wategos Beach is not STRA just private homes so the 365-day cap won't see more nights booked.

Unlikely that the mapped areas will be booked 365 day / year and it will just drive up property prices in these areas. The precincts favour the incredibly rich. Byron doesn't need more billionaires. It needs more families.

What do you see as the possible impacts on the STRA market from the proposed changes?

The business cares about business growth and people growth. A Perfect Stay will not be able to keep all its staff if the proposed changes come into effect. It could pull out 75% of revenue but

many expenses are fixed, such as rent, power, and phone. So likely that approximately 75% of staff would need to go or more than that due to the fixed costs that can't be avoided. The entire business model will be at risk.

The staff aren't in a good state, They are unsettled and getting calls from creditors about the planning proposal. There is a knock-on effect - it is hard on families and is creating stress, anxiety and angst. Real people are struggling and it's pretty dire.

There will also be impacts on suppliers and contractors of the business. At this time the holiday lets in Byron can create a livelihood for linen and cleaning companies across 75% of the year as even in winter there are many 3-night bookings across the weekends then as other 4 nights are not booked the weekends are weighted and cleaners stagger the cleans mid week. With the proposed changes. cleaners work hours can be varied but it will be difficult to make work on practical level (i.e. to make up 90-days there would be no work in Feb/ March then a few days in April & July school holidays then a few days for an event, then October and Xmas period) The cleaners will need to get another job as they won't work that sporadically. This will create more staff shortages.

Council's Visitation Strategy 2020 –2030 states that high yield / low impact visitors are what the area wants. The planning proposal doesn't satisfy this strategy as STRA provides this type of visitor and they'll leave the region. Aussie day trippers, do not spend much and Aussie overnight and international overnights spend more.

Visitors that spend the most money are the STRA booking from families (with pets and kids). No resort options in Byron to suit middle/ high end family needs. So the strategy should be more families and less day trippers.

Do you have any data that you wish to share?

Refer to Tourism Research Australia data that shows:

- o \$1 billion / year – tourism into Byron Shire
- o \$300 million of that is directly attributed to STRA
- o 4.2 jobs created / \$1 million spent so this equates to 1400 jobs in total (approx.).

On average STRA booking is \$4,500 just on accommodation per trip, compared to \$106 /day for a day tripper.

Not an enormous number of homes but very high spend completed to day tripper.

Also mentioned legal advice that had been obtained by local property owners that the planning proposal is unlawful. Possible class action as rights of property owners are removed. Did not intend to share, will leave this up to individual property owners.

Also said they will email a quote from Andrew Hill (Council's former compliance officer) and quotes from the Mayor to include in the engagement report.

Is there anything else that you would like to add?

People are worried but don't feel safe or comfortable sharing their views (especially local businesses) as they're worried about Council using their power inappropriately in relation to the impact on their own business.

People are of the view that the planning proposal is flawed. Also raised concern about the recorded webinar on Council's Your Say page and that it is not clear and impartial as it did not clearly state the Urbis recommendation and came across that it supported Council's position.

In response to a question about the engagement report, it was noted that the engagement report will be made public and that it will be a summary of engagement activities during the exhibition period.

Overall, regulation of the industry is a good thing. But NSW is the only jurisdiction with this level of regulation. Need to clean up the rogues in industry but can do this without removing property rights.

Interview – Neighbours not Strangers (20 October 2022)

Please tell us about your organisation and role within the STRA industry

Neighbours Not Strangers is an informal group that advocates for regulation in the STRA industry. It is a messaging platform that shares information about the STRA sector, mainly via social media. It was started after a personal experience in addressing unlawful STRA uses in a residential apartment building in Sydney. It originally started with a focus on addressing the amenity impacts of STRA on residents but it is now focused more broadly on the right to housing.

The organisation has been tracking the industry for some time and has witnessed changes in policies and regulations as a result of the Parliamentary Inquiry. STRA used to be unlawful in residential zones and this was reflected in numerous Land & Environment Court decisions. Then some councils changed their LEP and the NSW Government then introduced the SEPP to make STRA exempt and complying. This was a significant change and effectively gave the greenlight to the industry. NSW used to have the world's best legislation and great case studies until the NSW Government changed the rules.

What have you seen happen in the industry over the past couple of years? Before COVID, during COVID and post natural disasters?

Noted that not living in the Byron Shire, so comments are personal. Pre-COVID Byron STRA sector was just expanding. The NSW Government said it was doubling each year, although this seems unlikely. COVID saw STRA go quiet and then it kicked in again when domestic travel was possible. The backpackers left Byron and in Sydney rental properties were vacant and rent prices plummeted during COVID. Assumed that STRA business is booming again in the regions, including Byron.

What are your views on Council's Planning Proposal that proposes to restrict non-hosted STRA to 90-days per year, except in specified 365-day precincts?

Does not agree with the proposed precinct model.

To mix permanent residents with STRA is fundamentally incompatible whether this is for 90 days or any number of days (see Rachel Pepper's words in Gosford judgement - Dobrohotoff v Bennic 2013 and also Jane Jagot's judgment on STRA). Mixing people on holidays with families and people going to work is shocking – there is too much anti-social behaviour. There should be no STRA in residential areas. It undermines the planning regime of local and State planning regimes.

In addition, getting the proof needed to make a complaint under the Code of Conduct puts the individual at risk. Also difficult to collect evidence as nuisance laws prevent people from taking photos of someone's private property. The NSW Government has not stated if anyone has been struck off for non-compliances since the new rules came into force.

Council also has no way of ascertaining if a STRA property has hit the 90 day / year mark. Since the 180-day cap was introduced, there hasn't been an example of anyone being stopped as they've hit their annual limit. This can't be enforced.

**Do you agree with the proposed boundaries for the 365-day precincts?
If not, why? And how should these change?**

Does not agree with the precinct model and believes these are unlawful. Cannot retrospectively alter the property rights of people who bought into residential property. Queried what financial compensation will be paid to those people who studied what they bought into (residential property rights), particularly the 365-day precincts.

What do you see as the possible impacts on the STRA market from the proposed changes?

Council is responsible for tracking the 180-day cap (or 90-day cap), but it will not be able to control or enforce the new rules. The NSW Government needs to mandate all local governments to enforce residential zoning. And then provide the funding needed to police and enforce the rules.

At present, the licence fee to register for STRA is minimal and is paid to the NSW Government. Local councils do not receive any revenue. STRA owners are also flouting the rules. For example, someone in the City of Sydney has paid the licence fee of \$65 (and \$25 per year every year after) and is using one licence for 11 residential units.

There have been multiple killings/ deaths in an Airbnb in USA. These properties were removed from the platform then the property just gets listed again with new photos. This is the "wildwest".

The change in the SEPP has just legitimised the use of residential housing as commercial hotel accommodation. Previously, it was an illegal use of premises. The NSW government has given the green flag and the STRA industry has agreed to the regulation because they know it won't be enforced and it has now made the use legal. Foreign-owned booking platforms are profiting from the commercialisation of the residential housing stock in NSW. According to Airbnb quote, Australia is the most penetrated market in the world.

People won't jump between permanent rental and STRA for a different number of days per year. People will just rent STRA for as many days as possible and neighbours will have to be the sheriff. This is not fair and won't work. Individuals also won't be able to get cease and desist orders against a STRA operator. Taking action and complaining about STRA can be difficult. Threats can be horrible and there is a personal cost.

Do you have any data that you wish to share?

No data to share. The best data source is Inside Airbnb noting that this only scapes data from Airbnb. The April 2022 snapshot is available on the Neighbours not Strangers website.

Also noted that in recent searches out of 136 property agents there were:

- o 259 homes listed for permanent residential tenancy
- o 42,532 homes listed for STRA

Is there anything else that you would like to add?

Queried what financial compensation will be paid to people who have undertaken all due diligence and purchased residential dwellings in a building / zone and then this is retrospectively changed to enable full-time holiday letting? Who will fund this?

Noted that supports B&Bs as they are hosted – they pay commercial rates, meet fire regulations and have inspections from Council. It is run like a business.

The issue used to be about NIMBYism but it is now about safe, secure housing. This is a major issue. Byron's resident group said their schools were in danger as are not enough permanent residents. Now there are fewer foreign tourists. And no housing for essential workers in regional areas.

Now seeing the results of the commercialisation of housing supply at a national level. Australia is a signatory to the UN charter for human rights – and this includes a fundamental right to housing that needs to be upheld. See resources from Leilani Farha at The Shift Directive.

The planning proposal won't address the housing issue.

Interview – Victims of Holiday Lets (24 October 2022)

Please tell us about your organisation and role within the STRA industry

The Victims of Holiday Let (VOHL) organisation started in 2010. It loosely represents around 200 people who are contacted when issues arise. It is mostly focused on the Byron Shire with links to other organisations outside the local government area.

The organisation was started at the time Byron was regarded as a party town and residential areas were infiltrated by people who wanted to party and there were amenity impacts on neighbourhoods. Members have been genuinely damaged by STRA.

The organisation has witnessed the regulation of the STRA industry over this time including legal action taken by Council for unlawful uses and the introduction of the new NSW Government rules.

What have you seen happen in the industry over the past couple of years? Before COVID, during COVID and post natural disasters?

Over this time there has been a growth in the number of STRA properties. Stayz used to be the main booking platform and it was relatively easy to track numbers, but since Airbnb it has been more difficult. Now uses AirDNA as the data source.

There was an explosion in numbers with the introduction of Airbnb. Believes numbers before COVID were around 4,500 and then this dropped during the pandemic as some turned to long-term rental and some people used STRA properties during lockdowns.

Post floods, some people have let houses to flood impacted people rather than as STRA.

During this time, the new NSW Government rules have taken effect and people must now register STRA properties. Too easy for people to be dishonest within the system and it is not being monitored or enforced.

What are your views on Council's Planning Proposal that proposes to restrict non-hosted STRA to 90-days per year, except in specified 365-day precincts?

The precinct model was originally put forward in around 2005 but with smaller areas. Agree with the precinct model, but believes that the 365-day areas should be 180-days with a 90-day cap in other areas.

In the 365-day areas, there are a large number of residents. Council has said they are tourist hot spots but they didn't define this until 2020 and then said it was an area with a predominance of holiday lets. VOHL disagrees, particularly Alcorn Street, Suffolk Park. In December 2020, this area had:

- Eastern side - 73 dwellings in total and 22 were permanently holiday let (only 30% of the dwellings)
- Western side - 120 dwellings in total and only 5 are permanently holiday let)

The eastern side should be 180-day area and the western side should be 90-day area due to its proximity to residential dwellings. Council's materials should have included the number of STRA properties in each precinct.

Do you agree with the proposed boundaries for the 365-day precincts? If not, why? And how should these change?

No. See comments above. All 365-day areas should be 180-days and see specific comments on Suffolk Park above. Also noted that in the Brunswick Heads area there would be a very high number of permanent occupants.

What do you see as the possible impacts on the STRA market from the proposed changes?

VOHL hopes that there will be an increase in long-term rentals which will be a positive impact for the area. It will also provide more accommodation for workers.

Disputes the statistics quoted by the Byron Deserves Better campaign about job losses and impacts on the economy. Tourism Research Australia is a department of Austrade and they have advised they have not done any research into the impacts of the 90-day cap.

At the moment, businesses are not opening due to a lack of workers and this is due to a shortage of accommodation. Example provided about Beach Café owner letting out their own house for workers.

The 365-day areas will see a lot more holiday letting in these areas.

The major problem with the framework is that is not enforceable. Properties are listed on the platforms without a registration ID on the basis that they are exempt, but they should not be exempt (e.g. secondary dwellings). The Department of Fair Trading is not monitoring the existing caps and no legal action is being taken to enforce compliance.

Booking engines are also not entering data correctly. This means that it will be up to residents and neighbours to enforce the rules and act as police. This shouldn't be happening as people will not want to end up as witnesses in Court.

If the 90-day cap proceeds, then there should be an onus on the owner to nominate the days it will be used for STRA and booking engines should blank out the rest. Council should lobby the NSW Government for this change.

Do you have any data that you wish to share?

No other data to share. Council should be sharing the data on numbers and location of registered STRAs.

Is there anything else that you would like to add?

Current enquiry in Western Australian about STRA and they are bringing in better legislation. It is stricter than NSW. NSW system is the 'Claytons' legislation and was forced upon local councils by NSW Government. It is not effective as the registration scheme is too easily rorted

Appendix B – Focus groups sessions

Focus group session – Local workers (12 October 2022)

Top of mind issues

There was a mix of top of mind issues in this group.

Need to understand the effect of the proposal on the long-term rental vacancy rate and whether it will help recruit people to the area, particularly for the Police who have previously not had issues recruiting people to the area in the past. Now only 2 out of 50 police employees live in Byron centre and maybe only 10 live in the Byron Shire. The key reason is housing affordability, particularly property prices.

From a tourism and hospitality perspective, a key issue is accommodation availability for frontline workers (such as hospitality staff). Due to affordability, some frontline workers in the hospitality sector live in backpacker accommodation or shared houses.

There is also uncertainty about the accuracy of the assumed whole-house STRA numbers in the planning proposal. It is not clear what the actual effect will be on the vacancy rates. More data is needed.

In the arts industry, finding accommodation for workers is not the largest concern or hindrance to attracting and maintaining skilled workers. The main issue is the intermittent nature of the work. STRA is mostly a concern in built-up areas like Byron Bay, Brunswick Heads and Suffolk Park.

From Council's perspective, lack of housing is a key issue in attracting and retaining staff. Previously, never had an issue attracting people to work in Byron Shire. Started to be a significant issue 12-18 months ago due to housing availability and affordability. Not many staff live in the Byron Shire (over 70% live outside the LGA) and some staff are leaving to move to other areas where housing is cheaper or to reduce commuting costs and time. Council is now considering a short-term accommodation allowance (in addition to relocation costs) to support new employees' relocation. Existing staff are concerned about dislocation from rental properties.

Precinct boundaries

Overall, there was a mixed level of agreement about the precinct boundaries.

It is unclear how many dwellings in the mapped precincts are permanently occupied versus STRA. It would be good to have this data as well as data on how the mapping will impact each area, in particular, how many houses will come off the STRA register.

There is also no clear rationale for the mapped areas. These have not been clearly explained or justified. There was concern that there is community in the mapped precincts and the change will reduce the availability of housing stock in these areas as these become holiday lets. This may see people selling up in these areas. It is unclear how will this impact property prices.

There will be an increase in commercial ventures in the mapped precincts.

The precinct model will also not result in increased STRA occupancy. General occupancy rates are around 65% - 70% (September to April) and around 50% (May to August). There is not going to be a big windfall by creating the 365-day precincts.

Byron Bay (East)	<p>Mostly disagreement with boundaries.</p> <p>Much of Byron Bay housing stock is available and used by tourists. Visitors are comfortable staying outside the mapped areas. In reality, doesn't provide much more opportunity for housing for workers. The housing stock in the 90-day areas is still expensive and unlikely to be affordable by frontline staff. Capping the area south-east of the CBD will not create housing for frontline workers.</p>
Byron Bay (West)	<p>Agreement with boundaries.</p> <p>Much of this area is already STRA. Permanent residents may leave this area. This area does not attract frontline workers due to costs.</p>
Suffolk Park	<p>Agreement with boundaries.</p> <p>More of a suburb and has less tourism focus (particularly compared to other mapped areas). Agree that the western area should not be mapped for 365-day.</p>
Brunswick Heads	<p>Disagreement with boundaries.</p> <p>The southern triangle mainly has permanent residents. Including these areas may lead to more noise complaints and / or these properties being sold to non-permanents for STRA usage. Generally, people are happy to stay outside the mapped areas as it's a short walk to the beach and facilities. Likely to be a lot of STRA outside of the mapped precinct.</p>
Other locations	No comments

Impacts on local workers

In summary, there were mixed views about how the proposed changes would impact local workers. This ranged from a positive impact to neutral to minor negative impacts. This reflects the differences between the needs of local workers concerning housing (i.e. whether they are looking to rent or buy).

Broadly, STRA was seen to add to the visitor economy. This means more job opportunities and more diverse visitors and accommodation options. Higher tourism numbers create more jobs. This equals a stronger visitor economy. Suppressing demand for STRA can impact the whole tourism industry. However, too many STRA properties can impact affordable accommodation options for workers. Another option is to cap the number of STRA properties rather than days.

The tourism market is also changing with a move away from backpackers to more upmarket options. These are lower-impact, higher-spending tourists. With COVID there has also been a change in demographics with fewer backpackers and a different type of visitor due to border closures.

The shortage of staff in the area is not necessarily caused by a lack of housing options. It is not the be-all and end-all factor. There are global forces impacting businesses and workers. In the tourism

sector, even employers that provide housing are not getting employees. An example was provided of a tourism business providing accommodation for new workers to assist with the transition to the area. At the moment, this accommodation is empty. Businesses cannot find employees even though this accommodation is provided to encourage employees. This is a global issue. Doubtful that the proposed changes will assist with improving vacancy rates for workers.

On the other hand, the key issue for essential workers (like Police) is the cost of purchasing property. Police in the cities are not transferring to the area due to the cost of property (purchase as opposed to rental). The proposed changes may see STRA movement within the Shire but it is unlikely to impact property prices. This is because owning a 'lifestyle investment' in Byron is more attractive than a permanent rental. Lifestyle investors don't care if they have to reduce days as not looking for maximum returns. This just means fewer work opportunities for local workers and less housing stock for residents.

On the negative, the proposed changes may force some workers out of their current residential accommodation.

On the positive side, the proposed changes should see some more housing stock for the long-term rental market and may improve social cohesion and sense of community. If it results in more housing availability, then this will be a positive impact.

Need to better understand how this approach fits into the overall approach to housing supply. Need innovative solutions such as employers providing accommodation to meet workers needs. The proposed changes do not provide enough options for market driven solutions to the problem.

Questions were raised about monitoring compliance with the new rules, in particular, who and how will these be enforced.

Also need to look at solutions found elsewhere in the world in places like Aspen, Queenstown and New York.

Support for planning proposal

Overall, there was a mixed level of agreement for the proposed changes ranging from strong agreement, agreement, disagreement and not sure. This reflects the differing needs of workers and uncertainty as to whether the proposal will solve the issue.

Focus group session – Local property owners (12 October 2022)

Top of mind issues	
<p>There was a mix of top of mind issues in this group.</p> <p>Many noted their concerns about STRA use in residential areas and that it was incompatible with residential use. Concerns were raised about STRA hollowing out communities, adversely impacting amenity, health and wellbeing, making it difficult for essential workers to find accommodation, commercialising residential and rural areas and also impacting volunteers for local community organisations. The size of the precinct in Brunswick Heads was also a concern.</p> <p>Others noted that there was a need for pre and post-housing stock assessment to determine the impact of the changes, and questioned the mapping. It was noted that STRA regulation is the least restrictive and whilst the 90-day cap should work, it needs to be assessed. The 365-day precincts should be commercially regulated.</p> <p>Others, who were STRA owners, were concerned that the proposal would not meet the objective of delivering more affordable housing.</p>	
Precinct boundaries	
<p>There was mixed feedback on the precinct model and boundaries. A suggestion was made that there should be a tapered map that goes from 365-days on the foreshore, to 180 days, to 90 days and even zero in residential areas.</p> <p>Others noted that the boundaries for the maps seemed arbitrary and inequitable. More information was needed to understand the rationale behind the maps.</p> <p>Some were against the precinct model noting that it funnels the situation into areas and would prefer to see the areas based on existing zoning.</p> <p>It was also noted during the discussion that the precinct model and boundaries would not assist the homeless as the STRA houses will sit empty or be unaffordable as permanent rentals.</p>	
Byron Bay (East)	<p>Mostly disagreement with boundaries.</p> <p>Unclear why Wategos Beach is included in this precinct as not close to town and does not meet the criteria. Also assumes there are no residents in this area.</p> <p>The main tourist area is the CBD and its immediate surrounds. Excluding these areas cuts out a significant amount of holiday accommodation, especially for families.</p> <p>Unlikely that the 365-precinct will take up extra demand or that housing will be available for workers that are needed to service the tourism industry.</p>
Byron Bay (West)	<p>Mostly disagreement with boundaries.</p> <p>No logical explanation for why the south of Shirley Street is not</p>

	within this precinct. It is close to the beach and amenities and is dominated by STRA.
Suffolk Park	Mostly disagreement with boundaries. One road only is a nightmare. Due to traffic implications and emergencies, Suffolk Park precinct should be removed from the maps. If people want STRA in Suffolk Park it should be hosted.
Brunswick Heads	Mostly disagreement with boundaries. Unclear how the boundaries for this precinct were decided - seems arbitrary. Some of the properties closer to the beach in Byron Bay are excluded.
Other locations	No comments
Impacts on local property owners	
<p>In summary, there were mixed views about how the proposed changes would impact local property owners. Most people felt they would be very negatively impacted by the changes. Others saw the impact as mildly negative, neutral or positive. This reflects the different perspectives of STRA and non-STRA operators.</p> <p>Many people said that there are no positives for local property owners from STRA use.</p> <p>Some noted a positive impact is that bottle shops prosper and restaurants as well. STRA provides a diverse range of accommodation options for holidaymakers. Provides an income stream for owners.</p> <p>The changes will only benefit 365-day STRA owners. It will create higher rents, increased market values and higher occupancy.</p> <p>Some neutral impacts included holiday makers together in commercial zone and visitors enjoying where the locals live.</p> <p>The STRA proposal as a tool will not achieve the objective, and arguably nothing will change including house prices and rents.</p> <p>Negative impacts from STRA use include noise, rudeness, careless driving, environmental degradation, loss of community, loss of essential workers, "ghetto like" environment, high rents, locals pushed out, garbage, lack of respect from holidaymakers, safety concerns attempting to keep the noise down, safety concerns driving on rural roads. Police don't attend call outs for noise complaints.</p> <p>Negative impacts include:</p> <ul style="list-style-type: none"> o loss of housing for local community o loss of community/community cohesion o lack of people to be able to work in our services, emergency services and businesses o health/mental health impacts due to noise and disturbed sleep 	

- o safety issues approaching drunken STRA neighbours to keep it down in the middle of the night/early hours of the morning
- o environmental impacts (trashing the dunes, leaving rubbish, leaving spotlights on all night-light pollution, dog poo not picked up)
- o many people in one STRA house means lack of parking
- o with the lack of parking combined with the lack of footpaths in Suffolk Park means people with prams/mobility issues have to use the road to move along which is really dangerous
- o loss of long-term rental neighbours
- o over commercialisation of residential and rural areas
- o noise at all hours
- o waste not sorted properly
- o profligate use of water and power
- o people priced out of their local area
- o no police help
- o no children in the neighbourhood
- o residents feeling alienated in their own hometown
- o escalation of rents leading to affordability issues and lack of housing
- o lack of support and permanent residents to run volunteer services, such as local fire brigade

Some felt they pay the economic and social prices to support absentee owners to make money.

It was noted that there will be negative financial impact on STRA owners.

Shortage of STRA properties during peak periods will lead to higher rates and less tourists. Less tourists mean less income for local businesses and fewer jobs for local workers in the tourist industry. This will also affect numbers at local festivals.

Support for planning proposal

Overall, there was overall disagreement with the proposed changes (from both STRA and non-STRA owners). This reflects the views on the precinct model, precinct boundaries and cap approach, and the belief the proposal will not solve the intended objectives or issues that STRA creates.

Focus group session – Local property industry (13 October 2022)

Top of mind issues	
<p>There was a mix of top of mind issues in this group.</p> <p>Want to retain the local culture and what makes the Byron area unique. Want people to visit and experience the local culture, environment and place. Byron Bay is a known meeting place ('Cavanbah') and if the new rules are followed (i.e. Code of Conduct and registration) then this should manage the amenity impacts of STRA on the community.</p> <p>Concerned about the proposed restrictions on STRA and the impact on Byron Shire as a whole.</p> <p>The precinct model was proposed 20 years ago by a group of local real estate agents. But this was not progressed. The mapped areas are very similar to what was proposed then.</p> <p>Some had no specific top of mind issues and came to listen and understand the impact of the changes.</p>	
Precinct boundaries	
<p>Overall, there was a mixed level of agreement about the precinct boundaries.</p> <p>The mapped precincts were seen as traditional holiday spots. But also seen by some as arbitrary lines that impact individual property rights and are inequitable. Drawing lines on the maps is not the solution and is unfair to the majority as a whole.</p> <p>Others expressed that the mapped precincts are a balanced approach for sustainable tourism, with owner-occupiers buying into different zones with knowledge of amenity impacts.</p> <p>It was noted that need to understand the status of the flood mapping and its impact on the precincts.</p>	
Byron Bay (East)	<p>Mostly disagreement with boundaries.</p> <p>There are access and infrastructure constraints at Wategos Beach. Need to increase infrastructure if STRA in other areas is restricted. Over the years, due to the exclusive nature STRA properties have reduced in Wategos Beach.</p>
Byron Bay (West)	<p>Mostly disagreement with boundaries.</p> <p>No specific comments</p>
Suffolk Park	<p>Mostly disagreement with boundaries.</p> <p>No specific comments.</p>
Brunswick Heads	<p>Mostly disagreement with boundaries.</p> <p>No specific comments.</p>
Other locations	<p>Need to consider "forest and field" tourism (i.e. rural and hinterland areas) and not just beachfront locations.</p>

Impacts on local property industry

In summary, this group was of the view that the proposed changes would have a neutral to very negative impact on the local property industry.

The mapped precincts are traditional holiday spots but some areas will remain empty as STRA properties are taken offline due to exclusivity. The whole of Byron is becoming a 'playground for the rich' with no housing available for workers. Property in the 365-day precincts will increase in value and create an 'us and them' mentality. Owner-occupiers in the 365-day precincts will also be negatively impacted by STRA houses (i.e. amenity impact).

Less visitor accommodation stock will further change the demographic of holidaymakers (i.e. for the very wealthy). It will also increase the rental price for STRA properties as it becomes more exclusive. This will impact culture and traditional visitors like backpackers.

There will be less work for people due to the lower number of nights booked – people will leave the area and work elsewhere. There will be a loss of jobs in every sector and a loss of culture. Locals will be driven out.

Overall, the proposed changes will not impact property prices, but people who are looking to buy in the Byron Shire will now know what they are buying into and observations were shared that the 180-day cap is impacting buying behaviour. The proposed changes will restrict property owners from generating income from their assets.

The real issue is no accommodation for workers. Some business owners are buying properties to provide accommodation for workers (e.g. The Beach). Businesses are also no longer providing some services (e.g. breakfast) due to a lack of staff. Important to address transport for workers (not just housing).

Positives from the proposed changes include improved amenity for locals and less pressure on infrastructure (water, sewer, roads etc). Fewer tourists will mean improvements to the environment.

Overall, the changes are unlikely to impact third-party accommodation providers as they're in the global market.

There is an opportunity to educate the local community on STRA and how to address amenity impacts.

Agreed that it is important to create long-term rentals and the proposed changes may do this but proposed changes are not doing to stop the demand for property in the area due to the desired location. It will not fix the issue of affordable housing. More housing stock means more housing affordability. The anti-development nature and low-density model in Byron centre have seen other places sharing the distributed density across the Shire.

Potential for increased subversive and illegal behaviour as people look for loopholes. There is a strong history of this kind of behaviour in the Byron Shire. Questions were raised as to how this will be policed and tracked.

Other policy options to consider include:

- Amsterdam model where new rules only apply when the property is purchased by a new owner
- Approvals process for STRA as opposed to mapped precincts
- STRA owners paying higher rates

Support for planning proposal

In summary, there was overall disagreement with the proposed changes. Some saw it as a way to “put an issue to bed” and to show “someone, somewhere” that something has been done, regardless of whether it achieves an intended outcome

Focus group session – Accommodation providers (13 October 2022)

Top of mind issues	
<p>There was a mix of top-of-mind issues in this group.</p> <p>It was felt that the registration system and Code of Conduct have not been given a chance to function. There is an opportunity to work together to take unregistered STRA operators off the market. Need to understand who will police the rules and how the rules will be policed.</p> <p>Generally, the Byron Shire is unbalanced and profound change is needed to be sustainable, particularly for workers who can't afford to live and work in the area and who have unstable accommodation. However, the extent of the 365-day precincts is unbalanced.</p> <p>It is a disaster for STRA to go to 90-days. It will be a disaster for accommodation businesses and also other local businesses. The mapped precincts do not provide enough affordable accommodation options for tourists. It doesn't address housing needs for low-income earners.</p> <p>There is purpose-built holiday accommodation that is outside the mapped precincts that are will be rendered unsellable. Concerned about the impact on property values and unclear why properties in the B2 commercial zone in the Byron CBD have not been included as these meet Council's criteria (i.e. close to beach and services).</p> <p>Agree with 90-cap in residential areas. People who bought into these areas did so on the basis that these were residential areas. STRA properties have been built in these areas and have blatantly disregarded the rules and are not enforced by Council. These STRA properties also cause impacts on residents. This is very different to purpose-built tourist accommodation which complies with the rules, pays the correct insurance and has approvals in place.</p> <p>Overall, STRA is a positive thing. But recently it has got out of control and it needs balance. It is now incredibly difficult to find anywhere to live and it is expensive in Byron Bay. It is hard to find workers to work in the backpackers due to housing and also the cost of transport. More and more locals are staying in backpackers as they have nowhere to go.</p>	
Precinct boundaries	
<p>Overall, there was support for the proposed precinct model but disagreement with the boundaries. Proposed that anywhere that has paid parking in Byron Bay should be a 365-day precinct (this defines the commercial precinct)</p>	
<p>Byron Bay (East)</p>	<p>Mostly disagreement with boundaries.</p> <p>The criteria for including properties in the mapped precincts is not consistent. Wategos Beach is only accessible by car and there are no services, yet it has been included. Concern was raised about the Byron CBD being excluded from the precincts, particularly Bay Street where there is purpose-built holiday accommodation such as Bay View Apartments.</p>

Byron Bay (West)	<p>Mostly disagreement with boundaries.</p> <p>This excludes areas which would offer affordable and diverse accommodation offerings for tourists (close to the station, shops and markets). Anywhere within a 500-metre radius of the bus station should be included (i.e. Butler, Burn and Gordon Streets).</p>
Suffolk Park	<p>Disagreement with boundaries.</p> <p>Boundaries feel too arbitrary and divisive. This is an area where people live as it is less hectic, and more community / family-oriented. It seems unusual that included in the 365-day precinct, especially when compared to the boundaries in Byron Bay. Also not a lot of services in an area that has traffic congestion. Alternatively, the area could be extended 365-day to Broken Head Road. Query why properties on either end of Alcorn Street are excluded from the precinct.</p>
Brunswick Heads	<p>Partial agreement / disagreement with boundaries.</p> <p>This mapped precinct is a disproportionately huge area when compared to the Byron CBD. The location of the properties (particularly in the western area) does not appear to meet Council's criteria of being close to the beach and services. When not comparing it to Byron mapping, it seems reasonable and balanced. The area is also likely to have a lot of locals living in it that will eventually be driven out.</p>
Other locations	No comments
<p>Impacts on other accommodation providers</p>	
<p>In summary, there were mixed views about how the proposed changes would impact other accommodation providers. This ranged from a positive impact to neutral to negative impacts. This reflects the differences between the types of accommodation providers.</p> <p>In general, STRA increases the capacity for the destination and enables the delivery of large-scale and more frequent events. It also increases competition, both in quantity and different types of accommodation offerings. Whilst STRA is in direct competition with other accommodation providers, it is hard to match the diversity offered by the STRA market.</p> <p>Whilst STRA impacts the occupancy of other accommodation providers, the proposed changes will be beneficial if it creates more housing for workers.</p> <p>Another positive of the proposed changes will be improving the standard of accommodation providers (onsite managers do a better job). Important to level the playing field. Other accommodation providers have to meet fire safety and other compliance requirements. Hosted, managed or purpose-built holiday letting provides a quality experience.</p> <p>On the other hand, purpose-built holiday accommodation has been left out of 365-day precincts. The current exclusion of purpose-built holiday accommodation from the precincts does not make</p>	

sense. The laws are badly written as they capture 'residential flat buildings' that have been used for holiday letting and meet Council's criteria for suitable areas.

The proposed changes also severely limit low-impact tourists (like families) that spend money in the Shire. This will have a major impact on local businesses and employment.

People who visit and stay in Brunswick Heads or Suffolk Park will still want to come to Byron Bay. They will also add to traffic congestion in the Byron Bay area.

Need other mechanisms to increase housing supply to meet the needs of key workers. Every time a plan is put forward for new housing, there is community objection.

The proposal also won't solve the affordability issue as the biggest driver for increased property prices is the Sydney market – not STRA.

Need to consider other policy options:

- Paris model where you must have a long-term rental investment property to have a STRA investment property
- Charging commercial rates for STRA operators
- Barcelona or Amsterdam model where the government takes a share of the revenue from 3rd party booking platforms to fund affordable housing projects

Support for planning proposal

Overall, there was a mixed level of support for the proposed changes from agreement, disagreement and strong disagreement. Whilst the group agreed that the STRA sector needs to be regulated, it did not support the boundaries of the mapped precincts. It also felt that proposal will not solve the housing affordability issue and that additional housing supply and public transport would make a difference.

Focus group session – Local community (13 October 2022)

Top of mind issues	
<p>There was a mix of top of mind issues in this group.</p> <p>A protracted process means that the impact is long-term. No short-term fixes for a serious issue, which can be destructive to local communities including housing and volunteering.</p> <p>Increasing the supply of affordable housing options for essential and creative workers is critical.</p> <p>The precinct model/ mapped areas are too defined (black & white). South of Shirley Street should be included in the Byron Bay (West) precinct as it is mostly tourist accommodation and currently unfair. This will impact property values so why can the rich (on the beachfront) get the benefit while poorer people cannot.</p> <p>Precincts are very beach centric – consideration should be given to the rural areas, such as Skinners Shoot. Other areas provide different STRA options and offerings.</p> <p>Non-hosted STRA is a commercial operation that should be appropriately regulated and rated so that Council covers the cost of increased infrastructure demands from tourists. How will Council benefit financially from STRA? Will it bring in extra income to spend on public infrastructure? The tourism isn't going away, so the community should get more direct benefits from tourism. The impacts include roads, traffic, water, sewer and waste.</p> <p>Would have been helpful to have up-to-date data about STRA property numbers in each location, as well as State wide versus Shire wide data.</p> <p>Some also questioned how this policy approach will be complied with or regulated and whether or not this will be a further cost to Council.</p>	
Precinct boundaries	
<p>Overall, there was a mixed level of agreement about the precinct boundaries.</p>	
Byron Bay (East)	<p>Agreement with boundaries.</p> <p>The mapped area is mostly already used for STRA. Agree that Wategos Beach should be in the precinct even though it still has many permanent residents living with STRA. Unclear why the Byron CBD has been excluded.</p>
Byron Bay (West)	<p>Mostly agreement with boundaries.</p> <p>The mapped area is mostly already used for STRA. Agree that Belongil and the north side of Shirley Street should be in the precinct. The Belongil community would like to see it expanded to include properties south of Shirley Street. Others thought the precinct should only be extended to the south side of Shirley Street if the majority of the area is not owner-occupied.</p>

Suffolk Park	<p>Mostly disagreement with boundaries</p> <p>Whilst the mapped area includes STRA, amenity impacts are a problem. Would like to reduce the whole area to 90-day cap. Unclear why the properties at either end of Alcorn Street have been excluded from the precinct.</p>
Brunswick Heads	<p>Disagreement with boundaries.</p> <p>The size of the precinct should be reduced as there are many owner-occupied dwellings and the community needs to be protected.</p>
Other locations	<p>Currently, development consent can be obtained for tourist cabins in rural zones, but can't convert to permanent occupancy. This seems perverse if the objective is to increase the affordable housing supply in Byron Shire.</p> <p>Bangalow and Federal community representatives generally agreed with the 90-day cap and would not want to see an increase in STRA usage in these localities.</p>
<p>Impacts on local community</p>	
<p>In summary, this group was of the view that the proposed changes would have a mostly negative impact on the local community.</p> <p>Overall, if well managed by Council with levies in place for STRA areas and compliance is undertaken, then STRA could be acceptable. It can create another income stream for property owners. General support for hosted STRA - if well managed, it has less of an impact on community amenity.</p> <p>However, non-hosted STRA is essentially commercial and must be rated and regulated for business use. Infrastructure is an issue to support STRA (e.g. parking and traffic demands). Council needs an opportunity to gain financially and give back to the community.</p> <p>STRA can also have a number of negative impacts on the community including noise and loss of privacy and sense of community and increased stress on families living near STRA properties.</p> <p>STRA is perceived to be a better return on investment than long-term rentals and is pushing up expectations for return. The lack of affordable housing is a cause of ongoing stress and instability for community members (particularly essential and creative workers who cannot live in the community because of the cost of housing).</p>	
<p>Support for planning proposal</p>	
<p>Overall, there was disagreement with the proposed changes. Whilst there was strong support for regulating the STRA industry, it was felt that additional measures need to be implemented to make the changes effective and to address community concerns. This includes resources for compliance and funding to address infrastructure demands, along with access to housing.</p>	

Focus group session – Local businesses (14 October 2022)

Top of mind issues	
<p>There was a mix of top of mind issues in this group.</p> <p>The top-of-mind issue for the local business sector was job losses arising from the proposed changes. The Shire relies on tourism more than is recognised and there was concern about the potential for job losses and severe impact on the local economy (both direct and indirect), particularly for small businesses. This includes restaurants, cafés, supermarkets, cleaners, clothes shops, food outlets, markets, maintenance men, lawn mowers and gardeners. It was noted that people are still recovering from the pandemic and the floods and businesses can't get workers and are reducing hours.</p> <p>Amenity and affordability are seen as two different issues – need different strategies for different outcomes. In the past 5 years, the STRA sector has evolved to address amenity impacts. The proposed cap will not solve the housing affordability issue or the housing crisis. Property in Byron Shire is simply unaffordable for the average person – STRA is not the cause of this issue.</p> <p>Need purpose-built affordable housing – STRA housing is not suitable for this purpose. Hosted STRA (e.g. granny flat / studio) is actually more suited to affordable housing than non-hosted STRA. It was also noted that some of the proposed 90-day areas don't contain affordable housing stock.</p> <p>Proposed changes are seen as a knee-jerk reaction and not a solution to increase long-term rentals (owners will sell instead).</p> <p>STRA is also an important part of the accommodation stock to serve the visitor economy. Visitation to regional NSW will continue to increase and STRA helps meet these needs.</p> <p>Council should not whack the visitor economy to solve the affordable housing issue. STRA visitors are high-yield spenders compared to day trippers.</p> <p>Planning is not in place to meet housing stock requirements for visitors or residents.</p> <p>Council does not have enough income to pay for current services / infrastructure needs created by visitation to the Shire. Need to find a way to solve this issue (e.g. taxing tourists or a bed tax).</p>	
Precinct boundaries	
<p>Overall, this group did not agree with the proposed precinct boundaries.</p> <p>Some disagreed with the precinct model and felt that the HLO hotline should be mandatory with no caps. This would manage the impacts where peace and quiet are a problem for residents.</p>	
Byron Bay (East)	<p>Disagreement with boundaries.</p> <p>The boundaries are very restrictive. The precinct should be extended to streets away from the beach (e.g. Massinger and Carlisle Streets, to Ruskin and Browning Streets).</p>

Byron Bay (West)	Disagreement with boundaries. The boundaries are unfair. The precinct should be extended to include properties south of Shirley Street.
Suffolk Park	Disagreement with boundaries. The precinct should be extended to the west to Armstrong / Clifford Street or even to Broken Head Road.
Brunswick Heads	Disagreement with boundaries. No specific comments.
Other locations	New Brighton and South Golden Beach have been left off of the 365-day precincts. These provide diverse and affordable accommodation options. Hinterland is also missing. Concerned that the 90-day cap will be an issue for rural areas and the hinterland.
Impacts on local business	
<p>The STRA sector supports employment and business incomes and boosts accommodation stock for the region. As such, the proposed changes were seen as a negative for local businesses, in particular:</p> <ul style="list-style-type: none"> ○ Decrease in income / financial problems for business owners ○ Loss of jobs particularly part-time workers who may be older or semi-retired ○ Loss of tourism with visitors going elsewhere ○ Decrease in diversity of businesses in Byron and will deter new businesses as there will not be enough tourists to sustain ○ No continuity in visitor numbers during the year ○ No “surge” capacity to accommodate visitors attending major events ○ Impact across all businesses but severe impact on STRA providers and businesses who support the industry (e.g. linen hire) <p>In summary, this group was of the view that the proposed changes would have a very negative impact on local businesses.</p>	
Support for planning proposal	
Overall, there was strong disagreement with the proposed changes. The main reason was the potential for impact on local jobs and businesses. The changes are also unlikely to achieve the objective of increasing affordable housing stock.	

Focus group session – Local tourism sector (13 October 2022)

Top of mind issues

There was a mix of top of mind issues in this group.

Concern was expressed about the information in the planning proposal and that the numbers in the Urbis report are out-of-date and inaccurate. So much has changed since COVID and it seems irresponsible not to use updated data in the decision-making process. Current AirDNA statistics say there are 1,978 STRA properties, and the NSW Government register says there are 1,136 non-hosted STRA properties and 775 hosted STRA properties. Council has had since 1 February 2022 to do something about unregistered STRA properties.

The landscape has completely changed over COVID. Visitation numbers are significantly down (40% during COVID) and accommodation bookings are also substantially down. STRA owners are dramatically reducing prices (20/30%) to secure bookings. There are also increasing costs in services (e.g. cleaning or construction) due to a shortage of workers to service the tourism sector. There is a high vacancy rate even in peak periods. People now book online due to ease and accessibility with the majority of bookings via Airbnb (80%), booking.com (10%), Stayz (5%).

More broadly, post-COVID the domestic and international tourism market is very competitive and consumers are price driven. There are more affordable options for overseas packaged deals or places like Noosa which means people aren't coming to Byron.

In the business sector, many shops and cafes are operating on reduced hours due to a shortage of workers and landlords are reducing commercial rents to maintain tenancies in the CBD.

Concern was raised about the loss of employment from businesses suffering due to impacts on the STRA industry. Concern that if STRA is cut too much, then won't have anyone coming to town.

The recent flood events are also artificially inflating the rental market due to insurance payouts covering rentals for flood victims often in high-end STRA properties. This is a temporary issue that will change in 12 months.

Problems get assigned to STRA (e.g. amenity, sense of community and affordable housing) but STRA is not the actual issue. STRA is a symptom, not the cause. It is seen as a scapegoat. It is not responsible for affordability issues and increasing property prices in the Byron Shire.

Well-managed and well-positioned STRA provides an excellent guest experience. The poorly managed ones do not and are often the cause of the problems (e.g. when people move out during the peak seasons / major events and stay in local caravan parks to holiday let their house).

STRA also provides diversity in tourism accommodation stock and caters for low-impact and high-yield visitors such as families, which have not traditionally been catered for by tourist accommodation. Holiday homes have been going for a long-time (e.g. farmers going to Brunswick Heads) and are important to support a diverse visitor base.

Concern that there will be unintended consequences that cause irreparable harm.

Precinct boundaries

Overall, there was disagreement with the precinct model, but for different reasons.

Some felt that there should be equal rules for everyone, with boundaries creating prejudice within the community by giving more to the very wealthy areas which seems unfair.

Some felt that the 365-day precincts were a total disaster that will fundamentally change the fabric of the town. People in the 365-day precincts will be highly impacted and residents in these areas will be driven out as these change to high-intensity holiday-letting areas. It will also drive investment into these precincts and displace existing residents. It will be very difficult to reverse.

The exception is Brunswick Heads. This has always been a holiday town that relies on tourism. Most properties are managed by three agents and there are no noise or amenity issues like Byron Bay. The number of STRAs has been tracked over time and has been relatively steady at around 50-60. Brunswick Heads is promoted as a place for families and does not want to reduce the number of STRAs. The whole town should be 365-days.

The 90-day cap will not generate more permanent rentals. However, it was understood that 90-days in residential areas makes sense to reduce any amenity impacts from STRA.

<p>Byron Bay (East)</p>	<p>Disagreement with boundaries. Disappointed that the CBD is not included in the 365-day precinct. Assumed that Council will just add back in as a way to appease people. Unclear how many STRA properties are in Wategos Beach. The precinct could be expanded and increased to 180-days in Massinger / Browning / Seaview Streets and either 180-days or 365-days in CBD (particularly Bay Street).</p>
<p>Byron Bay (West)</p>	<p>Partial agreement / disagreement with boundaries Query whether the south side of Shirley Street should be included in the precinct. Concerned that this may create traffic congestion and impacts for main access into town.</p>
<p>Suffolk Park</p>	<p>Partial agreement / disagreement with boundaries No specific comments. Query why the ends of Alcorn Street are not included in the mapped precinct.</p>
<p>Brunswick Heads</p>	<p>Mostly disagreement with boundaries There was strong disagreement to reduce some parts of Brunswick Heads to 90-days. The preference of the local community is to have 365-days for the whole town.</p>
<p>Other locations</p>	<p>STRA properties in rural areas need to be considered. These tend to be bigger properties but with low occupancy due to the cost. Should be 180-days for these areas (acknowledging there can be impacts due to noise). If too much is cut out of this area, will place additional pressure on coastal areas.</p>

	Need to consider properties in New Brighton that are used for STRA. These are close to the beach and have always been used as holiday homes. A submission will be made with a proposed precinct for this area. It should be 180-days.
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Impacts on local tourism

In summary, this group was of the view that the proposed changes would have a mainly negative impact on local tourism.

STRA adds to the diversity of tourism accommodation stock and also to the diversity of visitors. People like to come to the Byron region because it attracts all walks of life (from backpackers to movie stars). STRA attracts families and provides options for people holidaying with pets. It also provides a balance to the negative impacts of other types of visitors (e.g. partying vibe). STRA also supports local employment and is a key part of the tourism sector.

Concern that if STRA is taken out of the market, will be left with the partying visitors. It will negatively impact the number of families that can visit and will also visit the time of year they can come (as STRA property owners will focus on weekends and peak times to maximise occupancy). It will also mean properties are empty for the rest of the year. This will create inconsistent cash flow and a 'boom and bust' cycle for businesses that support the STRA industry.

As STRA visitors generally stay longer and visit the region more broadly, reducing STRA will also negatively impact tourism across the region.

There is also a difference between part-time STRA properties (which are more likely to be the source of noise and amenity impacts) and full-time STRA properties that are managed well and vetted by professional agents.

Overall, the impacts of the proposed changes were seen as mainly negative:

- Loss of employment for people who work in the industry (e.g. cleaners, tradies)
- Increased poverty as wealth is not dissipated through the community
- Population decrease due to job loss and people leaving the area
- Fewer homes let out
- Permanent rental vacancies because people can't afford to live in Byron (noting rental cost is due to the need for investment returns)
- Imbalance of house prices based on return on investment
- Less diversity in the type of visitors
- Missed benefits from longer stays (e.g. bespoke tourism experiences)
- Increased price for STRA rental during peak season leading to a changing demographic of the visitor (very affluent guests)
- Loss of visitors to the area with people going to Tweed (Pottsville / Cabarita instead)

STRA property owners are unlikely to change to permanent long-term rental and it will be difficult to swap between STRA and permanent rental (e.g. due to furnishing). More likely that STRA properties will be vacant as the main objective for STRA investors is to make enough return to pay land-tax bill and other costs. They are not buying for yield or to make money. There are very few STRA properties that are returning significant revenue (this is a misperception). Most average

places make around \$50k per year. In Brunswick Heads, a survey of STRA owners showed that 81% would not swap to permanent rentals.

Even if property owners swapped across to permanent rental, concerned that these properties would not be affordable (e.g. in Brunswick Heads likely to be \$800 or \$900 / week, in Ocean Shores likely to be \$2,000 / week).

Concern was raised about existing 'garden flats' in Brunswick Heads which have been built as affordable housing. These could be changed to visitor accommodation as hosted STRA 365-days a year.

Concern was also raised about people finding ways to get around the rules. Questions were raised about how this will be policed and enforced in the future.

In NSW there is also no financial incentive for the NSW Government to intervene as they benefit from sales of property (via stamp duty). Local government also doesn't have a financial incentive (unlike New York where it was losing revenue due to increased STRA).

Also need time for the regulations to take effect so that the results and effect can be properly monitored and assessed.

Other policy options also need to be explored including:

- How to levy a fee on STRA operators (not owners) that is payable regardless of how many nights it is let
- Considering how hosted STRA can provide solutions to the affordable housing

On the positive side, the proposed changes will bring more structure and awareness about different areas and holiday letting.

Support for planning proposal

Overall, there was strong disagreement with the proposed changes in the planning proposal. It is unlikely to address the affordable housing issue. But that is not to say that Council shouldn't do anything to address the issue. Council has just not considered everything that needs to be properly considered and is making a decision based on incorrect data.

Focus group session – Local renters (26 October 2022)

Top of mind issues	
<p>There was a mix of top of mind issues in this group. First, it is unclear how the proposal will benefit local renters, as people will just rent STRA properties for 90 days at a higher price and close down the house the rest of the time.</p> <p>There are plenty of houses to rent but the problem is that the rental cost is too high for the tenants looking for housing. Another problem is some people have to move out of their rental properties over Xmas. This has been going on for years. Housing 'security' is not a word to use in Byron and getting a house to rent doesn't ensure housing security.</p> <p>It was noted that the cost/room/ week in a share house is more than the current job seeker. The minimum cost is about \$250/\$300 per room per week in a share house. Although there is a stream of rooms (not a glut) the person on the house lease is also at major risk of not being able to make rent if the room renters don't pay.</p> <p>Housing affordability is also related to domestic violence and often when a partner leaves the woman can no longer afford the rent. In some cases, women can't leave the relationship due to a lack of housing stock and pods are generally offered to people in relationships, especially since the floods. There are not enough pods available. Pods are being offered to flood victims before domestic violence victims.</p> <p>The number of working poor is also increasing – two adults working but still not enough money to cover costs. Now those in flood accommodation have received letters from the Department of Community Justice to vacate hotels and motels over the Christmas period. Unclear where these people will go.</p>	
Precinct boundaries	
<p>The proposed precinct model is unlikely to help people in need of rental housing. The mapped precincts are the most expensive properties, so this won't create affordable housing. The precinct model skirts around the real issue. The people without housing don't have loud voices and they are not helped by the tourism industry and local businesses. Many rentals are illegal dwellings or non-compliant dwellings, and this precinct model won't change this. The owners have no accountability as tenants will not complain as they fear losing their housing.</p> <p>Query whether the size of the STRA properties had been mapped – as they are not all houses, and some are very small. Then they could consider which ones might potentially come available that could meet housing needs.</p>	
Byron Bay (East)	No specific comments
Byron Bay (West)	No specific comments
Suffolk Park	No specific comments
Brunswick Heads	No specific comments

Other locations	No specific comments
Impacts on local renters	
<p>In summary, this group was of the view that the proposed changes would have a neutral to minor negative impact on local renters.</p> <p>It is likely to drive up prices and mean renters will need to keep moving around. One potential positive is that some STRA occupants may have to leave for a shorter period each year. But having to move all the time is not good in the first place. A potential offer of a 6-month lease is not secure housing. It is likely only a minimal amount of people will rent out their dwellings permanently instead of STRA.</p> <p>The natural disasters and the pandemic has impacted the middle class and they're demanding change that people experiencing housing issues have needed for many years. The impacts of the floods are still being felt and will hang around for at least two or more years. The recovery will take a long time. At the moment landlords are benefiting as insurance is paying rent for some people. Some emergency flood accommodation is paid for directly by Department of Community & Justice and some are paid for by insurers and some paying own rent and then being reimbursed. The timeframe paid for in each scenario differs. And some people may not be able to transition to other housing options when the time is up.</p> <p>The housing issue worsened during COVID with real estate values increasing and many people from cities able to buy in the area, especially due to work-from-home options. But not everyone can work from home especially many of those that are dependent on tourism and the ones that create community.</p> <p>It is important to recognise this is a national emergency and not a local issue. Neighbouring local government areas are now unaffordable, and people are being pushed out west where they are more isolated and the cost of living remains high. Also impacts the transient local Aboriginal community.</p> <p>It is hard to get solid data as no single organisation is across all the relevant data. Housing NSW has some figures, but these doesn't collectively address the flood-impacted areas. This would be a piece of work in itself. The problem is now a 'housing issue on steroids' as it existed before COVID and floods but has only worsened due to these events. Can't separate the flood issue from the housing issue.</p> <p>Shared housing also has its own impact on amenity with extra cars, noise and lack of infrastructure. It is also often overcrowded housing for people who are not used to sharing.</p>	
Support for planning proposal	
<p>Overall, there was a neutral level of support for the planning proposal. Whilst the changes are a step in the right direction, it was felt that the proposed changes do not go far enough to do anything on their own. Need to connect the dots and social impacts need further consideration, so more problems are not created. Also important to recognise this is a small response to a big issue that requires a multiple, wider response.</p>	

The real issue is the high rental costs and landlords with incorrect perceptions about permanent tenants. Many are mainstream people with full-time jobs who need affordable (not social) housing. Community housing providers also need to be funded to subsidise people's rents and consideration needs to be given to longer-term leases to give housing security to people and to cap rents.

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