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10th February 2023

To: Dr. Sheridan Coakes

Independent Planning Commission,
Suite 15.02,
135 King Street,
Sydney 2000,
New South Wales

Subject: Concerns with Byron Shire Council's STRA Planning Proposal

Dear Dr. Coakes,

Thank you for the opportunity to comment on Byron Shire Council's short-term rental accommodation (STRA) planning proposal. I am **Chris Kerin**, the Managing Director at the **Asia Travel Technology Industry Association (ATTIA)**. ATTIA represents companies operating in the travel and tourism sector in the Asia-Pacific region. Our Members include Agoda, Airbnb, Booking.com, Expedia Group, Amadeus, Travelport and Skyscanner.

ATTIA has studied Byron Shire Council's proposal to reduce unhosted STRA from **180-days to 90-days** in most parts of the shire. Given the **centrality of online travel platforms** to this proposal, we hope you will factor in ATTIA's perspectives when finalizing the proposal.

We appreciate that the Council is under great pressure to ensure affordable housing and rental availability for local workers. However, we strongly believe that a 90-day unhosted STRA limit is **unlikely to meet the Council's objectives** in returning rentals to the housing market. It would instead open the door to negative knock-on effects for STRA hosts, online travel platforms, and the Byron Shire community at large:

- **For the Byron Shire community:** It is unlikely that existing STRA rentals could serve appropriately as affordable housing. Moreover, a 90-day limit would signal a crackdown on STRA which could drive tourism dollars away.
- **For platforms:** The proposal would fragment the existing state-wide regulatory framework which has been carefully deliberated - through an exhaustive process - between the New South Wales (NSW) state government, local governments, travel platforms, and community representatives. Consequently, this would burden platforms

with increased compliance costs and tasks, impacting their ability to bring tourism dollars to Byron Shire.

- **For guests:** The proposal risks limiting the types of accommodation available for travelers who may need to access short term rental accommodation. For instance families with children or those traveling as a group, and who need amenities or the flexibility that STRA provides for them. This is only likely to prompt potential visitors to consider other destinations where STRA is more sustainably regulated.

Noting that Byron Bay is the home to numerous high-profile and well-attended events which draw visitors from all over the country, it is vital to ensure that the Shire can draw upon short term rental accommodation to **meet demand for additional guests during peak periods**. Limiting supply of STRA only risks limiting the number of guests who will travel to the Byron Shire to attend major events and spend in local businesses.

As such, we strongly believe that **maintaining the status quo** would minimize any further disruption to the Shire's economic recovery following the pandemic. Given the crucial role of STRA in supporting the local tourism sector during the depths of the pandemic, we urge your team to carefully consider the perspectives of online travel platforms in your assessment.

Please find below our detailed **comments and recommendations** on the STRA proposal. We welcome any further opportunities to offer our inputs, whether through meetings or by participating in official consultations.

If you have any questions or need clarification on our recommendations, please do not hesitate to contact me at secretariat@asiatravelttech.org. Thank you.

Yours sincerely,

Chris Kerin
Managing Director
Asia Travel Technology Industry Association (ATTIA)

ATTIA's Recommendations & Comments

1. Properties outside 'mapped precincts' are unlikely to constitute affordable housing.

- We recognize the Council's sincere interest in addressing the long-term housing affordability and availability needs of the Shire. However, unhosted STRA properties outside 'mapped precincts' also tend to be located in **priority tourism clusters**, which are unlikely to be affordable.
- The Council's proposal seems to be based on the **incorrect assumption that the short term rental market is static**. Hosts on STRA platforms may rent out their properties at various times throughout the year – particularly during periods of peak demand. Even those properties outside the mapped precinct for 365-night usage may still be a holiday home, which is not going to be available for long-term tenants.
- Moreover, many STRA property owners would have **incurred significant costs** on appropriate renovations, fixtures or furnishing for such properties. It would be unrealistic to assume that they can be easily converted to affordable housing.

2. The 90-day unhosted STRA limit would send a negative signal to tourists, and potentially harm players in the local economy.

- By implementing the 90-day limit, available supply of tourist accommodation would decrease in general outside of 'mapped precincts' - thereby **driving up accommodation costs** in key tourism clusters throughout the Shire.
- Coupled with the increase in accommodation costs, the Council's 90-day limit would serve as a **cautionary signal for tourists** to 'think twice' before planning a holiday in the Shire.
- This would **hurt local businesses** in all fields (e.g., restaurants, cafes, attractions), while having no positive effect on the number of homes or their prices in the area.
- Coupled with the continuing lack of new housing construction in the region, suppressed accommodation supply would only continue to raise accommodation rates, and pose a **long-term threat** to tourism to the Shire.

3. Underinvestment in affordable housing is the true root cause of the crisis.

- A sustainable, long-term solution to the Shire's housing concerns would involve **creating and incentivising affordable housing**. This could involve working with land owners,

financiers, and Non-Government Housing Providers to enable innovative means, such as a community land trust, to build and rent affordable accommodation on private land.

- Australia has experienced **decades of underinvestment** in social and affordable housing. According to the [‘Give Me Shelter’ report](#) launched by the ‘Housing All Australians’ campaign in June 2022, while the country’s population grew over 25% from 2001-2016, total stock of social housing fell by 2.5%. The proportion of social housing relative to all dwellings has also fallen from 6% in 1996 to 4% today. Further delaying assertive action on new affordable housing will only exacerbate the crisis.
- ‘Housing All Australians’ [founder Robert Pradolin](#) has also called out ongoing scapegoating of the STRA industry, and that such **finger-pointing would do little** to solve the long-seething housing crisis. Pradolin believes that initiative is needed at all levels of government to carry out long-term strategies which put a downward pressure on housing prices.
- Indeed, the [“National Housing Accord”](#) announced on 25th October 2022 in conjunction with the Federal Budget 2022 is a testament to Canberra’s recognition that the dearth of affordable housing poses an **imminent economic threat**.

4. Uncertainty remains around the proposal's anticipated economic and social impacts.

- Despite disagreeing to a significant extent with the original Economic Impact Analysis (EIA) report conducted by Urbis, the Council has nonetheless **selectively relied on certain parts of the EIA report** to make the case for the current 90-day proposal. This is in spite of the fact that the EIA’s own recommendations are at odds with the current proposal.
- ATTIA believes that a major change to the Shire’s STRA policy **cannot alone be justified** by a selective reading of the EIA report and Dr. Peter Phibbs’s peer review. To permit this would be to harm the legitimacy of the Council’s own decision-making processes, and call into question the motives of the Council in pushing through the proposal without further research into its likely economic and social impacts. As such, we urge the Council to adopt a more robust methodological approach in investigating the proposal’s estimated economic and social costs.
- Another key uncertainty relates to the accuracy of statistics on the **true number of unhosted STRA** in the Shire. Specifically, the Council has previously cited the 2019 Urbis EIA statistics which put the figure at 5,250 properties. This appears to be wildly at odds with the 1,136 unhosted properties registered in 2022 with NSW Fair Trading.
- This significant discrepancy **warrants deeper examination** to determine the veracity of the situation on the ground. If the Council’s proposal is based on inaccurate data, it may

very well be formulating a solution that does little to address the housing shortage. At worst, it could irrevocably harm the tourism ecosystem and Byron Shire economy.

5. The 90-day unhosted limit could jeopardize coherent STRA regulation.

- The current NSW-wide framework for STRA is ultimately a form of **co-regulation** between the state government, local communities, and online travel platforms. As such, key details such as day limits have been the subject of discussion and mutual compromises between all stakeholders involved.
- If implemented, a 90-day unhosted STRA limit would fragment the existing NSW STRA regime, and **interrupt the existing practice of co-regulation and deliberative policy** which takes into account industry concerns.
- Without a coherent state-wide STRA framework, platforms would likewise have to fragment their operations and compliance processes - thereby **affecting their ability to serve as effective allies to policymakers** in enabling regional economic growth.
- As some of our members were directly involved in **creating NSW's current STRA regime**, any change to that status quo would gravely affect us, and our ability to serve as effective conduits for tourism to the Shire and NSW in general.
- Rather than addressing the Shire's housing woes with a heavy-handed limitation on STRA, we would instead **invite the Council to work more closely with industry** to consider alternatives to the 90-day unhosted STRA limit.

- End -