



New South Wales Government
Independent Planning Commission

TRANSCRIPT OF PROCEEDINGS

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

EXPEDIA GROUP MEETING

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

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EXPEDIA GROUP: EACHAM CURRY

LOCATION: VIA VIDEO CONFERENCE

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TRANSCRIBED AND RECORDED BY APT TRANSCRIPTIONS

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

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

So thank you, Mr Curry, we have provided an agenda for us to work through so if you're comfortable it would be terrific if we could start off with Expedia Group's view on the Byron Shire's planning proposal.

MR EACHAM CURRY: Sure. Thank you. So just to have these details recorded,
30 my name is Eacham Curry, I'm the Senior Director for Government and Corporate Affairs for Expedia Group and, of course, Expedia Group is the parent company to perhaps one of the most obvious participants in the short-term letting sector in Byron Bay, Byron Stayz. I have prepared a statement and I hope it doesn't prove to be too lengthy but if I may I'd like to read that. Thank you.

Our partners and homeowners have been involved in the Byron Bay short-term accommodation offering for decades, starting out with real estate agents used to find families their summer beach getaway in the fifties and sixties. What's not under debate here is that Aussie families enjoy summer holidays at the beach and often that
40 means renting a whole house so that the entire family can be together, can cook meals, can wash their clothes and wake up in the same dwelling and enjoy breakfast together.

It is our view, backed by the trends we monitor in our business, that what were previously then holiday homes used only by the family that owned them and never entered on the long-term market and never intended to be rented to anyone outside their family and friends can now more easily be a part of that short-term market. Digital platforms have allowed families who own a holiday home and families to who want to rent them for a holiday to come together in an efficient and cost-effective way.

10 First and foremost we disagree with the assertion that short-term rental accommodation is the cause of, or solution for, Australia's and Byron Bay's housing crisis. We've been adamant about this for years and supported by Census data that the trends are producing government investment in social housing and also the downtrends of councils meeting their own goals for housing development. The vast majority of the homes that are offered on the Stayz platform are family holiday homes that are used by the family that owns them throughout the year and rented to other families in between those times or the primary purpose of the home is for the family who owns it to take a break, these homes will never be a part of the long-term rental pool.

20 Measures such as capping the number of nights a home can be slept in, increasing taxes and introducing levies to put pressure on holiday homeowners to rent their property long-term or to sell it to a local are blunt instruments that purport to fix the problem but from observing the heightening housing crisis, particularly over the last 12 months it's obvious that limiting the availability of short-term rental accommodation is simply not going to be a good fix that many hoped for.

30 Second, the homes that are on offer on our platform are not in a price bracket that would normally be considered affordable. So even if they were to be put back on the market for resale or for long-term rent they would not contribute to the stock of social and affordable homes.

Third, we're acutely aware of the value of tourism for many regional economies around our nation. We acknowledge the difficult balancing act that exists between attracting visitors who create demand for goods and services and therefore support local businesses and jobs and having suitable accommodation available for locals earning local wages and getting that balance wrong means visitor demand goes elsewhere and with it the jobs and businesses, then you don't need accommodation for locals.

40 We've stayed abreast of the lengthy process that's been undertaken in Byron Bay to try and articulate the issues associated with short-term letting in the Shire. It keeps

coming back to the Council working on the premise that there is not enough housing in the region to satisfy demand for people to live permanently in the area. Taking that as the priority premise we do not find sufficient evidence for our knowledge of the Byron Bay situation, or elsewhere in Australia for that matter, or even the rest of the world where similar such problems are present.

We don't accept the premise that reducing the availability of homes often on a short-term rental basis for 90 nights will make a noticeable impact on the housing crisis. This 90-day measure is highly unlikely to motivate families that own a property for their use throughout the year to suddenly rent it out long-term. It is likely, however, to result in the property being locked up and unavailable for visits. It seems directly counter to all other evidence to have resources sitting idle. This reduces the money that flows into the Shire and therefore the demand for goods and services. The priority problem is no closer to be solved but a new challenge of smaller local economy has been created.

Now, this might be the outcome that the Council desires. Fewer people accessing fewer goods and services which will result in a new equilibrium but it is very clear that the regulation of short-term letting in this way will not solve the current housing crisis. Perhaps the debate that many would prefer that we were having is whether Australians should be allowed to own more than one home or whether or that you're only allowed to own an investment home if it's rented out under affordable pricing and for a long time.

The economic survey conducted by (not transcribable) prior to COVID, which we commissioned, homeowners in the North Coast tourism region, which encompasses Byron, Brunswick and beyond, hosted more than 620,000 nights of accommodation through short-term letting platforms generating approximately \$160 million in accommodation revenue for themselves and their families. This represents 25.8 per cent of total room nights booked at traditional accommodation offerings on the North Coast, those being hotels, motels, serviced apartments, et cetera.

In that same survey the short-term living sector generated approximately \$437 million in additional economic activity and supported 2,365 full-time (not transcribable) jobs across the North Coast region. 135 million was generated through short-term visitor accommodation - sorry - short-term visitor spending at local businesses, being shops, cafes, bars, restaurants, transport, tourism, entertainment operators. These figures are consistent with those calculated by the Byron Bay Business Owners Group that the 90-day cap would remove 267 million from the local economy and jeopardise 1448 local jobs, noting that their figures cover the small area, the smaller area within the North Coast region without economic analysis.

One of our greatest concerns throughout this process is the success of the Byron Council's short-term letting planning proposal swings entirely on the belief that limiting short-term letting to 90 days will motivate a sufficient number of homeowners to put their homes on the market under conditions that allows locals to rent there long-term or to buy. This drastic measure is being proposed in an environment surrounded by anecdotal evidence, noting the ongoing debate on even the number of short-term letting homes in the region.

- 10 So it's hard to see how anyone could've conducted a rigorous evidence-based analysis demonstrating that the proposal regulation has any chance of addressing the problem that Council has articulated. To us this seems to be a very costly guess process which is made worse by the fact that as a result of the New South Wales register now being in place. We are very close to having at our fingertips actual data that can ensure alignment between the proper articulation of the issue and solutions that have a high chance of success.

- 20 At best, this planning proposal is jumping the gun and at worst is a regulatory overreach that will do nothing to alleviate the housing problems in the area but have ramifications for homeowners, businesses and local jobs. It's notable that despite significant policy and regulatory changes to the short-term letting sector, particularly over the last four to five years in Australia there has been on noticeable change in the availability of social or affordable housing. One could, in fact, argue that the housing crisis continues to get worse despite the regulation of the short-term letting sector.

- 30 I make my final point and that is that every council in Australia could completely ban short-term letting and the total contribution to availability of permanent housing would be two per cent and that's if every family decided to sell their holiday home just because of their limitation based on short-term rentals and we know from other jurisdictions this is never the case. Put this into perspective, the current estimated number of 220,000 short-term let dwellings in Australia is completely overwhelmed by the impact of the decrease in the number of people living under the one roof between the last two Censuses conducted in Australia. The decrease from 2.6 people per dwelling to 2.5 people per dwelling alone has seen the need increased by 400,000 dwellings or more than 3.5 per cent. I'll end where I began. Short-term letting is not the cause of, nor solution to our nation's housing crisis. Thank you.

- 40 DR COAKES: Thank you, Mr Curry, and I notice Richard has got his hand up so I'll hand to him first.

PROF. RICHARD MACKAY: Thank you, Chair. This is Richard Mackay and thank you, Mr Curry. I guess the first thing to say would be you would be very welcome to submit the notes from which you were speaking as a submission to the Commission, should you wish. I've got about three questions. I'm wondering if Expedia or Stayz actually has some data perhaps in redacted form that shows what you indicated that the majority of the short-term rental properties in Byron Shire are, in fact, family homes that would otherwise, you know, be let out to family and now can be made available to others. Is there some actual data extracted from your platform that could give us those numbers please?

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MR CURRY: So I cited some data from a report that I commissioned back in 2019 and I would be - and I referred to that data. I'd be happy to share some of that in a, in a redacted form after this meeting.

PROF. MACKAY: Thank you. And look, in a similar vein I also noted your submission that, look, a number of the properties are not at a price point that would be relevant to the long-term residential shortage in Byron. The Commission over the last couple of weeks has generally taken a view based on submissions that the sort of luxury houses are about the thousand dollar a night price point. Is that something else where you'd have some data you could share with us? We're very interested in understanding the number of those kind of houses outside the reach of typical long-term renters that would be affected by the proposal 90-day cap. So did you some clear data on that that's available, please?

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MR CURRY: We will have the data. I'll talk with our team. So we are a bit reticent about sharing some of that data because it is proprietary information. Let me talk with our team about that to see what we might be in a position to share, to the extent that it's useful, but I am, I am sort of mindful of the proprietary nature of the data and not wanting that necessarily to be public.

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PROF. MACKAY: Thank you. Look, understood and, of course, the Commission because of its independence does publish everything that's provided so we certainly need to ask on that basis but even, even something that is aggregated. The Commission is trying to get a handle on of the properties in the 90-day cap area as proposed, I mean, a number of submissions have said to us, look, you know, these are expensive properties, they are not going to be available for tradies even as share houses because they have garden maintenance staff and they're multi-room and they've got swimming pools and whatever but no one's yet been able to share with us any kind of numerical indicator about them to help us grapple with the scale of the problem.

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Look, the third question I wanted to ask about is again whether you've got information on how many of those properties are not actually already being put on STRA for more than 90 days. I mean, people are assuming a cap is going to affect the rental of these properties but presumably not all of them are leased for 90 days at the moment anyway and related to that, if I'm, if I'm a renter, if I'm wanting to take my family to Byron and a property is not available because it's reached the 90-day cap I'll switch to another one so there will be a transfer. I mean, the other one might be in one of the 365-day areas. So, again, I'm just pushing back a little bit on the assertion that it's all impact because the market will actually transfer between the, you know, available
10 properties and I welcome any comment or submission you might like to make about that prospect as well please.

MR CURRY: Yeah, thanks, Commissioner. There's a bit in there, let me deal with perhaps the other bit beyond the data we might be able to share. I think probably we can share something in an aggregated form that would, that would prove useful to you so let me, let me come back to you on that. Turning to the question about the 90-night cap, and if I can - if you'll indulge me for a moment to share a little bit of the history of development of the short-term letting regime in New South Wales. I've been in this role since October 2017 and was intimately involved in each of the steps of the
20 negotiation and consultation which led to where we are right now including the panels brought together by the Departments of Finance and Fair Trading and others for the creation of the code of conduct and the register and other things and integral to that were lengthy discussions and debates about what, you know, what night cap would be engaged and the State eventually settled on 180.

Now, Stayz' position has always been that we actually don't support any night cap on the basis that it is not a tool fit for purpose. So what I mean by that is to say that if your intention is to regulate the sector so that you're achieving - or one of a couple of things, and we note that these are the main drivers for governments to want to regulate
30 - concern for housing affordability and availability, the impact that it has on community amenity, impact that it potentially has on provision of local council services, then a night cap won't address any of those things because even with a 180-day night cap you've still got 180 days in which other problems can still be present. Night caps don't fix any of it.

So our default position is that we don't support night caps simply because they aren't fit for purpose but that's not the world we live in. We live in a world where the Government made that decision and we understand the reasons for it. It sounds like a sexy tool and, and, you know, they had every right to make it so we play within that.
40 Now, when we do negotiate and talk with governments about that, knowing that their

intention is to set a night cap, we encouraged them to be as flexible and set it as high as possible so as not to cool the positive impact that it has.

We know that for the vast majority of people who let their properties there is a sweet spot; it's more than 90 and for most people it's probably less than 180 but we don't put a figure on it and again that's because to put a figure on it would suggest that we're endorsing that there is such a positive thing as a night cap and we don't believe there is. We think there are better tools to address all of those concerns but the one which has been advanced most by us, of course, is housing affordability and again the
10 night cap won't do anything to support that.

PROF. MACKAY: Yes.

DR COAKES: Mr Curry, just a quick question there. Have you experienced any changes in listings as a result of the introduction of the 180 cap?

MR CURRY: No, because it actually hasn't sort of taken effect yet. So, but we know that there will be a lot of people who will exit if they simply can't make it pay.

20 DR COAKES: And you mentioned some of those other better tools to address, obviously there's tools around the housing affordability piece but are there any others? We've been hearing discussion about visitor levels and other things, can you make a comment around some of those other tools that may assist?

MR CURRY: Yeah. So, well, I mean, I think we've always encouraged the conversation that, that looks at the contribution that short-term letting sector can or should make, recognising that it does have some impact. It certainly has an impact on provision of some local council services. What's the best way to do that? Well, we think that the - we've always argued that where there is the need to develop a system
30 like that which has been developed for New South Wales it is the sector that actually should pay for that. We are the beneficiaries of this regulation which we support and, therefore, you know, we ought to have skin in the game by paying for it and that's done by way of a fee that is paid by the owner of the property to, to, you know, support the maintenance of that regime.

We think that there are further conversations which can be had around, you know, what - let me give you another example. In New Zealand, in both Auckland and in Queenstown there have been long-standing questions around whether or not short-term letting should be considered as a commercial interest and we say, yes, it's a reasonable
40 question. Whether or not that constitutes commercial in the same way that a hotel is, well, we don't think that that's correct. In Auckland they sought to have a staggered

accommodation provider target rate. Now, the intent, I think, was sort of, you know, good but it wasn't done in a particularly - it was done in a bit of a ham-fisted way and they're having to revisit that but in Queenstown they took a slightly different approach and they've instead decided to levy a tourism tax, if you like. It really only hits accommodation providers and we don't think that that's the right approach. We think that if it's a proper tourism tax then it ought to be levied against those who provide activities, car rentals, airlines, et cetera, so that it minimises the amount.

10 Now, we support all of these conversations, they're reasonable to have but we would encourage those things to be done as centrally as possible and by that I mean it should be a state government thing rather than necessarily a piecemeal approach that's undertaken by local government.

DR COAKES: Thank you. And I just note Juliet's got her hand up. Juliet.

MS JULIET GRANT: Yes, sorry, I just wanted Mr Curry to go back to the comment when we were talking about whether you'd noticed any difference since the introduction of the cap had been introduced and you commented that it hadn't started yet. In fact, it's been happening in Byron for a year so I would've anticipated by now
20 there would be some data sort of starting to filter, filter through. Is that not the case?

MR CURRY: Well, we know that there are many of our partners who have actually, you know, had to limit the amount of time available. We think it's a, you know, it's a false, it's a false thing. I don't see any data to hand to be honest, but we also note that this has been a matter under dispute so we've been prepared to sort of let the process play out in the hope that common sense would prevail and things will return to the way they should be.

30 DR COAKES: And, Mr Curry, just on the discussion around precincts, I wonder if you could comment on those, is the defining the council as part of that planning proposal as defining 365-day precincts, I'd just be interested in your response.

MR CURRY: Administratively messy is the best way to characterise it. Look, we've, we've seen similar things that have been proposed as part of considerations that are being undertaken in Western Australia, particularly where a council in the absence of the State having yet stepped in proposing bans on development in greenfield, on greenfield sites. Look, again as a general rule we think it's a sort of an arbitrary - I can understand why people might want to do it but we think it's a bit arbitrary and I'm not sure it will end up having the intended impact other than, other than to actually,
40 you know, stimy something which could quite naturally happen and which can be better controlled using other tools like a code of conduct.

DR COAKES: Thank you. Any further questions, Richard, Juliet?

PROF. MACKAY: No, I'm good. Thank you, Mr Curry, that's been really informative and again just an invitation to put in your notes as a submission which would certainly assist the Commission. Thank you.

MR CURRY: Thanks, Commissioner.

10 MS GRANT: Yes, thank you very much for your time.

MEETING CONCLUDED

[11.56am]