9 October 2017
Our Ref: PH/21; OCR 20176317

Director, Housing Policy
Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

Dear Sir/Madam,

Re: Short-term Holiday Letting in NSW – Options Paper Submission

At its meeting of 27 September 2017, Tenterfield Shire Council considered a report on the Options Paper and resolved to lodge a submission, identifying options, in order of preference for moving forward with provisions in relation to STHL. A copy of the report is enclosed for your information.

Council resolved as follows;

That Council lodge a submission to the Short-term Holiday Letting in NSW Options Paper, identifying the options, in order of preference, as;

1. Planning regulation – with broader exemptions in regional areas and incorporated in to the State Environmental Planning Policy (Exempt and Complying Development Codes);
2. Registration – registration through NSW Fair Trading;
3. Industry self-regulation;
4. Strata regulation.

Should you have any questions please contact Tamai Davidson of Council’s Infrastructure, Environment and Regulation Department on (02) 6736 6002.

Yours sincerely,

Tamai Davidson
Senior Planner

Encl.

All correspondence should be addressed to:

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SUMMARY

The purpose of this report is to advise Council of the “Short-term Holiday Letting in NSW – Options Paper, July 2017” and recommend that a submission be made. The Paper is currently open for consultation with all stakeholders and explores approaches to implement a whole of Government framework, addressing land use and planning concerns, strata managed buildings and the amenity of existing residents in relation to short-term holiday lettings. A copy of the Options Paper can be found at Attachment 6 (Booklet 1).

OFFICER’S RECOMMENDATION:

That Council lodge a submission to the Short-term Holiday Letting in NSW Options Paper, identifying the options, in order of preference, as;

1. Planning regulation – with broader exemptions in regional areas and incorporated in to the State Environmental Planning Policy (Exempt and Complying Development Codes);
2. Registration – registration through NSW Fair Trading;
3. Industry self-regulation;
4. Strata regulation.

BACKGROUND

In recent times across NSW and nationally, there has been rapid growth in short-term holiday letting (STHL), particularly since the emergence of online booking services (eg Airbnb, Stayz). In 2016 the NSW Legislative Assembly Committee on Environment and Planning conducted an inquiry into the adequacy of regulation for STHL in NSW. The Government’s response to the inquiry supports putting in place a regulatory framework for STHL and the Options Paper seeks feedback on the approaches to enable economic benefits while managing the social and environmental impact of STHL.

STHL has the potential to generate impacts on the community if not adequately managed, including noise, waste, traffic and parking, safety and security. However, it
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is acknowledged that these impacts vary between regional and metropolitan areas and can be managed in different ways.

Current provisions in *Tenterfield LEP 2013* mean that any conversion of dwellings for STHL or Bed & Breakfast style accommodation (letting out a room/s in your own home) require a Development Application to be lodged with Council for assessment. To date, Council has not been made aware of any impacts or issues surrounding this form of use.

**REPORT:**
There are a number of regulatory options that could be considered either individually or in combination as having the potential to manage the impacts of STHL, which include;

- Greater industry self-regulation through a strong Code of Conduct;
- Registration or licensing of STHL operators;
- Changes to strata laws to protect residents’ amenity;
- Regulation through the planning system.

Below is an extract from the Paper outlining the potential options available for a future framework for STHL.

![Figure 1: Potential Options](image)

**Note:** The policy options for STHL could include regulatory or non-regulatory approaches, or a combination of both. A combination of options from any rows or columns (or other options not covered in the paper) can be chosen to suggest a policy framework for the STHL in the submission form.

It is acknowledged that there are variations in the degree of use and impacts of STHL across the state and, to date, this form of accommodation in the Tenterfield Shire has not reached the scale that has become apparent in metropolitan and coastal areas.
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(Byron Shire estimates over 900 STHL houses are let to tourists). Council has seen interest in STHL in recent times with eleven (11) development applications approved since 2013.

Based on the history in Tenterfield it is considered that the majority of STHL options could be classified as ‘exempt’ and not require council consent, falling under the “Planning Regulation” option. However, there may be some circumstances where a Development Application is warranted eg when the dwelling is located on bushfire prone land and requires the general terms of approval from the NSW Rural Fire Service.

In lodging a submission, Council are requested to identify the preferred options to be considered in the future regulatory framework. In this regard, it is recommended that, in order of preference, the following be considered;

1. Planning regulation – with broader exemptions in regional areas, using numbers of days per year and compliance with a code of conduct to regulate and incorporated in to the State Environmental Planning Policy (Exempt and Complying Development Codes).
2. Registration – registration through Department of Fair Trading.
4. Strata regulation – this has little to no impact in Tenterfield Shire.

The current consultation process will identify approaches to implement a framework for future regulation of the STHL which will be further consulted at a future time.

COUNCIL IMPLICATIONS:

1. Community Engagement / Communication (per engagement strategy)
   The Options Paper is currently on public consultation via the NSW Planning & Environment website, with submissions closing on 31 October 2017. Staff also forwarded relevant information to the Tenterfield Chamber of Commerce, Industry & Tourism should they wish to lodge a submission on behalf of their members.

2. Policy and Regulation
   - The Options Paper is the next step in determining a policy framework, by engaging with stakeholders, industry and the general public to discuss the appropriate level of regulation that is required to best meet the needs of the community. Any changes to Legislation or Policy will undergo the required consultation at a future time.

3. Financial (Annual Budget & LTFP)
   No implications.

4. Asset Management (AMS)
   No implications.

5. Workforce (WMS)
   No implications.

6. Legal and Risk Management
   No implications.
7. **Performance Measures**
   No implications.

8. **Project Management**
   No implications.

Andre Kompler
Chief Operating Officer

Prepared by staff member: Tamai Davidson, Senior Planner
Approved/Reviewed by Manager: Andre Kompler, Chief Operating Officer
Department: Infrastructure, Environment & Regulation
Attachments: 1. Attachment 6 (Booklet 1) - Short-term Holiday Letting in NSW - 32 Pages
Options Paper - July 2017