



Kiersten Fishburn  
Secretary  
Department of Planning, Housing and  
Infrastructure  
Parramatta NSW 2150

28 March 2024

**Ref No: F2021/00607**

*Submitted via NSW Planning Portal*

Dear Kiersten,

**RE: Discussion paper on Short-and Long-Term Rental Accommodation – Randwick City Council interim submission**

Randwick City Council (RCC) submits this response in response to the Discussion Paper on *Short and Long-Term Rental Accommodation* recently published by the NSW Department of Planning, Housing and Infrastructure (DPHI). At Council's Ordinary Meeting of 26 March 2024, Council resolved to endorse this submission and forward it to the DPHI for consideration.

RCC is committed to ensuring that our local community benefits from balanced and sustainable housing options. We recognise the importance of both short-term and long-term rental accommodations in achieving this balance, and we appreciate the opportunity to contribute to this important discussion. Particularly, we acknowledge the intent of the review and discussion paper is to investigate all available policy levers to help unlock housing supply and alleviate the ongoing housing affordability pressures felt throughout NSW.

The statement within the Discussion Paper that releasing properties from short-term rental accommodation (STRA) and those that are underused provides the opportunity for a quicker response to increasing housing supply than rezoning and uplift mechanisms is strongly supported.

In our submission, we aim to provide insights based on our experiences and observations within the Randwick LGA and highlight previous submissions made to DPHI. This is followed by addressing the key aspects outlined in the Discussion Paper with corresponding recommendations and/or clarifications listed. We trust that our perspective can contribute to a more comprehensive understanding of the challenges and opportunities presented by STRA.

**Current level of STRA in Randwick**

Historically, the Randwick LGA has contained a high number of (STRA) property listings. As of December 2023, 7.7% of the total 25,480 STRA listings in Metropolitan Sydney were in the

Randwick LGA<sup>1</sup>. This amounts to the Randwick LGA containing some of the highest numbers of STRA property listings across metropolitan Sydney.

In 2019, prior to the global pandemic, there were approximately 3,346 STRA property listings across the Randwick LGA. Of those listings, 59.6% were entire homes/apartments, 38.5% were private rooms only and 1.9% were shared rooms<sup>2</sup>.

Due to the challenges posed by and a reduction in demand caused by the COVID-19 pandemic, the number of STRA properties in the Randwick LGA reduced during the following years. By December 2022, there were a total of 1,147 non-hosted STRA properties in the Randwick LGA<sup>3</sup>. The trend of reducing STRA aligns with the AirBnB study authored by Urbis that observed a similar decline through the COVID-19 pandemic.

However, the most recent data obtained from Inside Airbnb indicates that there has been a significant increase in STRA property listings since December 2022. As of December 2023, there are a total of 1,962 STRA property listings comprising of 64.8% entire homes/apartments, 33.1% private rooms, and 1% shared rooms and 1% hotel rooms within Randwick LGA. While these figures do not yet match pre-covid numbers, it represents a 70% increase in STRA property listings year-on-year.

Considering concentrations of STRA properties, STRA tends to cluster in the northern and coastal parts of the LGA (Clovelly, Coogee, Kensington and Kingsford), where key worker housing is particularly needed to support productivity within the Randwick Health and Education Precinct. The number of STRA listings in these suburbs amounts to 5% (approximately) of dwelling stock in these areas. This is substantially higher than the 2.2% of dwellings stock across NSW that are used for STRA<sup>4</sup>.

### **History of STRA advocacy in Randwick**

In recognition of the impacts of STRA on local rental housing markets, residential amenity and local character, various planning related initiatives have been investigated by Council to combat the impacts of this accommodation type.

In 2019, Council provided a submission on the STRA reforms which sought to bring about the legislative framework for the use of residential premises for the purpose of providing STRA. In the submission, Council raised several concerns including the impact of STRA on the supply of long-term rental accommodation and affordability. In addition, Council raised concerns regarding the exclusion of bookings for a period of 21 days or more for non-hosted short-term rental accommodation and the booking type not counting towards the permitted day caps. These concerns are reiterated further down in this submission.

In 2022, the Randwick Comprehensive LEP Planning Proposal sought to limit the number of days per year for non-hosted STRA to 90 days, however the initiative was removed from the Planning Proposal by the Department of Planning and Environment via a Gateway Condition. The following justification was provided:

- *Inconsistency with the state-wide planning approach which limits non-hosted letting to 180 days a calendar year under the Housing SEPP*
- *Introduction of a state-wide Register and Code of Conduct (also commenced in November 2021) would largely manage amenity impacts*
- *Lack of evidence provided to demonstrate negative social and economic effects of STRA*

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<sup>1</sup> <http://insideairbnb.com/>

<sup>2</sup> *ibid*

<sup>3</sup> *ibid*

<sup>4</sup> Chart 27, Urbis - Short-Term Rental Accommodation and Housing In Australia

- *The state-wide 180 day limit would be subject to a 2 year review in 2023, which would further inform the STRA policy.*

At the 28 February 2023 meeting, Council considered a report regarding rating options, planning legislation and other initiatives addressing the impacts of STRA across the Randwick City Local Government Area (LGA). At this meeting, Council resolved to:

*“write to the Minister for Planning and Homes advocating for the introduction of a bed tax or other scheme to be remitted to councils to address the impacts of short-term rental accommodation on local communities.”*

Following the resolution, on 8 May 2023 Council wrote to the Minister for Planning and Public spaces and requested that a visitor levy or bed tax be investigated by the State Government.

### **Day caps on non-hosted short-term rental accommodation**

The current framework permits STRA in residential zones without council approval under the Exempt Development pathway, in conjunction with day caps for non-hosted accommodation which vary on a regional basis. In Greater Sydney, for instance, un-hosted STRA has a cap of 180 days each year with bookings over 21 days excluded from the day limit. Regional council areas have greater flexibility to decide an appropriate cap for un-hosted STRA depending on their individual context.

As noted above, Council has previously raised concerns about the 180 day cap on the grounds that it is overly generous and does not adequately address the impacts of STRA on rental housing supply, amenity, sense of community and local character. Moreover, the current provisions which exclude bookings of STRA for 21 or more consecutive days from the 180 day threshold are highly problematic as it effectively creates a loop hole for facilitating year round short term letting of premises.

In response to these issues, Council’s major policy documents- the Local Strategic Planning Statement and Housing Strategy include key directions for the management/regulation of STRA including the introduction of a 90 day threshold for un-hosted STRA under the local planning framework. This reduced threshold is considered to provide a balanced approach, allowing property owners the flexibility of renting out their homes from time to time (e.g. when on holidays or during peak summer months) and supporting the diversity of visitor and tourism accommodation offerings in the LGA, while helping to minimise the impacts upon the supply of rental housing, residential amenity and sense of community.

As aforementioned, Council initially included the proposed 90 day cap in the Randwick Comprehensive Planning Proposal, however it did not proceed given that the STRA framework which was being introduced at the time. Notwithstanding this, Council’s position for a 90 day cap remains the same, noting that the 180 day State wide ‘blanket provisions’ under the current framework fail to consider the vastly different contexts and preferences not only across Local Government in NSW but also within an individual LGA, whereby STRA issues may be confined to a few locations.

To further address localised imbalances, support is also given to the consideration of sub-LGA place-based day caps in areas where higher levels of STRA concentration exists. This will enable researched and targeted policies to respond to the impacts of STRA on localised housing markets. As raised above, areas in the northern and coastal parts of the Randwick LGA, the number of STRA properties in these areas is more than 2.5 times the state average.

***Recommendation: to address this variation and diversity, it is recommended that the STRA framework be amended to:***

- **Remove the 21 day consecutive booking provision to close potential loopholes that would otherwise allow a dwelling to be rented out consecutively as STRA for 12 months a year; and**
- **Introduce a lower day cap aligning with Randwick City's requested 90 day threshold; or**
- **Enable individual councils the flexibility to determine the number of days that properties can be used for non-hosted STRA under the Exempt Development pathway in specific areas, in conjunction with complying development or development application requirements for proposals which exceed these limits.**

### **Existing capacity within land use policy settings for short-term rental accommodation**

When determining an appropriate day cap, consideration must be given to understanding the permissibility of land uses associated with short term / tourist accommodation. The Randwick Local Environmental Plan (RLEP) already provides for substantial capacity within existing zoning frameworks for land uses typically associated with short term / tourist accommodation.

As demonstrated by the list below, across the Randwick LGA the following land uses are permitted with consent in the R3 Medium Density Residential, E1 Local Centre and E2 Commercial Centre zones within the Randwick LGA:

- Bed and breakfast accommodation
- Hotel or motel accommodation
- Serviced apartments

In addition, backpackers' accommodation is permitted with consent within the E1 Local Centre and E2 Commercial centre. Combined, such permissibility ensures that short term / tourist accommodation demand can be accommodated within the existing planning framework. Specifically, Coogee is serviced by numerous large hotels, serviced apartments and hostels while the Health and Education Precinct in Randwick is supported by numerous hotels and serviced apartments. In adjacent areas, bed and breakfast accommodation provides further offerings.

Further, within the Randwick LGA, hotels, serviced accommodation and similar options contribute towards the vitality and offering of commercial centres. The location of these uses within commercial centres and within adjoining R3 zones ensures that guests have a range of services within walking distance and increased public transport accessibility.

***Recommendation: in the instance that individual Councils are provided the opportunity to determine day caps for non-hosted STRA, consideration must be given to permissibility of short-term / tourist accommodation in residential and employment zones within the LGA.***

### **Enforcement, definitions and research**

#### *Enforcement*

The State Government run STRA Register ensures compliance with the new fire safety standards, as well as tracking day limits of each STRA dwelling (via a unique STRA Property ID number) and provide details to assist local councils with monitoring STRA in their respective local government areas. Anecdotally, Council has perceived a reduction in complaints received since the introduction of Register and associated requirements in November 2021.

In the context of the review, the critical issue for Council is not the relevant approval pathway as such, but rather, Councils' ability to ensure that a premises operates in accordance with the relevant Exempt Development standards or Development Application conditions.

Key areas where this is a concern include:

- Ability to verify that a host is present for hosted STRA
- Ensuring that the day caps per calendar year are complied with

- Managing noise and amenity complaints

Council wishes to highlight the need for the NSW Government to undertake the required monitoring to ensure that the relevant day caps are enforced. The administrative resourcing combined with legal approvals required by Council to undertake any enforcement related to exceedances of non-hostel daily caps create an administrative burden.

***Recommendation: Given the above issues, it is critical that the State Government provide an effective enforcement mechanism at the State level (or funding at local level), to ensure enforcement and compliance with STRA guidelines.***

#### *Definitions*

As raised in the Discussion Paper, it is supported that further clarity is provide around the definition of hosted versus un-hosted STRA. For STRA to be categorised as hosted it should be defined as occurring within a single dwelling that is the principal residence of the host. This is to ensure that secondary dwellings and dual occupancies are subject to non-hosted STRA caps and can be utilised to as lower cost long-term rental accommodation, rather than for the purposes of STRA.

***Recommendation: Clearly define differences between hosted and non-hosted STRA, aligning with land use definitions contained within the Standard Instrument.***

#### *Research*

The NSW Government material highlights information contained within the Register may be provided to local government authorities for statutory purposes. Typically, local government is reliant on third-party websites for detailed information on the number, location and type of STRA within an LGA.

To avoid the continued use of third-party data sources for research purposes, consideration should be given to expanding the availability of non-confidential data contained within the Register for other government purposes. These include determining existing dwelling capacities and utilisation rates through to the preparation of Housing Strategies.

***Recommendation: Provide Register information / listings to local government for research and strategic planning purposes.***

#### **Potential revenue measures**

Research has found that non-hosted STRA reduces the number of long-term residential rentals available within the rental market and impacts upon housing affordability. In addition, STRA properties may also negatively impacting the local community by placing a strain on infrastructure and amenity of surrounding properties. To address these impacts, a visitor levy or bed tax could be implemented by the State Government.

Such a levy could be mandated at the time of booking, payable by occupiers of STRA, and passed on by STRA operators directly to local government. Funds raised could provide an income stream to Council that may be used to free up general rate revenue for other uses such as those to address the amenity, infrastructure, and service impacts of STRA and also to provide an additional income stream to fund affordable housing.

This initiative is supported by the Independent Planning Commission (IPC) who undertook a review of the Byron Shire Council Planning Proposal that sought to reduce the number of non-hosted short-term rental accommodation from 180 days to 90 per year for most of the Byron Shire and to increase short-term rental accommodation to 365 days in part of the Shire. It is noted that the IPC report includes several key recommendations, including tightening the cap for non-hosted STRA to 60 days across the whole Shire.

The IPC recommends a levy mechanism be imposed by the State Government to include:

- Additional STRA property registration fees
- A per-booking levy on STRA stays, and
- An additional Council rate category for registered STRA properties.

It is noted that hosting platform Airbnb recently announced during the IPC review that it supports the introduction of a levy in local communities to fund services and infrastructure.

Council supports the implementation of a levy or bed tax as an avenue for potential revenue, however, to generate direct income at the local government level Council also supports a new rating category for STRA. It is noted however that the restrictions within the current legislation prohibit the charging of different rates of properties used for STRA and would require an amendment to the Local Government Act. Embracing legislative changes presents challenges for rates administration in local government, as it requires Council to adapt by categorising properties multiple times a year and refining rating calculations. The inclusion of STRA within Councils rating system would also require Council to invest and refine processes, resources, and systems from Council's current state to implement the new rating category.

As outlined earlier in this submission, clear definitions on hosted versus non-hosted STRA would need to be considered and corresponding definitions and applications would need to be considered under the Local Government Act.

Given the significant impact STRA is having on local communities, it is imperative that appropriate changes be made allow adequate funding to be levied by state and local government to be able to manage the impacts caused by STRA.

***Recommendation: introduce a visitor levy / bed tax along with a new rating category that provides the pathway for Council's to fund additional infrastructure demands and impacts caused by STRA.***

## **Conclusion**

Council is committed to ensuring that the Randwick community benefits from balanced and sustainable housing options for both short term and long-term rental accommodation. The submission reflects a thorough analysis of the current state of STRA in Randwick City and identifies areas of concern, particularly in the northern and coastal parts of the LGA including within/surrounding the Randwick Health and Education Precinct.

To effectively manage the supply and affordability of long-term rental accommodation, the submission highlights that a place-based approach on day caps for non-hosted STRA is necessary. It is further recommended that potential revenue measures such as a visitor levy or bed tax be introduced, as well as including a new rating category to enable Council to better manage STRA effectively.

Council looks forward to continuing to work with the NSW Department of Planning, Housing and Infrastructure to further refine the policy setting for STRA in NSW and to implement measures that promote housing affordability, supporting local communities and ensure the sustainability of the housing market.

Yours sincerely,



**Kerry Kyriacou**  
Director City Planning

<p><b>English</b></p> <p>If you need help to understand this letter, please come to Council's Customer Service Centre and ask for assistance in your language or you can contact the Telephone Interpreter Service (TIS) on 131 450 and ask them to contact Council on 1300 722 542.</p>	<p><b>Greek</b></p> <p>Αν χρειάζεστε βοήθεια για να καταλάβετε αυτή την επιστολή, παρακαλείστε να έρθετε στο Κέντρο Εξυπηρέτησης Πελατών της Δημαρχίας (Council Customer Service Centre) και να ζητήσετε βοήθεια στη γλώσσα σας ή τηλεφωνήστε στην Τηλεφωνική Υπηρεσία Διερμηνέων (Telephone Interpreter Service — TIS) τηλ. 131 450 και να ζητήσετε να επικοινωνήσουν με τη Δημαρχία τηλ. 1300 722 542.</p>	<p><b>Italian</b></p> <p>Se avete bisogno di aiuto per capire il contenuto di questa lettera, recatevi presso il Customer Service Centre del Municipio dove potrete chiedere di essere assistiti nella vostra lingua; oppure mettetevi in contatto con il Servizio Telefonico Interpreti (TIS) al 131 450 e chiedete loro di mettersi in contatto col Municipio al 1300 722 542.</p>
<p><b>Croatian</b></p> <p>Ako vam je potrebna pomoć da biste razumjeli ovo pismo, molimo dođite u Općinski uslužni centar za klijente (Council's Customer Service Centre) i zatražite pomoć na svom jeziku, ili možete nazvati Telefonsku službu tumača (TIS) na 131 450 i zamoliti njih da nazovu Općinu na 1300 722 542.</p>	<p><b>Spanish</b></p> <p>A la persona que necesite ayuda para entender esta carta se le ruega venir al Centro de Servicios para Clientes [Customer Service Centre] de la Municipalidad y pedir asistencia en su propio idioma, o bien ponerse en contacto con el Servicio Telefónico de Intérpretes ["TIS"], número 131 450, para pedir que le comuniquen con la Municipalidad, cuyo teléfono es 1300 722 542.</p>	<p><b>Vietnamese</b></p> <p>Nếu quý vị không hiểu lá thư này và cần sự giúp đỡ, mời quý vị đến Trung Tâm Dịch Vụ Hướng Dẫn Khách Hàng của Hội Đồng Thành Phố (Council's Customer Service Centre) để có người nói ngôn ngữ của quý vị giúp hay quý vị có thể liên lạc Dịch Vụ Thông Dịch qua Điện Thoại (TIS) ở số 131 450 và yêu cầu họ liên lạc với Hội Đồng Thành Phố (Council) ở số 1300 722 542.</p>
<p><b>Polish</b></p> <p>Jeśli potrzebujesz pomocy w zrozumieniu treści tego pisma, przyjdź do punktu obsługi klientów (Customer Service Centre) przy Radzie Miejskiej i poproś o pomoc w języku polskim, albo zadzwoń do Telefonicznego Biura Tłumaczy (Telephone Interpreter Service — TIS) pod numer 131 450 i poproś o skontaktowanie się z Radą Miejską (Council) pod numerem 1300 722 542.</p>	<p><b>Indonesian</b></p> <p>Jika Anda memerlukan bantuan untuk memahami surat ini, silakan datang ke Pusat Pelayanan Pelanggan (Customer Service Centre) Pemerintah Kotamadya (Council) dan mintalah untuk bantuan dalam bahasa Anda, atau Anda dapat menghubungi Jasa Juru Bahasa Telepon (Telephone Interpreter Service - TIS) pada nomor 131 450 dan meminta supaya mereka menghubungi Pemerintah Kotamadya pada nomor 1300 722 542.</p>	<p><b>Turkish</b></p> <p>Bu mektubu anlamak için yardima ihtiyaciniz varsa, lütfen Belediye'nin Müşteri Hizmetleri Merkezi'ne gelip kendi dilinizde yardım isteyiniz veya 131 450'den Telefonla Tercüme Servisi'ni (TIS) arayarak onlardan 1300 722 542 numaradan Belediye ile ilişkiye geçmelerini isteyiniz.</p>
<p><b>Hungarian</b></p> <p>Amennyiben a levél tartalmát nem érti és segítségre van szüksége, kérjük látogassa meg a Tanácsház Ügyfél Szolgálatát (Customer Service Centre), ahol magyar nyelven kaphat felvilágosítást, vagy hívja a Telefon Tolmács Szolgálatot (TIS) a 131 450 telefonszámon és kérje, hogy kapcsolják a Tanácsházat a 1300 722 542 telefonszámon.</p>	<p><b>Czech</b></p> <p>Jestliže potřebujete pomoc při porozumění tohoto dopisu, navštivte prosím naše Středisko služeb pro veřejnost (Council's Customer Service Centre) a požádejte o poskytnutí pomoci ve vaší řeči anebo zavolejte Telefonní tlumočnickou službu (TIS) na tel. číslo 131 450 a požádejte je, aby oni zavolali Městský úřad Randwick na tel. číslo 1300 722 542.</p>	<p><b>Arabic</b></p> <p>إذا أردت مُساعدة لفهم هذه الرسالة، نرجوك الحضور إلى مركز خدمة عملاء المجلس وأطلب المساعدة في لغتك، أو يُمكنك الاتصال بخدمة الترجمة الهاتفية (TIS) على هاتف رقم 131 450 وأطلب منهم الاتصال بالمجلس على رقم 1300 722 542.</p>
<p><b>Chinese</b></p> <p>如果你需要人幫助你了解這封信的內容，請來市政會顧客服務中心要求翻譯服務，或者與電話傳譯服務 (TIS) 聯繫，號碼是 131 450。請他們幫助你打電話給市政會，號碼是 1300 722 542。</p>	<p><b>Russian</b></p> <p>Если Вам требуется помощь, чтобы разобраться в этом письме, то, пожалуйста, обратитесь в Муниципальный Центр Обслуживания Клиентов и попросите оказать Вам помощь на Вашем языке или же Вы можете позвонить в Телефонную Службу Переводчиков (TIS) по номеру 131 450 и попросить их связаться с Муниципалитетом по номеру 1300 722 542.</p>	<p><b>Serbian</b></p> <p>Ako vam treba pomoć da razumete ovo pismo, molimo vas da dođete do Centra za usluge mušterijama pri Opštini (Customer Service Centre) i zamolite ih da vam pomognu na vašem jeziku, ili možete nazvati Telefonsku prevodilačku službu (TIS) na 131 450 i zamolite ih da vas povežu sa Opštinom na 1300 722 542.</p>