



Airbnb Response to Byron Shire Council Planning Proposal 26.20.20.1.1

Short-Term Rental Accommodation in Byron Shire - October 2022

Executive Summary

- Airbnb's community continues to support the growth of the visitor economy in Byron Shire, providing more choice of accommodation across a variety of price points.
- Our community of Hosts and guests are critical contributors to the local economy, empowering communities in Byron Shire to share in the benefits of tourism.
- Our platform plays a crucial role in helping people remain in their homes and communities by allowing them to supplement their income by turning their greatest asset – their home – into a source of revenue.
- The proposal put forward by Byron Shire Council will place Hosts on a vastly unequal footing to the rest of New South Wales and will ultimately hurt guests, local businesses and communities by reducing choice, availability and affordability of accommodation.
- Airbnb is disappointed that the overall recommendation of the Economic Impact Assessment (EIA) has been rejected, while areas of the report that support the Council's policy position have been embraced, without the appropriate surrounding context.
- Consideration of this proposal should be paused until such time as the 180 night limit and data sharing framework has been operational for at least 18 months to allow objective data to be collected and analysed.
- Airbnb considers that housing availability and affordability is a complex public policy issue with a broad range of factors at play, including macroeconomic impacts, demographic changes, approval rates for new housing developments and policies across Commonwealth, State and local governments.
- Rather than focusing on regulation as the solution to Byron Shire's housing crisis, the focus should instead be on growing the supply of social and affordable housing to ensure the region can grow sustainably and with the future in mind.
- Airbnb has recently [announced](#) a suite of proposed measures to help build stronger communities and foster sustainable tourism growth. The proposed measures include our support for a sustainable visitor levy to fund critical infrastructure and housing in local communities, as well as support for reviews of rental eviction protections.
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- Reducing non-hosted accommodation to 90 nights a year will artificially constrain the market and is unlikely to have a long-term impact on housing pressures in the area. It will,



however, create vast accommodation shortages in the area around peak periods and major events such as Splendour in the Grass, Bluesfest and the Byron Bay Triathlon.

- Airbnb continues to support the New South Wales Government's statewide regulatory framework for short-term rental accommodation and is committed to continuing our cooperation with government through information sharing to ensure policy solutions are informed by sound evidence.
- Noting there are clear and robust statewide regulations overseeing the short-term rental accommodation sector within the State of New South Wales, Airbnb firmly believes that it is far more appropriate that the status quo is retained, in that regulation continues to be in line with the existing framework and decisions on significant variations to the framework are made by the NSW Government.

About Airbnb

Airbnb was born in 2007 when two Hosts welcomed three guests to their San Francisco home, and has since grown to 4 million Hosts who have welcomed more than 1 billion guest arrivals across over 220 countries and regions. Travel on Airbnb keeps more of the financial benefits of tourism with the people and places that make it happen. Airbnb has generated billions of dollars in earnings for Hosts, 90 percent of whom are individuals listing the homes in which they live. Among Hosts who report their gender, more than half are women, and one in five employed Hosts are either teachers or healthcare workers. In 2019, Airbnb directly supported 300,000 jobs in just 30 destinations, averaging nine jobs for every 1,000 guest arrivals. Travel on Airbnb also has generated more than \$4 billion in tax revenue around the world. Airbnb has helped advance more than 1,000 regulatory frameworks for short-term rentals, including in 80% of our top 200 geographies. In late 2020, to support our continued expansion and diversification, we launched the City Portal to provide governments with a one-stop shop that supports data sharing and compliance with local registration rules. We continue to invest in innovations and tools to support our ongoing work with governments around the world to advance travel that best serves communities.

The Airbnb community in Byron Shire

Airbnb's community has a strong track record of growing the visitor economy in Byron Shire providing more choice of accommodation for consumers in more locations across a variety of price points. In the 12 months to 1 October 2022, our Host community welcomed over 127,000 guests to the Byron Shire Council area.¹

Airbnb has a large community of Hosts in Byron Shire for whom sharing their home is now part of their lifestyle. The overwhelming majority of our Hosts are 'mum and dad' operators looking to supplement their income or subsidise their own travel, with many hit hard by the pandemic and related border closures. Importantly, the sharing economy helps build resilient communities

¹ Internal Airbnb data as at 1 April 2022.



where locals can create supplementary income, and robust economies that are supported by increased visitation and spending by Airbnb guests – particularly in the current climate of rising living costs. As the Council would be well aware, tourism is playing a crucial role in the economic recovery of New South Wales, and Airbnb helps empower communities to share in the benefits of tourism and welcome new visitors to their neighbourhoods.

A report by Oxford Economics found that Airbnb guests in New South Wales contributed over \$3 billion to the local economy in guest spending and supported 33,800 local jobs in 2019, whilst also contributing \$4 billion to Gross State Product.² Since 2020, the New South Wales Government has delivered a proportionate and workable regulatory framework for short-stay accommodation that applies clear and consistent rules across the state. These include a registration scheme, industry-wide Code of Conduct, an opt-in cap of 180 nights for non-hosted accommodation and a robust data sharing process – all of which currently apply in Byron Shire Council.

Any consideration of changes to the regulatory settings for short-term rental accommodation in the Shire must consider the flow-on effects to small businesses and those who are employed by them. In addition to visitor spending, the home sharing economy is supporting the growth of ancillary services and the creation of local jobs – such as domestic cleaning, gardening and property management – facilitated by over one third of surveyed hosts (37 percent) on Airbnb in Australia who prefer to engage professional services to manage their listings and bookings.³

Crucially, Airbnb is playing a vital role in helping people remain in their homes and communities by providing them with the ability to supplement their income. In a survey of Australian Hosts on Airbnb in 2021, a third of respondents said the primary reason they started hosting was to ‘make ends meet’.⁴ In turn, these Hosts help drive economic growth and job creation, with many local businesses relying on the valuable tourism dollars spent by Airbnb guests. Moreover, the supplemental income earned through home sharing empowers women and older or retired persons to remain in their homes and communities – 71 percent of Airbnb Hosts in Byron Shire identify as female and over 23 percent of Hosts are aged 60 years or older.⁵ As the cost of living continues to rise, home sharing provides an additional source of income, or indeed the only source of income, that allows everyday Australians to help make ends meet.

STRA and the housing market

Housing is a complex public policy issue and Airbnb welcomes the opportunity to place short-term rental accommodation into appropriate context. Given the range of factors influencing the market, both in Byron Shire and New South Wales broadly, any mature and prudent debate must examine the range of drivers of availability and affordability, including market factors such as demographic changes, economic circumstances of households, rising construction costs, and

² Oxford Economics, The Economic Impact of Airbnb in APAC: an independent report by Oxford Economics, commissioned by Airbnb, pp. 23-28. Figures in 2019 prices.

³ Airbnb survey data. Survey conducted in January 2020 of 1,612 Hosts with listings on Airbnb in Australia.

⁴ Survey dates from Feb 1, 2021 to Mar 3, 2021 for Homes Hosts in Australia who hosted a trip during 2020.

⁵ Internal Airbnb data as at 1 April 2022.



policies across Commonwealth, State and local governments. Airbnb is committed to working with all levels of government to find common sense policy solutions that will meaningfully assist in growing housing supply across Byron Shire and indeed the rest of Australia.

In October 2022, Airbnb [announced](#) a suite of proposed measures that will help build stronger communities, foster sustainable tourism growth, and equip governments across Australia with tools to help address important issues, such as housing affordability. Among others, the proposed measures include our support for a sustainable visitor levy to fund critical infrastructure and housing in local communities, as well as support for reviews of rental eviction protections. Housing affordability is a challenging and complicated issue. The causes differ from place to place, with legacy factors – which often pre-date the founding of Airbnb by decades – impacting on the overall housing landscape. As a company with housing affordability and cost of living needs in our roots and origins, we want to play our part in proposing meaningful solutions that can help tackle these problems and help make a positive contribution to this important issue.

Unfortunately, the Byron Shire Planning Proposal is unlikely to have a long-term impact on the housing pressures being experienced in the local community. As Census data recently released by the ABS demonstrates, one of the more pervasive issues in housing availability in Australia is the sheer volume of empty dwellings - over one million - an enormous figure when contrasted with the comparatively tiny number of houses listed on short-term rental platforms. It's also important to find ways to address the nation's glut of empty rooms, which the ABS estimates to be about 13 million, as part of a holistic approach to the broader issue of housing affordability.

We understand that for many, the past two years have been extremely challenging, however further caps on non-hosted accommodation is not a substantive solution to housing issues in Byron Shire. Holiday homes and apartments have long been a feature of our coastal communities, and platforms such as Airbnb simply allow owners to more easily share their homes with others on a short-term basis. For many Hosts, the primary function of their home is for their own personal use and enjoyment and hosting is a way to help support the financial maintenance of the property.

Nevertheless, Airbnb is keen to play a part in helping to provide meaningful solutions and tackle the issue of housing supply and affordability, in collaboration with a broad range of stakeholders. While short-term rental accommodation generally comprise a small proportion of the overall property market, we're keen to keep finding ways that we can make a positive contribution to this important issue and urge Byron Shire Council to consider this issue more holistically.

Scraped data

Airbnb notes that Byron Shire Council has relied on scraped data to estimate the impact of short-term rental accommodation on the housing market. The EIA uses data sourced from a third-party service that scrapes information from online booking platforms and paints a misleading picture of the sector. Booking platforms such as Airbnb share data with the New



South Wales Government under the current statewide regulatory framework to support common sense policy outcomes and avoid the need for reliance upon unverified data.

Scraped data has a number of serious flaws, particularly in the way that short-term rental accommodation data is represented. For example, an 'entire home listing' is not always equivalent to a stand-alone dwelling and data scraped by third parties simply cannot make these distinctions. Entire homes could be a granny flat or self-contained space adjacent to or within an existing house. It will not always be the sort of space that policy-makers would regard as a dwelling available to rent on a long-term basis to a tenant in the traditional sense. Rather, it may be a space which is used from time-to-time by visiting friends or family. In data sets scraped by third-parties, an individual or family's primary place of residence will also appear as an entire home listing, even when it is only listed for a short period, including while they are travelling and choose to list their home on Airbnb for the period they are away.

In addition, scraped data does not reflect that properties may become available for short-stay accommodation for only a few weeks or months per year. These properties may shift back onto the long term rental market periodically, yet could still be represented as homes or rooms used exclusively for short stays, thereby overstating the scale and impact in the local community. Similarly, Hosts often cross-list their properties on multiple booking platforms and may be represented multiple times in analyses that rely on unverified data. These nuances are not accounted for in data sets scraped from our website or that of other booking platforms and we again express our concerns about reliance on this information in decision-making processes.

We also note that in exhibiting the Planning Proposal, Byron Shire Council has relied upon an 'independent peer review' of the EIA that reads more as an opinion piece than a robust academic analysis. Scraped data and the peer review document cannot be trusted insofar as they do not provide an accurate picture of the entire short-term rental accommodation market. Council's decisions must be guided by the best available data to ensure it maximises the benefit for locals and avoids any unintended consequences. In this respect, we are concerned that the Council has made policy decisions based on speculative data and would instead encourage the use of the official data collected from all major platforms by the NSW Government. Nevertheless, Airbnb stands ready, willing and able to work with Byron Shire to explore reform opportunities guided by the best possible evidence.

Airbnb response to Planning Proposal

Airbnb welcomes the opportunity to comment on the Planning Proposal and highlight the potential impacts on our Host and guest community.

Airbnb's community continues to support the growth of the visitor economy in Byron Shire, by providing more choice of accommodation for consumers across a variety of price points. Any regulation of short-term rental accommodation must be fair, fit-for-purpose and backed by sound



evidence, and we are committed to working with governments and local councils on tangible policy solutions that deliver positive outcomes for all stakeholders. Airbnb has supported the development of thousands of policy frameworks around the world and can bring practical solutions and learnings from where we've helped advance regulatory settings, including other Australian states and local government areas.

In respect of the current Planning Proposal, we are concerned that the 90 night restriction on non-hosted accommodation will have severe, adverse impacts on the local community. A cap is not a long term solution to resolve perceived housing or local amenity issues and will ultimately hurt Hosts, guests and local businesses by reducing choice, availability and affordability of accommodation in the Shire. Further, the policy itself does not adequately address the issues that Council is attempting to solve on a long-term basis. Airbnb advocates for rules that are fair, sensible and which strike a balance so that everyone can share in the benefits of tourism, and are adaptive to the changing ways people are living and working with the rise of flexible and hybrid work arrangements.

Creating STRA precincts within which non-hosted accommodation can effectively operate for 365 nights a year, in a small number of select areas, will deeply divide the community and entrench inconsistency into the regulatory framework. A cap of 180 nights already applies to non-hosted accommodation across the Shire (and in other areas of the state) and strikes the appropriate balance between providing Hosts with certainty about when and how they can host, and also ensures guests can utilise properties that might otherwise be empty holiday homes or apartments.

In its Planning Proposal, the Council has not provided detailed information concerning the designation of these precincts beyond noting that 'some areas with high tourism appeal near beaches and services may be more suitable for year round holiday letting'.⁶ The concept of 'STRA precincts' is inherently flawed, as it may not accurately reflect the areas in which Hosts share their properties across the Shire. The very limited areas currently designated for STRA are in close proximity to existing tourism precincts and traditional accommodation, and where arguably, there is a less of a need for STRA. Other areas of the Shire, where there is a genuine need for STRA, will be severely hampered by the Proposal with fewer accommodation options and reduced opportunities for locals.

Accordingly, Airbnb strongly urges the Council to consider expanding the geographical area of the STRA precincts to allow more Hosts to share their properties and provide vital accommodation throughout the year for the benefit of the visitor economy.

The EIA determined that the statewide framework and opt-in cap of 180 nights would be the optimal policy setting for all stakeholders in the Byron Shire area and it is disappointing to see the

⁶ Byron Shire Council, '[Planning Proposal 26.2020](#)' 2022, p.8.



Council reject the expert recommendation. Simultaneously, Byron Shire Council has selected specific data points from the EIA to justify its restrictive and regressive Proposal, against the best interests of the local community. We note that the opt-in cap has been operational in Byron Shire for less than a year, and yet Council is still moving ahead with this Proposal before its impacts are properly assessed and analysed. This view was shared in the EIA which noted:

“Importantly, regardless of which policy option is ultimately implemented, the proposed increased regulation of STRA properties is welcomed. It is expected that this regulation will enable the collection of more granular and relevant data which will, in turn, enable more detailed policy analysis, development and evaluation in the future. We therefore strongly recommend that a post-impact policy evaluation be undertaken no later than 2027 to determine the actual impacts of whatever policy is ultimately implemented. The findings of this evaluation can then be used to inform a policy position post-2027.”⁷

Crucially, a ban on non-hosted accommodation will disadvantage everyday people in the Shire at a time when the rising cost of living is placing Australian households under significant financial strain. Locals in Byron Shire Council deserve evidence-based policy proposals using the best available information and learnings, rather than speculative assumptions that suit a particular policy agenda. The Planning Proposal in its current form will put holidaying and hosting further out of reach for many Australians, with a range of unintended impacts and consequences, as detailed below.

Not a long-term solution to housing issues

Based on a small sample size of 249 Hosts, the Planning Proposal suggests that 24% of short-term rental accommodation properties will immediately ‘return’ to the long-term rental market as a result of the 90 night cap on non-hosted accommodation.⁸ Airbnb notes that the same survey found that around 14% of properties would move to the long-term rental market as a result of the 180 night cap which came into effect in February 2022.

It should be noted that these figures are merely speculative and may not accurately reflect what Hosts will *actually* do with their properties if the Proposal is pursued. The EIA’s analysis of the Host survey results found that any increase in properties becoming available on the long-term market as a result of short-stay policies would be ‘negligible’.⁹ It also noted that in considering whether to shift their property to the long-term rental market, not all Hosts are seeking a minimum yield ‘as holiday properties for many will be an emotional decision motivated by enjoyment, not investment or business’.¹⁰ Even with the imposition of a 90 night cap, many would still prefer to keep their properties empty for greater flexibility and to ensure that their holiday home is available for their own use throughout the year to ‘to suit their own holiday aspirations’.¹¹

⁷ Urbis, ‘Byron Shire - Short term rental accommodation caps - Economic Impact Assessment’ (2021) p.32.

⁸ Urbis, ‘Byron Shire - Short term rental accommodation caps - Economic Impact Assessment’ (2021) p.112.

⁹ Urbis, ‘Byron Shire - Short term rental accommodation caps - Economic Impact Assessment’ (2021) p.73.

¹⁰ Urbis, ‘Byron Shire - Short term rental accommodation caps - Economic Impact Assessment’ (2021) p.74.

¹¹ Urbis, ‘Byron Shire - Short term rental accommodation caps - Economic Impact Assessment’ (2021) p.69.



The suggestion that 24% will simply move to the long-term market fails to take into account the range of reasons that Hosts share their properties and does not meaningfully add new supply to the housing market in order to keep up with growing demand.

Properties available for short-term rental may not be suitable for long-term occupancy for affordability or amenity reasons. The EIA notes that many short-term properties have a 'level of specification to appeal to holiday makers and is different to typical long-term rental property'.¹² The properties may be less suitable for a typical long-term tenant as they may not have appropriate kitchen, laundry or storage facilities that would be needed for ongoing residency, or may not be the type of properties that would be considered affordable on the long-term market. The EIA notes that many STRA properties are simply unlikely to be suitable for long-term rental for a range of different reasons, such as a 'reluctance to have those properties in the long-term market when there are not frequent inspections of the property to ensure it is being maintained'.¹³

There are also economic and market factors that will also determine the future utility of STRA properties if this proposal indeed passes. As the EIA notes, 'rents would reflect the standard of property if short-term properties were to transfer to the long-term rental market' and would not address 'the shortage of long-term rentals if priced above where the market gap is'.¹⁴ Simply contrasting the number of STRA properties in a particular region against the current number of vacant rental properties creates a distorted view of the market. It implies that the only transfer of long-term rentals is to short-term accommodation, and not through shifts to owner-occupancy or rental demand driven by population movements, or increasingly less-dense households. These fundamental considerations have been omitted from the Planning Proposal, contributing to a narrow analysis of the overall impacts on the property market and a rejection of the EIA's recommendation to the detriment of the entire community.

Fewer, less affordable accommodation options

At a time when tourism is playing a vital role in Australia's economic recovery, caps on non-hosted accommodation risks putting Byron Shire at a severe disadvantage when it comes to welcoming interstate and international travellers. Our platform provides everyday people with a range of suitable options to travel within their budget and allows many to explore new places that they may not otherwise be able to.

Reducing supply will inevitably lead to less affordable accommodation options, particularly in residential and rural areas not well serviced by traditional accommodation. Everyday Australian families will bear the brunt of this, as they face difficulties finding accommodation to suit their needs and within their budget. Non-hosted accommodation is well-suited to families as it reflects a typical home environment and allows multiple generations to stay together when travelling. Many listings include full kitchen and laundry facilities, backyards and multiple living spaces that

¹² Urbis, 'Byron Shire - Short term rental accommodation caps - Economic Impact Assessment' (2021) p.69.

¹³ Urbis, 'Byron Shire - Short term rental accommodation caps - Economic Impact Assessment' (2021) p.112.

¹⁴ Urbis, 'Byron Shire - Short term rental accommodation caps - Economic Impact Assessment' (2021) p.69.



allow families to travel with space and comfort. These opportunities are simply not available in traditional accommodation or prohibitively expensive for the average family.

In this way, our platform plays an important role in democratising travel, allowing Australians to explore parts of the country that might not otherwise be financially feasible. Higher accommodation costs will force many to travel to other more affordable destinations or simply decide not to travel at all, particularly against the backdrop of rising living costs. In a 2021 survey of Australian Hosts, in response to a question about why they host their space on Airbnb, approximately 35 percent said one of the reasons is to earn money to help cover the rising cost of living.¹⁵ Meanwhile, more than a third (34 percent) said they host to earn money to make ends meet, and 41 percent said they host to earn extra spending money.¹⁶

With that in mind, Council's proposal should not be seen as a mere cap on the number of nights non-hosted short-term accommodation can operate. Rather, it is a handbrake on the visitor economy in Byron Shire and its ability to evolve and respond to future consumer demand and preferences. It's likely to place the Shire at a disadvantage to other, neighbouring jurisdictions, where there may be more appropriate recognition of changing consumer habits and desire to embrace innovative, evidence-based solutions to housing supply pressures.

Limited hosting opportunities

Reciprocally, hosting on platforms such as Airbnb offers an opportunity for many to fill financial gaps or to shore up their existing income, while providing much-needed accommodation to local communities. For older adults, hosting can provide a post-career opportunity to supplement their pension in retirement. As of September 2021, approximately 15 percent of Airbnb Hosts globally are older adults and 24 percent are retired¹⁷ – and in Byron Shire specifically, over 23% are aged 60 years or over.¹⁸ Older adults are not only turning to hosting as an economic opportunity – they also remain among our community's most beloved Hosts. As of September 2021, nearly 90 percent of reviews of older adult Hosts were five-star reviews, and over 30 percent of Superhosts globally are older persons.¹⁹

The economic activity created by Airbnb supports a range of local businesses, including those in regional areas that might not otherwise benefit from tourism and increased visitation. Alongside jobs in restaurants, cafes, and retail shops, the combined value of wages paid to workers in these businesses across Australia in 2019 was \$3.9 billion, according to Oxford Economics.²⁰ This highlights the immense value of STRA to the Byron Shire Council area and the economic

¹⁵ Survey dates Feb 1, 2021 to Mar 3, 2021 for Hosts in Australia who hosted a trip in 2020, sample size ~3806.

¹⁶ Survey dates from Feb 1, 2021 to Mar 3, 2021 for Hosts in Australia who hosted a trip in 2020, sample size ~3806.

¹⁷ Airbnb, '[Airbnb Economic Empowerment Report](#)' (2021), p. 3.

¹⁸ Airbnb internal data as at 1 April 2022.

¹⁹ Airbnb, '[Airbnb Economic Empowerment Report](#)' (2021), p. 3.

²⁰ Oxford Economics, The Economic Impact of Airbnb in APAC: an independent report by Oxford Economics, commissioned by Airbnb. Figures in 2019 prices.



opportunities it provides for Hosts, local businesses and the wider community. In this regard, Airbnb notes a projected loss of at least 265 jobs as a result of the implementation of a further cap on non-hosted properties in Byron Shire and urges the Council to seriously consider how this will affect its local community.²¹

Reduced capacity to host major events

Byron Shire is widely regarded as a hub for major cultural, live music and sporting events. Unfortunately, the Planning Proposal will limit the area's ability to accommodate visitors, including those from interstate and overseas, when major events, conferences and festivals come to town. The surge capacity, or elastic supply, that the Airbnb community can provide creates opportunities for attracting and hosting major events in cities and regional towns. None of the designated STRA precincts are within close proximity to the largest major events that Byron Shire plays host to every year - Splendour in the Grass, Bluesfest, Falls Festival, Byron Bay International Film Festival and so on. If anything, a cap of 90 nights simply reduces the opportunities to host and could potentially inflate the cost of accommodation around these events.

In the event that a 90 day cap is indeed pursued, Airbnb proposes an 'event exemption' to allow Hosts to share their properties around the above mentioned major events without contributing to their 90 night cap. Such an exemption would ensure there is a fair and balanced approach to supporting major events, whilst ensuring there is enough suitable accommodation to deal with the influx of visitors that coalesce in the Byron Shire area at those times. Airbnb suggests that this would be the most logical and straightforward way that Hosts, guests and local businesses will still benefit from the increased visitation during those periods under a 90 night cap scenario. Of course, the optimal setting from Airbnb's perspective is for the 180 night cap to continue to apply across the Shire, maintaining the status quo established by the NSW Government's regulatory framework.

Ignores the myriad use-cases for STRA

Disappointingly, the Planning Proposal neglects to consider the myriad reasons that guests utilise non-hosted short-term rental accommodation and the impacts on everyday people who share their homes. This includes, but is not limited to, accessing essential health care, education or work opportunities, to attend major events or conferences, during emergencies, and visiting friends and family from regional and remote areas of the state. We know that a further cap on non-hosted accommodation will have adverse impacts on everyday Aussies who rely heavily on STRA to live, work and travel on a budget.

For example, we know of tradespeople in the construction industry and essential health care workers who often utilise short-term rental accommodation whilst working in locations away from their primary home. The availability and cost of staying in traditional accommodation during these

²¹ Urbis, 'Byron Shire - Short term rental accommodation caps - Economic Impact Assessment' (2021) p.69.



short, but regular stints is prohibitive for many and platforms like Airbnb are a cost-effective solution that suits their needs. Access to basic kitchen and laundry facilities is vital in these cases, and non-hosted properties are well-suited to these needs for short periods. This is particularly so in areas outside major townships, where there may be little to no traditional accommodation in close proximity to worksites or medical precincts. Removing the ability of Hosts to share their homes for these uses will further inconvenience local businesses that are already struggling to find and attract workers.

According to the latest [North Coast Tourism Trend Data](#) published by Destination NSW, trips taken for reasons other than holidaying (such as visiting friends and family, business or other) represented almost 50% of all trips taken to the North Coast in the year ending June 2022.²² In the same period, there has been a slight increase in the average length of stay in the region²³ which could be indicative of a further upward trajectory, with the rise of digital nomadism and the ability for many to live and work from anywhere.

This certainly mirrors trends Airbnb are seeing on our own platform. Internal data indicates that the accommodation needs of people are changing and a 90 night cap would not support the growing demand for STRA in Byron Shire. Over the last two years, Airbnb has seen average trip length increase by approximately 15%, with stays of more than 7 days now representing nearly half of all gross nights booked.²⁴ It indicates a shift in the way people are living, working and travelling and the need for regulatory frameworks to be flexible and agile in adequately reflecting this. The rise of remote work has enabled many to work untethered, with more freedom to blend holidays and travel with typical work commitments. The reason our platform has been able to respond to this changing world of travel is because our model is inherently adaptable. We have Airbnb Hosts who offer nearly every type of home in nearly every community around the world. These homes accommodate all types of travel and the diverse needs of guests, highlighting the importance of having regulatory settings that are future-proof and adaptive.

The Planning Proposal therefore fails to appreciate the many different reasons Hosts and guests utilise short-term rental accommodation and turns off the tap for vital forms of accommodation that supports the local community. As noted previously, for many Hosts, their properties are holiday homes or apartments that would otherwise remain empty if not shared with others, and will not become available on the long-term property market in the near future. The proposal does not meaningfully address the issues that Council is attempting to solve, but instead disadvantages the entire community by limiting opportunities to support the local visitor economy – which always has and always will be in high demand.

²² Destination NSW, 'Latest North Coast Region Visitor Statistics - [Travel to North Coast NSW Tourism Region](#)', June 2022. *Figures for domestic overnight travel.*

²³ As above.

²⁴ Internal Airbnb data, 2022.



Reduced opportunities for regional tourism dispersal

Airbnb brings visitors to parts of Australia not well serviced by traditional accommodation, economically empowering regional communities to participate in the travel industry and spread the benefits of travel across the state.

Guests are also discovering new places to travel because of Airbnb through the use of *Categories*, which help them discover off-the-beaten track destinations that spread the tourism dollar in more places. A 2022 report by Airbnb titled [‘Further Afield: Spreading the benefits of the travel revolution’](#) highlights that non-urban nights booked on Airbnb in Australia have increased about 60 per cent when comparing Q2 2022 with the pre-pandemic second quarter of 2019.²⁵

Applying a cap of 90 nights in the majority of the Shire will reduce accommodation options outside major towns and coastal communities, confining travellers to the higher tourism areas where there is already a shortage of accommodation options. As a result, it’s likely to disproportionately affect smaller, regional communities within the Shire where traditional accommodation is not widely available. In the process, opportunities for regional communities will be hampered and limited by a further reduction in the cap. This will mean fewer jobs and economic growth in areas that need it the most, wounding local businesses such as cafes, restaurants and tourism operators, as well as ancillary services such as cleaners and maintenance workers.

Reverse impact on housing availability and affordability

Airbnb is concerned that the Planning Proposal may have unintended consequences on property prices and rental affordability. Our platform provides unique accommodation options at a variety of price points and reduced supply does not mean that demand will simply dissipate with the establishment of STRA precincts and a 90 night cap elsewhere in the Shire.

In fact, the Proposal risks undermining the Council’s policy objectives by potentially increasing the value of properties that are within the STRA precincts. A 90 night limit on the number of nights that properties can operate as short-term rental accommodation places a premium on those that can operate for 365 nights due to the potential economic opportunities that their positioning provides. While Airbnb recognises the difficulty in predicting the precise impact of the policy in this regard, any increases in individual property prices can set broader pricing trends and expectations, including on rental affordability. Airbnb and other commentators have previously warned of this potentially paradoxical outcome and again urges the Council to carefully consider this issue to avoid worsening impacts on the local community.

²⁵ Airbnb, ‘Further Afield: Spreading the benefits of the travel revolution’ (2022), p. 3.



Lack of compatibility with the New South Wales STRA regulatory framework

Airbnb was disappointed to learn of the decision to grant Byron Shire Council the opportunity to exhibit its Planning Proposal to halve the existing statewide cap of 180 nights and act as the approval authority for its own Proposal.

We note the NSW Government has faced repeated calls from Byron Shire Council to further lower the cap on non-hosted accommodation since the inception of the statewide regulatory framework. It's critical to note that Airbnb has worked very hard to cooperate with the Shire of Byron to find solutions that would not result in arbitrary caps. As recently announced, Airbnb remains committed to working constructively with all levels of governments to ensure the regulatory settings for STRA are fit-for-purpose and evidence-based. In our view, this Planning Proposal represents neither and will not have a meaningful impact on the freeing up of additional, affordable housing for Byron Shire.

Airbnb is disappointed that the final decision rests with Byron Shire Council, rather than the NSW Government which is best equipped to make decisions with reference to reliable, objective data collected from all booking platforms. We reiterate our viewpoint that Byron Shire has failed to demonstrate just cause for the proposal to proceed.

Conclusion

Overall, Airbnb is disappointed that the recommendation of the Economic Impact Assessment has been rejected and calls for:

- The current Planning Proposal to be abandoned (in line with the EIA);
- Continuation of the 180 night cap that currently applies across the Shire, until such time as the impacts of the cap can be assessed and properly analysed;
- Should the Council proceed with its proposal, a significant expansion of the geographical area of the designated STRA precincts to allow more Hosts to share their properties throughout the year (including those who are in rural or farming communities and provide much-needed accommodation where it doesn't otherwise exist); and
- In the event the 90 cap is pursued, consideration of an event exemption that applies throughout the Shire and allows Hosts to share their homes when large events come to town, without contributing to their nights count.

Airbnb welcomes any opportunity to work constructively with Byron Shire Council and other stakeholders to support the development of evidence-based policy settings that meaningfully build housing supply, help address the unique stressors that come with population change, and ensure that the visitor economy continues to contribute to the economic prosperity of the Shire.

At the same time, we stress that the influence of Airbnb's community of Hosts and guests, are infinitesimal when compared to the other many factors that impact the broader housing market in



Australia. The nature of our role in the Byron Shire landscape is such that we assist in growing the potential of existing dwellings and economically empower ordinary Australians to share their homes and offset the cost of their housing through hosting.

Crucially, Airbnb notes that the Council's proposal is extremely unlikely to have a substantive impact on the availability of affordable rental housing in Byron Shire.

Thank you again for the opportunity to make a submission to this process.

ENDS