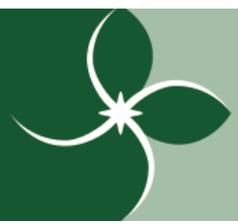


Short Term Accommodation - Online Platform Issues Paper

Prepared for Noosa Shire Council



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1. Background

In recent years there has been a global explosion in the short-term home rental market, significantly and undeniably facilitated by online accommodation share economy platforms such as Airbnb and Stayz, which add volume and variety to the tourism supply chain¹. These online platforms link hosts and travellers, providing a structured online portal for booking, communication with a streamlined payment gateway. They are part of the growing sharing economy, offering community-based online services that co-ordinate property, goods and services. Advantages are offered through direct marketing opportunities and ease of transactions, dramatically increasing the potential market for residential tourism.

Airbnb, a market leader in the field, now offers rentals in over 200 countries². There has been significant growth in on-line short-term rental listings in recent years, with the Australian market now the most “penetrated” globally, with approximately 6 million members or subscribers to the service.

Since Airbnb was launched in Australia, the number of listings has risen to over 130,000 properties. Nationally, Airbnb listings for whole homes represent around 3.5% of all rental accommodation. However, the rate is much higher in coastal communities and high tourist areas. For example, in Byron Bay, approximately 18% of the total housing stock is offered on Airbnb. Taken as a percentage of the total rental housing stock in that local government area, this amounts to 48.3% of Byron Bay’s housing rental properties being listed on Airbnb alone (excluding Stayz etc.)

In 2017, Airbnb commissioned Deloitte Access Economics to assess the economic effects of Airbnb in Australia, aiming to quantify the economic contribution to Airbnb guest spending to the Australian economy, and evaluate the economic benefits enjoyed by guests, hosts and the wider community.

- *Airbnb guests spent more than \$244 million in regional Queensland in 2015-16³*
- *Annual Airbnb guests in Queensland exceed 343,804³*
- *Annual expenditure by Airbnb guests in Queensland of over \$330 million³*

The ongoing discussion and debate around the impact of Airbnb has led to some misconceptions. One being promulgated by Airbnb is that their listings are private residences with owners present, thus ‘hosting’ their lettings. Airbnb also claims to be part of the “sharing economy”.

However, the growth in Airbnb and other on-line short-term properties has been greater for whole houses or apartments being let than for actual home-sharing. Data from sources such as Inside Airbnb clearly shows that the majority of properties being let on Airbnb are entire homes, with no residents or hosts *in situ*. What’s more, the proportion of entire homes as opposed to home-hosted properties appears to be increasing.

An ABC report by Sarah Farnsworth in February 2018 using Inside Airbnb figures noted that there had been an 87% rise in total listings across Australia in the previous 12 months, with the number of entire homes making up nearly 70 per cent of all listings¹⁸.

Nicole Gurrán et al.’s report for the Australian Coastal Council’s Association (Sept 2018) notes that ‘online listings of frequently available whole homes amounts to the equivalent of nearly half the rental stock in Douglas, Byron and Bass Coast’. When considered in relation to rental vacancy rates, there are approximately 80 Airbnb listings for each permanent rental available in Douglas and around 50 in Byron Bay. In both cases this indicator has more than doubled in twelve months and increased across all of the communities in the sample¹⁹.

The report also notes that the income from online holiday rentals is comparable to up to 170% of the income derived from existing permanent rental properties, thus making short-term letting a very attractive proposition for property investors. Many of the areas under scrutiny for the report (NSW South Coast, Byron Bay and Mornington Peninsular) advised that they had seen the rise of a new type of investor purchasing homes solely for the purpose of operating an online holiday rental.

The use of residential properties for short-term rental in coastal areas of Australia, including popular and iconic coastal tourism regions such as Noosa, have long supported the development and growth of the tourism industry in these regions, offering supplementary accommodations, diversity in size and type of accommodation and fulfilling the needs of a broader range of tourist customer groups. Accommodation is arguably the base of the tourism industry, constituting its most important segment and playing a vital role in the tourism supply chain.

The tourism industry in Noosa is recognised as the region's largest single economic driver with flow-on benefits to the wider community⁸. In recent years, tourism has delivered a record \$940 million to Noosa's economy in total visitor expenditure, and as an industry sector is the largest employer in the region⁸.

Whilst tourism is part of the economic fabric of the Noosa region, and the region has always offered a high volume of accommodation to tourists, the introduction of online accommodation share economy platforms has allowed a greater volume and diversity of accommodation to be offered.

Property owners are now provided with a simple and accessible means to short-term let part of their property, or all of their property, for a portion of time or all of the time. Property owners are increasingly making economically rationalised decisions to list properties for short-term rental rather than lease to long-term tenants. Symbiotically, tourists and travellers are seeking more value for money, more travel affordability and a human experience offered by the peer-to-peer nature of share economy transactions.

Whilst online accommodation share economy platforms have had an enormously positive impact on tourism innovation and growth in the Noosa region, the logical extension of Airbnb's business model is to drive more and more people to host and travel through Airbnb. This inherently values the vibrancy and tourism amenity of a neighbourhood higher than community connectivity and social capital.

It is reasonable to contend that Airbnb is in part succeeding as a commercial enterprise at the expense of community and residential liveability, by contributing to the negative consequences of increased visitation and infiltration into residential areas. It may also be viewed that the reliance of Airbnb, Stayz and others on peer-to-peer transactions within the sharing economy is concealing a problematic shift toward outsourcing of responsibility and liability, avoidance of consumer protections including adherence to safety regulations, and disruption of once stable industries.

Arguably though, it should also be noted that the business model development and consumer interest in online accommodation share economy platforms can be viewed as a symptom of the tourist industry's almost exclusive focus on growth, which has historically had little or no strategic consideration for the sustainability of tourism growth in a region.

The Tourism Noosa Strategy 2017-2022 states a key goal is to achieve tourism growth, aiming to secure and build on Noosa's position as one of Australia's leading visitor destinations by identifying opportunities for growth. Furthermore, the Sunshine Coast Airport Expansion project is also designed to boost tourism and bring a greater volume of visitors to the region.

In essence, it is apparent that the disruption caused by the prevalence and popularity of online accommodation share economy platforms has created a number of challenges such as:

- The removal of long-term rental stock from the market, with a reduction in supply and consistent levels of demand driving up prices of the remaining rental stock.
- Pressure on tight rental vacancy rates in high demand areas which is exacerbated where online holiday listings of entire homes expands.
- Increasingly transitory nature of communities and regions.
- Impact on housing affordability, as property owners realise that short-term letting is a financially viable activity to retain ownership of a property rather than selling, thus decreasing the property sale stock and driving up prices.
- The boom in short-term rental removes stock from the general rental market.
- The influx of tourists in an otherwise quiet residential area impacting on public and private residential amenity, with tourists generating increased noise, waste issues, traffic and parking congestion.
- A range of land use planning concerns.
- Potential for active tax evasion (including income tax, GST, and applicable state or local government charges).
- Lack of regulatory controls over safety issues (i.e. fire safety).
- The risk of tourism gentrification and over tourism.

Local and State governments are now grappling with how to address the consequences and implications of the rapid uptake in usage of online booking platforms. Existing planning policies and planning schemes do not typically have the capacity currently to address these issues, lacking parameters to protect the desired land use within a region from the effects of short-term holiday rental activity infiltrating residential areas previously void of tourism. Compounding this, it is understandably challenging to regulate an industry where the commercial enterprises have such different business models, perspectives and goals.

As acknowledged, tourism is a critical economic industry in Noosa and the wider region. However, without appropriate response and recourse, and the right mix of legislation, intervention and enforcement, the Noosa community may be permanently altered and the tourism reputation of the region compromised.

This paper aims to comprehensively explore the challenges arising from the sharp growth of the short-term online rental market in the Noosa shire, and in doing so explore the complexities of the issue in order to facilitate over time the development of a suite of reasonable and actionable responses. The role and actions to date of Noosa Council (Council), the Queensland Government, other private service providers, the Australian Tax Office and Airbnb are also examined.

Online accommodation share economy platforms, such as Airbnb and Stayz, are now a vital part of the tourism industry in the Noosa region, contributing to the revenue and economic activity generated by tourism. Council also recognises that the existence of these platforms is symptomatic of a continued focus on tourism growth in the region.

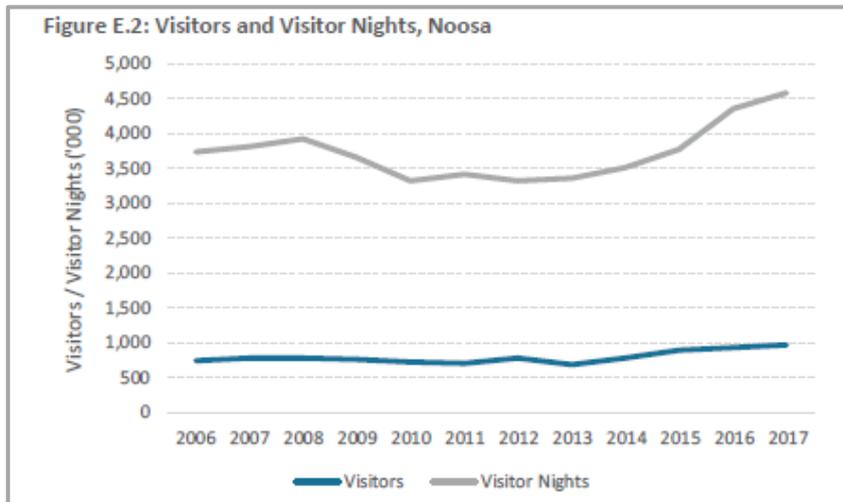
Strategic awareness of the issues and the development of actionable responses is critical to the sustainable and amenable future of the Noosa shire. Council's response should consider the legal, economic, social, administrative and monitoring issues, with a clear undertaking not to impact negatively on the region's tourism through overregulation and onerous legislation. It is important to make sure that the response to "home sharing" is in the best interests of both the community and the economy.

2. Noosa Tourism and the Tourism Levy

In the Noosa Economic Profile 2017 Update, prepared for Council in February 2018 by Lucid Economics, the following was reported:

- The tourism industry has exhibited a considerable increase in visitor nights from a slight increase in visitors.
- The region's popularity as a tourist destination ensures that retail trade, accommodation and food services and rental, hiring and real estate services sectors are comparatively stronger contributors to the regional economy than the State average
- For the year ending September 2017, it is estimated that total visitor expenditure in Noosa is estimated to be \$842 million, with overnight and day trip visitation generating \$715 million and \$127 million respectively.
- Tourism directly contributes 10.6% to Gross Regional Product (GRP) and 14.9% to employment, making it a significant contributor to the local economy¹⁴.

Figure 1 (E.2) graphically shows the increasing overnight stays in Noosa from a fairly stable volume of tourists. Table 1 provides a numerical count of the increasing number of overnight visitors to Noosa, highlighting the particularly rapid growth between 2014 and 2017.



Source: TRA (2017)

Table 1. Overnight Visitors ('000), Noosa

Year	Domestic Overnight	International	Total	% Increase
2006	676	127	802	
2007	702	140	842	5.0%
2008	675	126	800	-5.0%
2009	676	133	809	1.1%
2010	646	134	779	-3.7%
2011	631	117	748	-4.0%
2012	699	113	812	8.6%
2013	641	115	755	-7.0%
2014	716	122	838	11.0%
2015	825	137	962	14.8%
2016	875	147	1,022	6.2%
2017	897	170	1,067	4.4%

Source: TRA (2017)

2.1 Tourism Noosa Ltd

The growth in the tourism industry is supported and facilitated by Tourism Noosa, the official tourism organisation for the Noosa region. Tourism Noosa works collaboratively with Council, local businesses and key stakeholders to promote the diversity of the destination to domestic and international consumers, trade and the media¹⁵.

Tourism Noosa is a not-for-profit organisation that reports to a board of directors, consisting of representatives from membership, industry and community. Tourism Noosa is guided by the Tourism Noosa Strategy 2017-2022, which identifies that the key goals for Tourism Noosa are to:

- *focus on value over volume by targeting high-yielding visitors, particularly from interstate and international markets,*
- *identify, attract and nurture new world-class visitor experiences, events and accommodation options,*
- *spread the benefits and reduce the impacts of seasonality with greater dispersal of visitor expenditure across the destination and through increased off-peak and mid-week visitation, and*
- *lift customer satisfaction by assisting our tourism operators to deliver exceptional customer service.*

2.2 Tourism and Economic Levy

Council recognises the economic contribution of tourism and is currently committed to its ongoing sustainability as well as appropriate promotion and marketing via its agreement with Tourism Noosa. Funding for these activities is achieved through the levying of a special rate, the Tourism and Economic Levy, which is applied to all rateable land that is categorised as transitory accommodation (Principal Place of Residence - PPR or Not PPR), commercial or industrial.

Different rates currently apply depending on whether a property or business is rural or urban, and whether a transitory accommodation property is the principal place of residence. Levying occurs on the premise that these properties benefit directly and indirectly from projects and activities that have a key focus on tourism promotion strategies, carried out by either Council or an approval external agency, such as Tourism Noosa. It is currently assumed that identified short-term online rental properties benefit from the destination marketing that the Tourism & Economic Levy supports.

Table 2. Summary of rateable properties – Tourism and Economic Levy

Category	Number of Properties				\$ Levy collected (\$'000)
	Units (Strata)	Dwelling (Non Strata)	Total Properties	% of Levy collected	
Urban Transitory - Not PPR	3,700	356	4,056	79.2%	\$2,225
Urban Transitory - PPR	40	60	100	1.1%	\$32
Rural Transitory - Not PPR	48	15	63	0.7%	\$20
Rural Transitory - PPR	0	13	13	0.1%	\$2
Commercial & Industrial - Urban	1,015	352	1,367	17.3%	\$487
Commercial & Industrial - Rural	45	164	209	1.6%	\$44
Total	4,848	960	5,808	100%	\$2,810

Funds collected from the levy by Council specifically for the promotion of tourism and related activities are provided to Tourism Noosa under the terms of an existing funding deed.

3. The Share Economy – Accommodation

3.1 Online Accommodation Providers

The current leaders in the online short term and holiday rental market are Airbnb, Stayz and Tripadvisor.

Table 3. Main online short term accommodation providers and facilitators

		
<ul style="list-style-type: none"> • Airbnb is a community-based, two-sided online platform that facilitates the process of booking private living spaces for travellers. • On one side it enables owners to list their space and earn rental money. On the other side it provides travellers easy access to renting private homes. • Airbnb have a unique business model, charging both the property owner and guest a commission for each booking. 	<ul style="list-style-type: none"> • Stayz is owned by travel and tourism conglomerate Expedia, and is based in Sydney, Australia. • The business model of Stayz is a purely one-sided commissioned base, charging a commission rate to property owners of up to 10%. 	<ul style="list-style-type: none"> • Tripadvisor is an online travel research company that offers property owners and travellers a booking transaction platform. • It also promotes the planning of trips, aggregates views and opinions of members about destinations, accommodations and activities throughout the world. • Booking transactions have a one-sided commission base, charging property owners a percentage of each booking.

3.2 Diverse Accommodation

Accommodation options available via online accommodation share economy platforms are varied, offering a greater diversity than traditional holiday accommodation providers. The table below summarises the types of short term letting typically available.

Table 4. A diverse range of accommodation

The types of accommodation typically offered via online share economy platforms		
Renting a bedroom located within a unit or a house, where the owner remains present in residence during the stay.	Renting an entire property for a temporary period of a person's principal place of residence i.e. when the owners are away.	Renting an entire property on a full-time basis.

3.3 Growing in popularity - accommodation share economy

Whilst Stayz and Tripadvisor have had a consistent presence in the online short-term accommodation market during the last decade, Airbnb is relatively new. Airbnb officially launched its Australian operation in 2012 and has experienced huge success due to its business model and benefits for property owners and travellers. It is now the most popular online accommodation listing and booking platform in Australia, with more consumers consistently electing to link or share directly with providers via Airbnb.

Airbnb charges both participants in a transaction (host and traveller) a commission for each booking. The business model effectively conceptualises and executes a free market, allowing the ebb and flow of supply and demand to set prices, rather than prices for accommodation being set in a traditional hotel or motel setting to ensure overall business profitability.

Property owners are provided a simple and accessible means to maximise utilisation and monetisation of their homes, with relatively minimal effort depending on the set up. The consistently growing traffic to the online platform is leveraged by property owners to achieve a new and supplementary income source. Benefits are offered to tourists through affordability, trendiness, simplicity of transaction and a peer-to-peer service that may promote a sense of “connection” with strangers from other places.

The popularity of Airbnb also stems from the provision of a greater diversity of accommodation opportunities at more affordable pricing for travellers. Airbnb consciously offers greater tourism affordability by leveraging the location of residential homes and spaces away from the clustered hotels and motels in areas that are in high demand and are at a premium price.

4. Negative Affects and Implications of Short-Term Letting

4.1 Overtourism and Tourism Gentrification

4.1.1 Overtourism

Overtourism can be defined as the excessive growth of visitors leading to overcrowding in areas where residents suffer the consequences of temporary and seasonal tourism peaks, enforcing permanent changes to their lifestyle, access to amenities and general well-being⁹. In essence, it is a level of tourism in a region that exceeds the threshold that a community can appropriately support. Tourism growth equates to higher revenues, gross regional product (GRP) and stronger economic activity within a region. Within the Noosa shire, this has benefited the local economy through the opportunity and uptake of residents earning extra income to generate additional economic activity. (Survey paper, ACCA Inc.). Airbnb accommodation listings have vastly expanded the supply of accommodation for visitors to the Noosa region.

However, there is a saturation point where tourism can start to irreparably erode a community, a region’s social capital, as well as to strain infrastructure and drive up prices. There are many contributing factors to overtourism, and the commercialisation of the “home share” concept is one such factor. Overtourism is symptomatic of the approach of the travel and tourism industry, to almost always focus exclusively on growth, with limited consideration, concern or planning for the impacts.

The impact of overtourism is best described as a chain of impact – as regions transform to cater for tourists, the tourism industry prospers, coinciding with infiltration of tourists into previously pure residential areas, increasing property prices and raising costs of living for local communities. Ultimately, the level of tourism becomes unsustainable as residents and workers leave, the cost of products and services is too high, the tourism reputation of a region is qualitatively decremented, and the region then can no longer support the level of tourism.

Key indicators of overtourism are:

- Strained local amenities and infrastructure.
- Road and traffic congestion.
- Residents priced out of the home rental and ownership market.
- Residents displaying lack of tolerance for the tourism sector and visitors.

The Noosa shire may not yet be experiencing overtourism, as the benefits of tourism arguably still outweigh the problems caused by the rapid rise of short-term rental accommodation. However, some of the key indicators of this phenomenon are clearly apparent, and the legislative, planning and regulatory environment has not yet recognised or adopted necessary limitations to tourism expansion. Furthermore, there are a number of projects and strategies that are focussed on tourism growth, including the key goals of the Noosa Tourism Strategy 2017-2022 and the Sunshine Coast Airport Expansion Project.

It is noted that Council has established the ‘Sustainable Tourism Stakeholder Reference Group’ to consider these issues. The group includes peak bodies representing business, resident and environmental interests, as well as Tourism Noosa. The group has been meeting since mid-2018.

4.1.2 Tourism Gentrification

Tourism gentrification can be defined as a process of socio-spatial change in which neighbourhoods are transformed according to the needs of affluent consumers and visitors¹⁰. Whilst gentrification is usually related to the process by which middle income earners move into a lower income earning area and displace the community, the effects of tourists and visitors moving into these areas is also considered a gentrifying process.

A key aspect of the transformation of neighbourhoods is displacement of residents, particularly lower income earners relying on affordable rental accommodation stock. This is occurring in Noosa, as tourism driven gentrification is supported by the facilitation of a rapid rise in consumer uptake of short-term rental of properties within residential neighbourhoods. The actual gentrification is driven by both the dynamics of the housing market (increasing prices and reduced affordability) and the changing nature and use of neighbourhoods.

In the process of tourism gentrification, residential areas undergo a degree of commercial upgrading and consequential transformation into spaces for entertainment and consumption. The transformation of uses and users in neighbourhoods causes residents to leave, as tourism gentrification is an exclusion mechanism that constrains the quality of life for residents¹⁰. Tourism gentrification, enabled and encouraged by short-term rental platforms such as Airbnb, has significant potential to mutate how a neighbourhood is used and by whom, including loss of services which low income residents rely on for their everyday life, such as access to public space and affordable services.

4.2 Reduced Residential Liveability

Noosa residents have typically enjoyed quiet residential neighbourhoods, low traffic volumes in residential areas, a coastal lifestyle and the benefits of a tourist destination via high quality café and restaurant amenities, beaches, lifestyle infrastructure and active/recreation services.

As property owners leverage the online accommodation phenomenon, and exposure of these opportunities to tourists and visitors rapidly increases, the high quality residential liveability of the shire is arguably being reduced (in specific localities) by the infiltration of tourists into inner urban residential areas.

Residential liveability is a multifaceted concept, and for the purposes of this paper, is considered to be the benefit enjoyed from both the private external space which is part of the private home (*private residential amenity*), and common areas of public space in close proximity to a private home, such as the adjacent pavement, kerb, street parking and road reserve (*public residential amenity*).

Council considers the protection of the residential amenity of existing and future occupiers to be of paramount importance. The need to address amenity is important as it is linked to the quality of life and the wellbeing of residents.

4.2.1 Private Residential Amenity

Private residential amenity can reasonably be described as the benefit enjoyed from the internal and external spaces of a private home and is highly valued in Noosa given the sub-tropical climate allowing almost year-round outdoor activity. The level of enjoyment is dependent on a number of factors, including the location, size, orientation, sounds, noise, accessibility and enclosure of the private home. Private residential amenity is achieved through the allowance for individuals to carry out typical household and leisure activities, such as gardening, drying clothes, playing with children, dining, sleeping, working from home and so on, without interference.

Typically, residents within the low density inner urban areas and outer areas of the shire have enjoyed a high level of private residential amenity. Land parcels are typically larger than average, road and traffic accessibility is largely unimpeded outside of peak periods, land parcels are typically fenced and ambient sound is appropriate with minimal noise during week days (with some spike in ambient sound during the late afternoon and also on weekends). This can be interspersed with occasional night time noise from a private party or celebration.

The increased utilisation of private homes in residential areas for short term rental accommodation is arguably interfering with, and reducing the private residential amenity of Noosa's residents due to noise, loss of accessibility and loss of privacy.

A typical routine for a residential neighbourhood is that homes are fairly quiet throughout the week, with an increase in ambient noise during late afternoon and on weekends as individuals are not at work, children are home from school and families are more highly utilising private external space.

However, if a home within a residential neighbourhood is occupied for a short-term stay by tourists, ambient noise is likely to be generated consistently regardless of the week or weekend day. Accessibility can be affected due to increased vehicle usage on the street, with street parking also impacted, particularly where multiple visitors co-occupy a short-term property. There may also be higher ambient noise levels from daytime traffic that previously wasn't occurring.

Of particular impact on private residential amenity is the rising occurrence of party houses, which are entire homes rented through Airbnb that are being consistently used for events or celebrations associated with birthdays, holidays, weddings and other occasions. The utilisation of a rented house for parties often causes impacts on the amenity of neighbours, who are subjected to unreasonable noise, health, safety and security hazards, damage to common property or obstruction from using their property.

There appears to be an exponential increase in the type and number of complaints about amenity issues arising from neighbours residing near short-term let properties.

Gurran et al. note that, 'In the Mornington Peninsular, where online accommodation is more urban in nature, there has been a significant rise in resident complaints about unruly guest behaviour, excessive noise, nuisance dogs, rubbish and illegal parking'¹⁹.

Confronted with possible legislation and local laws enforcing a code of conduct on guests, Airbnb and Stayz have argued that they already offer complaints processes to deal with unruly guests and party houses. However, the Gurran report notes that such reporting to the platforms has been ineffective, in part because the person who must respond is generally remote from the location of the problem, and secondly because many properties are listed on multiple platforms, making it difficult to know who should handle the complaint.

4.2.2 Public Residential Amenity

Public residential amenity are the qualities, characteristics and attributes people value about a place which contributes to their experience of a high quality of life¹¹. The public amenity attributes which people seek and appreciate are varied, according to an individual's own values. There are a number of general elements that make a positive contribution to a resident's life and which contribute to the broader public amenity of a residential area, including:

- Physical landscape or streetscape.
- Areas of vegetation and public and private open space for recreation, such as parks and reserves.
- Urban design, including the scale and dominance of buildings.
- Public views and outlooks.
- Public services.
- Physical safety.

In practical terms, this may mean the ability to park a car in the street adjacent to a home, sufficient space for Council's waste contractor to collect waste bins and a reasonable degree of physical safety when exiting or entering a private residence.

The spread of tourism accommodation away from central tourism and accommodation hubs into traditionally pure residential areas may be interfering with public residential amenity. There are consistent anecdotal complaints in relation to:

- more traffic and on-street parking;
- reduced levels of traffic safety;
- increased levels of noise and other emissions from traffic; and
- greater potential for conflict between land uses.

For Council to maintain private and public residential amenity, while tourism gentrification and rapidly rising short-term rental is occurring, it is critical that it recognises and incorporates the amenity values of local communities into the management and planning of the region.

Complicating this is that what constitutes the public amenity space requirement in one area is not necessarily the same as in another area. For example, the public residential amenity expectation in Doonan is different to that expected in Witta Circle, Noosa Heads. Any provision for recognition and protection of public residential amenity should reflect that the region can be characterised by its density and compactness of living, location to transport corridors, land size and proximity to the natural environment.

4.3 Disruption to Sense of Community

The changing nature and use of neighbourhoods as tourists, visitors and holidaymakers infiltrate these areas has also contributed to a disrupted sense of community, exemplified by feelings of mistrust, reduced perception of personal safety and increased alienation.

Prior to Airbnb, the market for accommodation in Noosa largely consisted of holiday unit blocks, apartments and empty second homes. As a transformative travel business, Airbnb has provided an avenue and allowance for travellers to live as local residents do, with hosts able to provide a comparable simulacra of experience at a more affordable price.

People choose to live in a neighbourhood for a complex set of reasons and variables, all of which connect a group of people to a given physical place in ways that may not be obvious, such as a desire to live close to the beach, or close to cafes and restaurants, or in a quiet street. By sharing a place, people shape it, both purposefully and incidentally¹¹.

Airbnb may be disrupting the sense of community in the Noosa shire, as property owners and hosts disengage from their home by transforming it to a commercial operation. As most residents or homeowners would attest, once you have lived in a street or area for a period of time, you experience a settled feeling and higher perception of safety and security from knowing your neighbours, sighting familiar vehicles each day and attuning to the social, work and travel movements of those that live around you. With the infiltration of tourists into these areas, the settled feeling and perception of safety is reduced by strangers, new vehicles and different transitory movements throughout the week and weekend.

As property owners disengage, particularly owner-occupiers, the flow-on effect is that their neighbours become less engaged and connected to their home, as they see strangers coming and going. Arguably, homes neighbouring an Airbnb rental property incur the majority of social cost.

In various global studies, neighbourliness and connection to one's community have been shown to have positive impact on individual wellbeing. Disruption to community fabric caused by the arrival of short-term letting properties may have a flow-on impact by reducing social capital. This has been the basis of an argument made by the Mayor of Byron Bay, Simon Richardson, regarding the impact of Airbnb and other platforms. He has referred to the result as 'gutting our community' with its associated impact on volunteering, especially for essential services like lifesaving and the SES, as well as reducing participation in local community groups and sporting clubs etc.¹⁸

4.4 Permanent Rental Market and Housing Affordability

Housing advocates contend that the rising utilisation of online accommodation share economy platforms are affecting the pricing of the permanent rental market and housing affordability. The Noosa shire has certainly seen rising rental and property prices in recent years, particularly since 2013, outperforming the state market in terms of growth.

The Noosa shire is one of the strongest performing and most expensive in Queensland in terms of median house price and unit price¹⁴. Additionally, median weekly rental payments in Noosa have been consistently higher than the Queensland average, consistent with Noosa's higher median property prices.

Table 5. Historical Average Median Rents

	2006	2011	2016
Median Rents (\$/week)	\$250	\$330	\$380
Percentage Increase	-	32%	15%

Source: ABS (2017b)

Table 6. Median weekly rents for the 12 months ending 31 March 2018

Dwelling Type	Qld State	Noosa Shire	Noosa Hinterland	Noosa Heads	Noosaville	Tewantin	Sunshine Beach
1 bedroom flat or unit	\$310	\$300	\$248	n.a.	\$325	\$300	\$350
1 bedroom flat or unit	\$350	\$385	\$305	\$420	\$390	\$360	\$410
3 bedroom house	\$350	\$465	\$420	\$575	\$505	\$460	\$540
4 bedroom house	\$420	\$560	\$560	\$705	\$633	\$520	\$670

Source: Agenda – Planning and Environment Committee Meeting, Noosa Council, 7 August 2018

Table 7. Historical Annual Median Sale Prices for Houses and Units

Median Sale Price		Annual Change	5 Year Change
Houses	\$615,000	9.2%	25.5%
Units	\$485,000	7.8%	16.9%

Source: ABS (2017b)

Affordable housing advocates attribute rising rental and property prices to the presence and popularity of online accommodation share economy platforms, such as Airbnb and Stayz, on the premise that property owners now prefer the higher return that can be generated from short term letting and are electing to monetise their asset in this way, rather than through long-term renting or selling. Property owners are aided and encouraged by the useability, accessibility and simplicity of online accommodation share economy platforms (with a property also available for personal use from time to time under this model).

Furthermore, properties that typically would have continued to circulate through the residential property sale market are now considered of higher value as an investment property that can generate a return as a holiday rental. Indeed, some local real estate agents in the Noosa Shire are advertising properties for sale as being 'great for Airbnb'.

Whilst it has merit to contend that the transition of long-term rental properties and properties circulating through the ownership market is eroding affordable rental housing stock to the detriment of communities, there are also a number of other macro-economic factors that have likely contributed. The proportionate effect of Airbnb and Stayz against other factors such as low interest rates and significantly higher property prices in Australia's capital cities is not entirely clear. However, the recent Laura Crommelin et al. report for the Australian Housing & Urban Research Centre, which looked at Sydney and Melbourne only, noted that rental affordability is likely being impacted by Airbnb in high-demand inner-city areas with significant tourism appeal²⁰.

The Gurrán et al. report for the Australian Coastal Councils Association notes that in some localities, attempts to increase housing supply for low income residents by way of new residential developments, including detached homes and medium density apartments, has resulted in those properties being purchased by investors to list as holiday rentals. Thus efforts to introduce affordable housing may be taken instead by investors looking at short-term rental returns. Interviewees in localities within a three hour radius of capital cities – Mornington Peninsular (Melbourne), Eurobodalla (Canberra), Kiama and Shoalhaven (Sydney), Byron and Sunshine Coast (Brisbane) all reported increased housing demand by investors looking for a lower priced entry into the property market. However, they also reported aggressive marketing by real estate agents of properties with potential holiday rental returns. The report concluded that, 'in these locations, the rise of online platforms may contribute to house price inflation, making it more difficult for home buyers to achieve home ownership'¹⁹.

There is also increasing evidence from overseas jurisdictions that the arrival of Airbnb and other such platforms has had a direct impact on housing affordability, increasing permanent rental prices and land values.

Further to the issue of affordable housing, it is regularly suggested that Airbnb offers necessary additional income for home hosts, particularly retirees or those on fixed incomes. This may have had some truth in the early days of the online short-term letting industry, however, research does not support this theory today.

The Gurrán et al. report notes that, 'the proportion of households who offer rooms or shared rooms to tourists, remains small – less than one per cent in the majority of the case study communities. Although home sharing represents a source of income for a small sector of the population, overall it does not represent a solution to wider housing affordability pressures'.

This view is supported by a November 2018 Australian Housing and Urban Research Institute report by Laura Cromelin et al. which concludes that, 'hosts are primarily focussed on financial gain in choosing to engage in short-term letting, and do so more for discretionary spending than to cover pressing housing expenses'²⁰.

Currently reduced housing affordability and loss of permanent rental stock are key issues for the Noosa shire.

4.4.1 Permanent Rental Market

Key aspects of the permanent rental market are affordability, suitability and availability.

Affordability	Rent is no more than 30% of a household budget.
Suitability	Appropriate for the number of people or the family type.
Availability	Sufficient permanent rental stock.

As a highly sought after and affluent coastal location, the permanent rental housing and unit stock has provided an affordable living option for many of the region's residents working in industries such as retail trade, accommodation, food services and real estate services (rental and hiring). Traditionally, Noosa has enjoyed a healthy permanent rental market, with a diversity of permanent rental stock offering a range of affordability and suitability.

With the uptake of tourists using online accommodation share economy platforms to book short stays, houses and units that were traditionally offered as permanent rentals are now participating in the tourism supply chain. Property owners are leveraging the popularity and established user base of sites such as Airbnb, which includes the simplicity offered by these online platforms and smart device applications. There is a growing realisation for property owners that even at an occupancy level less than 50%, there is the potential ability to earn more from a property as a short-term rental rather than as a permanent rental.

Historically, macroeconomics of supply and demand have kept permanent rental prices competitive and steady. With the reduction of supply, the economics have shifted, resulting in upward pressure on permanent rental prices, compounded by an increasing lack of permanent rental supply.

The indirect effects of rising permanent rental prices and lack of supply are varied and numerous:

- Displacement of individuals and families in lower socio-economic categories, potentially leading to a rise in the number of homeless and seriously disadvantaged in the shire.
- Lack of housing for lower income producing families and individuals (i.e. those working in the retail and hospitality industries) leading those individuals to leave the region and seek employment elsewhere, reducing the number of prospective employees in these industries.
- Flow on issues for the shires retail and hospitality sectors, with a lower regional worker base potentially necessitating an increase in wage and benefits, pushing up the prices of retail and accommodation at the consumer end of the supply chain.

At a broader level, these effects could potentially compromise the effective delivery of Council's Local Economic Plan and interrupt key goals to diversify the region's economy, particularly if a lack of affordable housing (through ownership or permanent rental) changes the nature of the available worker base.

5. Key Challenges for Council

5.1 Current Planning Control Constraints

Council administers the region's town planning legislation, and plays a vital role in planning for and managing the sustainable development of the region. The Queensland Government also plays a role, establishing the planning framework through legislation (Planning Act 2016), and monitoring its operation.

The Planning Act 2016 was assented to on 25 May 2016 after being passed by the Legislative Assembly earlier that month. In conjunction with the pre-eminent legislation, there is a hierarchy of regulatory instruments which establish the land use planning system, roles and responsibilities. Specifically, the Planning Act 2016 facilitates and empowers setting of regulatory matters, establishes rules for certain processes (via statutory instruments).

The new suite of legislation was intended to focus on key areas such as:

- enabling better strategic outcomes and high quality development outcome,
- ensuring effective public participation and engagement in the planning framework,
- creating an open, transparent and accountable planning system that delivers investment and community confidence,
- creating legislation that has a practical structure and clearly expresses how land use planning and development assessment will be done in Queensland, and
- supporting local governments to adapt and adopt the changes.

Council plays a vital role in land use planning, ensuring that land use is planned for and executed to:

- ensure appropriate density of land use,
- promote and enhance the quality of the environment,
- make safe and attractive places to live and work,
- improve accessibility to jobs, homes and services across through improvement of opportunities for walking, cycling and the use of high quality public transport,
- promote good design in development so as to achieve high environmental standards and optimum social benefits,
- strategise for future housing demand and availability of suitable land,
- consider the current and future level and capacity of infrastructure, services and facilities – this includes public and private amenity space, green space and open space,
- acknowledge the desirability of using land efficiently and reducing, and adapting to, the impacts of climate change, and
- retain the characteristics of the area, including the current and proposed mix of land uses.

5.1.1 Regulation of Short-Term Rental Accommodation

Council's current Planning Scheme defines Visitor Accommodation as accommodation that is designed and used for visitors to the shire and where social, recreational and dining services may be provided for visitors by owners or staff. Resident guests stay for a temporary period of time (typically not exceeding 3 consecutive months).

Whilst the current Planning Scheme does distinguish between visitor zones and residential zones by detailing requirements and provisions for small scale Visitor Accommodation such as B&B, guest house, host farm or cabin park, the current planning scheme was developed prior to the modern phenomenon of online booking platforms such as Airbnb and the trending disruption to traditional methods of visitor accommodation in the Noosa region. This disruption poses a challenge to ensure appropriate land use and residential liveability in the shire. The new Planning Scheme (The New Noosa Plan) is will be clear in how it regulates and will reflect the current landscape that includes both short-term accommodation and visitor accommodation.

5.1.2 Planning Scheme Cycles

Typically, land use planning works in 5 or 10 year cycles, as local governments elect to adjust and update their planning schemes to cater for changing societal, economic and emerging markets and to guide appropriate future land use. The acceleration in development and consumption of technological applications and platforms in recent years has created change and disruption that are challenging for local governments to address and to ensure that planning schemes contemplate and protect future land uses in a highly changing environment.

5.2 Existing Lawful Use Rights

As local laws and local government planning schemes continue to change and update, they do not have retrospective powers. This concept is substantiated by the presence of "existing use rights", included at section 260 of the Planning Act 2016.

Section 260 explains the existing lawful use provision, stating that if a use of premises was a lawful use of premises immediately before a planning instrument change, the change does not:

- Stop the use from continuing, or
- Further regulate the use, or
- Require the use to be changed.

A property or owner with an existing lawful use can seek to evoke the rules and allowances that were in force at the time they established a lawful use, even if they are now superseded, protecting an established and lawful use allowed within a superseded instrument.

5.3 Lack of data and transparency

To date, Airbnb and Stayz have repeatedly refused to supply property addresses to regulatory authorities, claiming that to do so would be a breach of privacy. Their business model relies on the outsourcing of risk, which can lead to their clients avoiding tax obligations, in addition to planning and safety regulations.

The business models of Airbnb and Stayz are such that private addresses and home ownership details are not made public, for several reasons. Airbnb and Stayz remain at arm's length from the income reporting, tax obligations and income declaration of hosts, shifting the risk and responsibility of these aspects of providing short term rental accommodation to the property owner. They also largely shift responsibilities relating to safety onto property owners.

Council is challenged by:

- Increasing numbers of new short-term websites, making it difficult to identify and track properties that are made available for short-term letting.
- Difficulty proving that an identified property owner is offending or re-offending.
- The cost, time and resources required to monitor multiple websites to try and identify properties that are being short term rented.
- Websites electing to withhold property location and other identifying information.

The operational model of online accommodation share economy platforms such as Airbnb and Stayz allow for concealment of property addresses and owner details, at the homeowners' discretion. It is important to note that these companies do not promote or suggest concealment to property owners, instead they have cleverly and effectively used the trending share economy to transfer any risk and responsibility of tax, safety or legislative compliance to the property owner.

Airbnb and Stayz argue that mandatory registration of addresses and home ownership information would be a breach of their privacy rules, as the business models are supposedly peer-to-peer arrangements, rather than commercial business operations. Arguably, Airbnb and Stayz platforms actually facilitate a business-client arrangement, just like any other holiday accommodation.

5.4 Avoidance of the Tourism and Economic levy

In its 2018-19 budget Council introduced changes to the Tourism and Economic levy structure to recognise identified equity issues between levy amounts for home hosted short-term rentals (when the host is present) and entire properties being let. In the urban areas, for example, Transitory Accommodation that is not a Principal Place of Residence (i.e. not someone's private home) will be rated at 0.2224 cents in the dollar of the rateable value. For Transitory Accommodation in urban areas that is a Principal Place of Residence (i.e. a home-hosted property letting out one or more bedrooms in their house), the rate has been set at one-third the value of a non-principal place of residence property (i.e. 0.0741 cents in the dollar).

The clear aim of the change in charging structure was to ensure that there is equity between the Airbnb-type host who is simply letting out a spare bedroom (these properties do not generate the sort of amenity problems and neighbour conflicts that non-principal place of residence properties create) and those properties which are let in their entirety and generally serve as commercial investments.

However, there are currently likely to be a large portion of properties that are not being levied, as Council is not aware that they are participating in the short-term rental market. Arguably, all short-term rented properties benefit from the destination marketing and promotion paid for through the Tourism and Economic Levy, and should therefore contribute to the cost of these activities.

Following is an excerpt from the Airbnb hosting dashboard of a Noosa home listed for short term letting, placing the burden of compliance on a host, and not Airbnb:

Please educate yourself about the laws in your jurisdiction before listing your space.

Most cities have rules covering homesharing, and the specific codes and ordinances can appear in many places (such as zoning, building, licensing or tax codes). In most places, you must register, get a permit, or obtain a license before you list your property or accept guests. You may also be responsible for collecting and remitting certain taxes. In some places, short-term rentals could be prohibited altogether.

Since you are responsible for your own decision to list or book, you should get comfortable with the applicable rules before listing on Airbnb. To get you started, we offer some helpful resources under “Your City Laws.”

By accepting our Terms of Service and listing your space, you certify that you will follow applicable laws and regulations.

6. Current Actions and Responses – Other Jurisdictions

Various entities, jurisdictions and local governments, both in Australia and internationally, are working to address the implications and consequences of the continuing rapid increase in short term letting facilitated by platforms such as Airbnb and Stayz, utilising various legislative approaches, inquiries, local laws, codes of conduct and associated regulations.

This section examines the responses and approaches from other local governments including Tasmania, Auckland Council, Mornington Peninsula Shire Council, City of Busselton, Bryon Shire Council, Barcelona and Yountville, Napa Valley.

The recent policy change implemented by the Local Government Association of Queensland (LGAQ) is noted, in addition to the current inquiry being undertaken by the Western Australian Parliament and the approach by the New South Wales Government to implement state-wide and industry-wide reforms.

6.1 Queensland

In early November 2018, a motion was put forward by the LGAQ Policy Executive at the 122nd LGAQ Annual Conference that the Policy Statement 2016 be amended by the inclusion of a new clause 6.1.5 in relation to the short-term letting of residential properties. The motion was passed with 202 votes in favour and 6 against, reflecting the consistent and broad view that local government organisations should be enabled and supported to introduce and enforce regulation of short term holiday accommodation. Table 8 outlines the new clause in the LGAQ Policy Statement.

Table 8. LGAQ Policy Statement – New Clause – Short Term Letting of Residential Properties

6.1.5	Short - term letting of residential properties
6.1.5.1	Local government should continue to establish and enforce appropriate planning, local law and rating responses for residential properties used for short - term letting, within their local government area.
6.1.5.2	Local government is committed to working in partnership with the State Government and industry to effectively manage the growth of emerging short-term accommodation styles and the impact of this on local communities.
6.1.5.3	Local government supports the state government in developing a Code of Conduct, including: <ul style="list-style-type: none"> - information regarding fire safety standards, for hosts and guests of residential properties that are advertised for short- term letting, - obtaining the agreement of online accommodation booking agencies to provide - details regarding the location of residential properties that are advertised for short -term letting, to regulatory authorities, and - establishing a state wide data sharing system across the short term accommodation sector, that is accessible by local government.

6.2 Western Australian Government

On 1 November 2018 a parliamentary inquiry into the regulation of short stay accommodation commenced in Western Australia, after the state’s Economics and Industry Standing Committee resolved to investigate the adequacy of current state-wide regular practices surrounding holiday properties. The inquiry is aiming for a bipartisan plan on regulation of the industry and intends to look at issues such as customer safety, insurance, land use planning, building standards, stay length, neighbourhood amenity, registration, licensing and taxation. The inquiry is accepting submissions from the public until 25 January 2019, and the Committee will report to the House by 27 June 2019.

The terms of reference of the inquiry include:

- The forms and regulatory status of short-stay accommodation providers in regional and metropolitan Western Australia, including existing powers available to local government authorities.
- The changing market and social dynamics in the short-stay accommodation sector.
- Issues in the short-stay accommodation sector, particularly associated with emerging business models utilising online booking platforms.
- Approaches within Australian and international jurisdictions to ensure the appropriate regulation of short-stay accommodation.

6.3 New South Wales Government

In 2016, the New South Wales (NSW) Government conducted a public inquiry on the Adequacy of Regulation of Short-Term Holiday Letting in NSW. Following an Options Paper released in October 2016, the NSW Parliament subsequently passed the NSW Government’s short-term holiday letting reforms on 14 August 2018. The new framework is expected to commence in 2019, and will introduce state-wide planning rules and an industry-wide mandatory Code of Conduct.

The changes to short term letting rules include:

- Hosts of houses and apartments in the greater Sydney area will only be able to let properties for up to 180 nights per year. There is no automatic cap in regional areas, but councils will be able to set their own limits, however they may not be less than 180 days (note that Byron Shire Council currently has a limit of 90 days and is opposed to the State's 180 day cap).
- Changes to strata legislation to empower owner's corporations to pass bylaws with a 75% majority banning short-term letting in their buildings, but not on properties which are owner-occupied.
- Airbnb and other operators will be required to share their data with the New South Wales Government, as a compliance mechanism.
- There will be a Mandatory Code of Conduct that online booking platforms are required to sign up to, which will address issues such as noise and disruptive guests. If two serious breaches occur in any two-year period, the property will be banned from all platforms for five years.
- The Department of Fair Trading will also be given new powers to police the online platforms and letting agents, and will use the data supplied by the platforms to assess complaints.

Notably, the new laws explicitly state that short-term holiday letting is allowed in residential areas.

In the latter part of 2018, the NSW Government sought feedback on the proposed amendments to planning rules and prepared a publicly available Explanation of Intended Effect detailing the proposed amendments. The consultation process closed on 16 November 2018.

It is worth noting that critics of the NSW scheme have claimed that a 180 day limit will have minimal impact, as most short-term properties are let for less than half of each year anyway.

6.4 Tasmanian Government

Due to a growing tourism sector (much of it thanks to MONA in Hobart) and an increasing resident population, Tasmania is struggling with a serious shortage of affordable housing and available long-term rental properties.

Tasmania already has a legislated permit system in place for short-term letting properties. This was introduced on 1st July 2017. Permits are required for all properties over 300 square metres other than principle places of residence – in other words investment properties are included but own homes are not required to register.

At a recent Australian Housing & Urban Research Institute conference titled "Disrupting the housing market", the Hon Roger Jaensch MP, Minister for Housing Tasmania, outlined a range of measures to help deal with their housing shortage.

The conference was also advised that Tasmania was set to introduce legislation to enforce compliance with the permit system for short-term lettings and also to provide for steep fines for non-compliance. This was foreshadowed publicly in August 2018 but has yet to be introduced to parliament.

Under the plan, online platforms will have to exhibit the permit number or permit exemption associated with properties listed. Under the new legislation, platforms like Airbnb and Stayz will have to provide the government with quarterly data of all listings on their sites. This data will be passed from the State to local governments, so they can match the property addresses with their permit listings.

If it proceeds this will be Australia's first complete data set for a whole state, helping policy and planning processes as well as demographic research through provision of property addresses of all online short-term listed properties. Note that the Minister avowed that the data provided by platforms would not be made public.

6.5 City of Busselton, Western Australia

The City of Busselton is a local government area in the South West region of Western Australia, approximately 230 kilometres south of Perth. It contains two large towns, Busselton and Dunsborough, and covers an area of approximately 1,454 square kilometres. Similar to Noosa, the City of Busselton region is a significant tourist destination, and holiday homes have long been a major part of the local economy, particularly given the proximity to Perth.

According to the Gurran et al report, of the whole homes frequently available as rental stock, 32.9% are taken up by Airbnb. Airbnb listings amount to 5.4% of all housing in the Shire.

Holiday home stock is now more easily accessible to a much broader and variable tourism market, effectively shifting the region's traditional focus as an intra state destination¹⁶.

Current Approach:

- Holiday homes are addressed within the local planning scheme, requiring approval subject to criteria relating to size, potential amenity impacts, parking, water supply and bush fire safety.
- Busselton has a designated tourism zone, and properties located within the tourism zone pay a higher rate, with the additional revenue contributing to the City of Busselton's budget for tourism and events.
- Development approval is required for holiday homes located within the residential zone, in addition to a license. Licenses are renewed annually for a fee and are required to have a nominated and locally available manager.
- The City of Busselton is able to withdraw a license if the property is not managed property.

Key Issues:

- The introduction of online platforms such as Airbnb has resulted in an increasing number of properties being made available for holiday letting, without development approvals or licensing in place.
- Properties are advertised and utilised for holiday letting at a higher capacity (number of guests) than would be permitted under the terms of a license.
- There is inequality due to licensed and compliant holiday homes being subject to a higher level of regulation and checking than holiday homes that are now being listed on online booking platforms with necessary approvals and licensing.

Response:

- A continued focus on a regulatory framework which combines local laws and planning provisions to implement a register of addresses and subsequent licensing.
- Waiting on the outcome of a parliamentary inquiry into the regulation of short stay accommodation, which will include a particular reference to the existing powers available to local government authorities (refer to Section 6.2).

Like many other local governments, Busselton is struggling to identify all of the actual property addresses of short-term rental properties in the Shire order to regulate its approach.

6.6 Byron Shire Council, New South Wales

Byron Shire Council has taken significant and pro-active measures in recent years to address the significant negative impacts of short-term holiday letting on residential amenity and housing affordability. As one of Australia's premier tourist destinations, the growth of short-term holiday letting of residential properties within the region has grown exponentially with the advent of online booking platforms.

The Gurran et al report notes that Byron is experiencing extreme impacts from the arrival of the online short-term rental sector. For example, 17.6% of total housing stock in the shire is listed on Airbnb. Of the whole houses available for rent in the Shire, 48.3% are listed on Airbnb. What's more, the Airbnb beds as a proportion of traditional tourism sector beds in Byron is a factor of 517%.

Whilst Byron Shire Council's planning provisions do not have specific provision for holiday letting, the use of dwellings for short-term holiday accommodation falls within the definition of 'tourist and visitor accommodation' and is a prohibited land use in the residential zones of the Byron Local Environmental Plan (LEP) 2014. In other words, short-term letting accommodation is prohibited in residential zones. Tourist and visitor accommodation is specifically permitted with consent in the LEP's B2 Local Centre zone and SP3 Tourist zone.

Byron Shire Council has taken direct action to seek compliance and regulation of short-term holiday letting, including but not limited to:

- the issuance of letters to owners of properties that Byron Shire Council has received complaints about, advising them that there is reason to believe the premises are being advertised/used as short term holiday rentals;
- advising in such letters of Byron Shire Council's relevant resolutions and the fact that the obtaining of evidence via section 9.22 of the Environmental Planning and Assessment Act is a tool which officers may employ in circumstances where a reasonable suspicion of unauthorised short-term holiday let activity exists;
- community enforcement staff manage a list of properties against which it may commence enforcement proceedings based on the establishment of a prima-facie case of unauthorised short-term holiday let and unauthorised tourist and visitor accommodation;
- implementation of a Byron Bay Noisy Neighbour hotline to capture complaints and non-compliance; and
- establishment of a direct online link to report problem holiday letting to Byron Shire Council.

It is important to note that Byron Shire Council does not accept the NSW Government's standard state-wide approach to the issue. Subsequent to the NSW Government's passing of short-term holiday letting reforms on 14 August 2018, Byron Shire Council wrote to the Minister for Planning in August 2018 to seek a deferral of Byron Shire Council from the new state-wide planning policy, in the form of a pause to implementation. (Byron had previously proposed a 90 day cap in any calendar year for short-term rental properties.)

Byron Shire Council is seeking to enable a full consideration of the impact of the changes to short-term holiday letting, in terms of environmental, social and economic impacts, and also to enable Council to tailor a local response to planning and regulation through either changes to the state-wide policy or via Byron Shire Council local environmental plan provisions¹⁷. Byron Shire Council is effectively seeking to preserve the current policy of restricting short term letting in residential areas.

Interestingly, Byron Shire Council has been caught out in its attempts to encourage a more affordable housing supply. “Granny flats” are approved under the NSW Affordable Rental Housing State Environmental Planning Policy, and as such were encouraged by Council which waived contribution fees in order to support more affordable housing. The Council is now trying to deal with these “granny flats” being used for short-term rental in residential areas, having to take enforcement action to prevent such use.

6.7 Mornington Peninsular Shire Council, Victoria

The Gurrán et al report notes that the number of Airbnb beds in Mornington is 585% of traditional tourist sector beds. As a percentage of whole homes available as rental stock, Airbnb properties equate to 18.8%.

Mornington Peninsular uses a Local Law and associated Code of Conduct to require short-term on-line rental property owners to register their properties and adhere to a standard of management and operation.

On 24 April 2018, the Mornington Peninsular Shire Council at its Ordinary Council Meeting resolved to adopt the Short Stay Rental Accommodation Local Law. The Local Law came into operation on 17 May 2018 and will cease to operate on 17 May 2028, unless sooner revoked by the Mornington Peninsular Shire Council.

The purpose of the Local Law is to:

- Regulate and control the use of short stay rental accommodation within the Municipal District of the Mornington Peninsula Shire Council.
- Ensure an appropriate standard of management and presentation of such.
- Minimise the risk of such accommodation affecting the peace of neighbours.
- Implement a registration requirement; and
- Provide for a Code of Conduct under the Local Law

The Local Law defines Short Stay Rental Accommodation as accommodation for no more than 30 consecutive days or 1 month in a dwelling for commercial gain, excluding other accommodation premises required to be registered under alternate legislation.

Table 9 outlines the key requirements, conditions and parameters of the local law, which is supported by a Code of Conduct. It should be noted that the use of local laws may be open to legal challenge.

Table 9. Key Aspects of the Short Stay Rental Accommodation Local Law – Mornington Peninsular Shire Council

Registration
The owner of any dwelling must not use, or allow to be used, the dwelling for short stay rental accommodation, unless the dwelling is registered under the Local Law.
An application for registration must be made by the owner of the dwelling, an application form completed with all required details and be forwarded with the application fee to Council.
The owner must provide Council with the contact details for a designated person(s) for the dwelling who can be contacted at any time, and that person must respond within 2 hours to any matter relating to the dwelling.
The dwelling must be used in accordance with the conditions of registration and the provisions of the Local Law.

Cancellation
Registration may be cancelled when:
(a) Any material change occurs to the application details on the basis of which the certificate of registration was issued.
(b) Council receives no less than three substantiated complaints concerning the activities taking place at the dwelling from residents located within the proximity of the dwelling over a rolling period of 12 months.
(c) A substantiated complaint is of such severity that immediate cancellation is warranted.
Standard of Management
The use of the dwelling must comply with the Code of Conduct applicable to the Local Law.
The use of the dwelling is not to impact on the peace expected to be enjoyed by surrounding residents.
The owner is to provide adjoining neighbours on all boundaries and neighbours immediately across the road from the dwelling with the current contact details of the designated contact person.
Offences
The Local Law employs a penalty system for offences, using the same meaning of Penalty Unit as the Sentencing Act 1991.
Offences include:
- Not doing something required to be done, or doing something forbidden to be done by or under the Local Law and associated Code of Conduct.
- Failing to comply with a notice to comply.
- Accepting a rental booking for a short stay rental accommodation not registered within the requirements of the Local Law.
- Causing or permitting any act or omission which is a contravention of the Local Law or associated Code of Conduct.

6.8 Auckland Council, New Zealand

In 2017, Auckland Council introduced an Accommodation Provider Targeted Rate (APTR), as a response to increasing tourism and need for accommodation. The rates were applied to commercial providers such as hotels, motels and other serviced apartments. This ensured that commercial accommodation providers were contributing to the Auckland Tourism, Events and Economic Development (ATEED) organisation, on the premise that the commercial accommodation industry benefits from work undertaken by ATEED.

In early 2018, Auckland Council proposed changes to the APTR to include short-term rentals, recognising that online platforms are now one of the most popular mediums of finding accommodation in Auckland. The changes to the APTR came into effect from 1 July 2018.

The changes include a targeted accommodation rate, or bed tax, that will be applied to short-term rental accommodation providers, applying to those using Airbnb and other similar platforms to generate income. The aim of the bed tax is to apply a similar fee to that placed on hotels and other commercial providers, with the location, occupancy and value of the residence taken into account when Auckland Council calculates the charges.

The rate charged is partially determined by declared occupancy, with all short-term rental properties charged business rates in a graduated scale if let for more than 28 nights per annum. The location approach means that different areas within the Auckland region are charged different rates, with a division of the region in Zones A, B and C. As expected, central suburbs are impacted the most, whilst some outer districts are exempt from the rate.

Table 10. Auckland Council – Methodology for APTR rates – Short Term Rentals

Number of nights booked per year	APTR Rates Level	General property rates level
Up to 28	Does not apply	Continue to be rated as residential
29 to 135	25% of APTR if the property is in zone A or B	Rated as 75% residential and 25% business
136 to 180	50% of APTR if the property is in zone A or B	Rated as 50% residential and 50% business
More than 180	100% of the APTR if the property is in zone A or B	Rates as business

The rate also applies where only part of the property is used for short-term accommodation, for example of accommodation services are provided in a self-contained dwelling such as a studio unit or granny flat, whilst the owner resides in the main residence on the property. Auckland Council is assessing these situations on a case-by-case basis.

The introduction of the new accommodation rate has significantly increased rates for some property owners, whilst other property owners have had minimal increases. A number of accommodation providers have formed the Commercial Accommodation Rate Payers (CARP) group and have commenced a judicial review in the High Court in Auckland to challenge the legality of the accommodation targeted rate. As at November 2018, the judicial review is ongoing.

The Auckland Council has publicly stated that a shortcoming of the new rating method is that it cannot identify all property owners that should be paying an accommodation rate, particularly without the co-operation of the online booking platforms.

6.9 Yountville, Napa Valley, California

The approach taken in Yountville is an example of a strict legislative response to online booking sites such as Airbnb, allowing the Town Council to issue legislative subpoenas and obtain records of all rentals within the Town Council area. The approach supported the Town Council's decision to be diligent on code enforcement and to protect residents from the negative impacts of short term rentals.

Whilst such a legislative enforcement of obtaining information may not be feasible or suitable in Australia, it is interesting to note that this level of response has occurred elsewhere and provides some perspective to the arguably comparable mild response to seek a register of short-term rented properties within the Noosa shire.

6.10 Barcelona, Spain

Barcelona has a vigilant permit system to control the number of short-term rentals across the city. Barcelona Council requires all short-term rentals to obtain a council licence. The city is zoned differentially - some where the number of licences can remain the same (prospective landlords have to await license availability), some where the number of licences are allowed to increase, some where the number is set to decrease (i.e. no new licences awarded even if others are not renewed). To foster compliance to licensing, there's a 'flat detector' website to allow citizens and visitors to report unlicensed dwellings:

<http://meet.barcelona.cat/habitatgesturistics/en>

7. Current Actions and Responses – Key Stakeholders

7.1 Noosa Council

7.1.1 Lobbying Efforts

There are complex regulatory, compliance, safety and legal issues surrounding the rapid rise in short-term rentals, many of which are yet to be sufficiently addressed by state and local governments.

Council is an active proponent in seeking appropriate responses and recourses to these issues, focused on protecting the social capital and residential amenity of the region whilst recognising the significant economic activity driven by the tourism industry.

In 2017, Council actively lobbied the Queensland Government to establish a taskforce to consider the implications of short-term rental platforms. After a successful motion to the LGAQ conference in October 2017, the Queensland Government established a Peer-to-Peer Economy and Short Term Letting Industry Reference Group (the Industry Reference Group), with representatives from the industry, local government, academia and accommodation sector. Noosa Council and Cairns Regional Council are the only Local Governments represented. The Industry Reference Group has met four times throughout 2017 and 2018, working towards the development of a clear policy for managing short-term rental platforms such as Airbnb.

Participants in the Peer-to-Peer Economy and Short Term Letting Reference Group		
Airbnb	Stayz	Accommodation Association of Australia
Tourism and Events Qld	LGAQ	Queensland Hotels Association
Property Council Australia	Adventure Queensland	Australian Timeshare and Holiday Ownership Council
Department of Innovation and Tourism Industry Development and the Commonwealth Games	Noosa Shire Council	Cairns Regional Council
Caravanning Queensland	Adventure Queensland	Australian Resident Accommodation Managers Association
Exhibition and Event Association of Australasia	QUT Design Lab	Restaurant and Catering Australia
Australian Timeshare and Holiday Ownership Council	Department of Local Government, Racing and Multicultural Affairs	Tourism and Events Queensland
Queensland Tourism Industry Council	UQ Business School	

In a letter dated 14 May 2018 from the Office of the Minister for Innovation and Tourism Industry Development and Minister for the Commonwealth Games to a senior associate of Leanne Bowie Lawyers, it was stated:

“In exploring options for a balanced policy approach to this form of short-term holiday letting, members have considered key issues for the visitor economy and local government, including neighbourhood amenity, disruption to sense of community, guest safety, land use planning, housing affordability and destination marketing. Options will be progressed further by (the department) for consideration by the Queensland Government in the near future.”

7.1.2 Local Government Association of Queensland (LGAQ)

LGAQ is the peak body for local government in Queensland, advising, supporting and representing local councils and aiding them to improve their operations and strengthen relationships with their communities. LGAQ are actively working on improved opportunities for local governments to manage the short-term letting sector, largely through regular meetings with Queensland Government representatives. LGAQ are also in close contact with Noosa Council on this matter.

7.1.3 BNBGuard Pilot Program

BNBGuard is a Sydney-based start-up that was conceived as a property monitoring service to alert landlords to unauthorised subletting via an automated technology platform that monitors property rental websites such as Airbnb, Flatmates.com.au and Stayz, sending an instant notification when a listing for one of their properties is found online.

The application of this technology has now extended to the strata sector (due to strata management companies having problems with owner-occupiers subletting their properties for short-term stays) and to Local Governments, who are lacking data and information around properties that are being short term rental.

Council has engaged Bnbguard to implement a pilot program, which is aimed at determining the effectiveness of outsourcing the collection of short-term letting property data in the shire. This will become increasingly important as Council considers the implementation of actions and responses.

The pilot program commenced in late July 2018 so is currently in the early phases, with weekly update phone conferences held between relevant Council staff and Bnbguard. The technology triangulates information from multiple sources and once the weight of evidence has reached a pre-determined threshold, the property is considered an identification match.

As at December 2018 Bnbguard has identified 246 properties in Sunshine Beach that are listed online for short-term letting. As expected in a pilot program, Bnbguard is working through some minor challenges to the automation as part of property identification, whilst Council is providing assistance where possible through the provision of data from Council's spatial mapping system.

7.1.4 New Council Planning Scheme

The Noosa Plan 2006 is the current planning scheme that controls land uses and development throughout the Noosa Shire. As the plan is now 13 years old, Council is undertaking a comprehensive review of the Noosa Plan 2006 and the draft New Noosa Plan will soon be released for public consultation.

Since 2006, the Queensland Government's requirements for the drafting of planning schemes has changed significantly, and whilst the new Noosa Plan comprises similar elements such as zones, codes and overlays, the detailed provisions use substantially different terminology.

The New Noosa Plan will likely incorporate a range of changes (below) to help address issues around short-term rentals and terminology to address the adverse consequential impacts on liveability in residential areas, due to the significant surge in visitation numbers following the emergence of online share economy accommodation booking agencies:

- A short stay area map that indicates the residential zones where certain forms of visitor accommodation are acceptable (in areas situated near the Noosa River and near beaches).
- Restriction of visitor accommodation in other residential areas, assuming a position that a B&B with a resident host is much less likely to impact on nearby residents than a vacant house available for holiday letting.
- Separate definitions of dwelling house and short-term accommodation to those uses respectively, enabling different rules to apply with regard to approval of these uses.
- Party houses being defined as a specific form of holiday letting of a whole house. The Noosa shire will be declared a party house restriction area, based on s276 of the Planning Act 2016. A party house will be an impact assessable and inconsistent use in all zones and none will have existing use rights.

7.2 Queensland Government

7.2.1 Task force

As outlined in section 6.1, the Queensland Government responded positively to lobbying for an industry reference group and task force to share information and determine policy options for managing the rapidly rising usage of short-term rental accommodations through share economy platforms.

7.2.2 Potential creation of a local law for mandated property registers

In August 2018, the Director Strategic Policy for the Department of Local Government promised to look into the creation of a model local law that would facilitate councils to establish registers of short-term rental properties, and to implement penalties for non-compliance.

7.2.3 Possibility of Short-Term Letting 'Code of Conduct' and data sharing

In July 2018, immediately following the last Industry Reference Group meeting, Tourism Industry Development Minister Kate Jones issued a media statement. That statement suggested that a code of conduct for hosts and guests along with a limited number of 'strikes and you're out' policy would be central to Queensland's response to short-term letting. The Minister also said the government would look to introduce a system of data sharing in the short-term accommodation sector. 'It's important for councils to be able to tell the difference between someone who is renting out their own home and someone who's running a business', she said.

7.2.4 Assessing Party Houses

The State Development, Infrastructure and Planning (Red Tape Reduction) and Other Legislation Amendment Act 2014 commenced on 1 October 2014, which included provisions for 'party houses' to be assessable development through:

- Inclusion of a definition of a 'party house'.
- Provision for a planning scheme to declare that a 'party house' may be assessable development and may also include a development assessment code.
- For a 'party house restriction area' to be identified, which confirms that any residential dwelling in that area does not, and never had the right to operate as a 'party house' as defined.

For clarification, a party house is defined as a premises containing a dwelling that is used to provide, for a fee, accommodation or facilities for guests if:

- guests regularly use all or part of the premises for parties (bucks parties, hens parties, raves, or wedding receptions, for example);
- the accommodation or facilities are provided for a period of less than 10 days; and
- the owner of the premises does not occupy the premises during that period.

In essence, the lawful development or use of a residential dwelling does not include the development right to operate a party house, unless otherwise approved by local government. These provisions only take effect if a local government applies the provisions through the planning scheme. Council will declare the whole Shire a “party house restricted area’ within the draft new Noosa Planning Scheme, in addition to the inclusion of restricted short stay areas. This is discussed in further detail in section 6.1.

Notably, where a local government gives effect to these provisions then a ‘party house’ is a distinct land use and cannot be considered to be short-term accommodation, holiday rental accommodation, a reception room, a function facility or other land use separately defined in the planning scheme.

7.3 Airbnb

7.3.1 Financial support of host lawsuits

In 2018, Airbnb financially backed an Airbnb host in New York to file a lawsuit against New York City. Whilst financially supporting the legal actions of Airbnb hosts in New York City is reflective of the long-standing discord in this city, it does confirm that Airbnb will go much further than lobbying to protect and support their hosts, revenue and business model.

7.3.2 Activation of targeted lobbying

Airbnb is actively lobbying in Queensland to minimise the establishment of regulation and data sharing, through a website (<https://www.airbnbcitizen.com/queensland/>) and issuing communications and emails to Airbnb hosts in Queensland.

Following is the content of an email sent to a Noosa-based Airbnb host in July 2018:

The Queensland Government is currently considering new rules for home sharing. We know that our hosts want the right to responsibly and respectfully share their own home without having to navigate onerous red tape, like restrictive caps or mandatory registration.

We also know that powerful special interests are trying to use their influence to restrict home sharing. If they succeed, it will make home sharing and traveling harder and more expensive for hosts and guests, while hurting the thousands of small businesses that rely on our guests.

We encourage you to let the Premier and Tourism Minister know how important home sharing is to you. We know from working with other cities around the world that your voice makes the difference. Lawmakers are interested in hearing directly from the Airbnb community.

Join Queensland hosts by sending a message directly to the Premier and Tourism Minister about why you value home sharing and the benefits it brings you and your local community.

7.3.3 Affiliation with other platforms

Airbnb is actively assisting and supporting hosts in aspects of tax compliance and safety. For example, Airbnb and Quickbooks have partnered to help Queensland hosts' taxation obligations and management. The partnership offers a financial incentivisation for hosts to better manage their tax obligations, with Quickbooks offering a 70% discount exclusively for hosts to acquire the Quickbooks App.

7.4 Australian Tax Office

The ATO provides information on its website about the sharing economy and tax, advising that if goods or services are provided through a sharing economy platform, such as Airbnb, it should be considered how income tax, GST and any other tax may apply to the earnings. ATO clarifies that when all or part of a residential house or unit is rented out through a shared economy website or app, such as Stayz or Airbnb, that:

- All records of income earned and declared in the income tax return should be kept,
- All records of expenses claimed as deductions should be kept,
- And there is no need to pay GST on amounts of residential rent earned.
- There are different income tax and GST obligations if you are carrying on an enterprises renting out commercial residential premises.

In August 2018 the ATO released a statement advising that they are launching an extensive data-matching program to identify taxpayers receiving income from short term rentals, and that information from online platform sharing sites for approximately 190,000 Australians will be examined to identify taxpayers who have left out rental income and over-claimed deductions.

The statement acknowledged the growth in availability of short stay rentals due to online platform providers, and clarified that the ATO will match data provided by online rental platforms and their financial institutions against ATO records to identify taxpayers not meeting their registration, reporting, lodgement, or payment obligations when renting out property on a short term basis. The data collected will include income received per listing as well as listing dates, enquiry and booking rates, price charged or quoted per night and other information.

8. Response, Recourse and Action – Noosa Council

This paper outlines a variety of actionable response opportunities for Council, underpinned by a suggested set of guiding principles, outlined in section 9.1. Council's response should have a strong foundation in information and data gathering that is useable and meaningful, furthered by actions that consider the legal, planning, social and economic aspects of this issue.

8.1 Administration and Management of Responsive Actions

The sections below outline a variety of potential responsive actions available to Council, with the successful and effective implementation of such actions requiring appropriate resourcing to ensure dedicated oversight, measurement of performance via key performance indicators and operational tasks such as managing a register of short-term letting properties, enforcing any new local laws or keeping up to date with technology changes.

8.2 Establish Key Performance Indicators

In order to provide measurable and objective standards to track progress and implement change, Council could consider the use of key performance indicators (KPI's) to measure the performance of any responsive actions implemented. Suggested KPI's could include:

- Housing affordability (using median house and unit prices and tracking month to month or year to year changes),
- Number of specific complaints received by Council's Customer Service Branch; and
- Availability and suitability of permanent rental stock (using number of houses/units tenanted, weekly median rents and the proportion of permanently rented properties with one, two and three bedrooms to measure suitability).

8.3 Monitoring, Registration and Information Collection

Without accurate data to understand the volume and scope of short-term rental accommodation in Noosa, Council is currently hindered in its ability to achieve equity in the collection of the Tourism and Economic Levy, measure and understand the quantity and diversity of short-term rental accommodation being offered over time, and ensure compliance with planning and safety.

The following responsive actions are available to Council include:

- Continue working with Bnbguard to obtain data, information and establish an effective and robust monitoring system.
- Ensure that all online sites are monitored, not just the main sites such as Airbnb, Stayz and Tripadvisor, as forcing only one site to comply or register is likely move hosting to other sites. A monitoring and registration system needs to span all sites, or will likely be ineffective.
- Continue to lobby for a state-based mandatory registration scheme, to be administered by local governments, forcing online accommodation letting platforms to divulge addresses.
- Continue to lobby the Queensland Government to investigate the creation of a model local law that would mandate the establishment registers of all short-term rental properties, and to implement penalties for non-compliance.
- Consider setting up a register of short-term rental properties beginning with known properties and allowing an opt-in opportunity for other property owners willing to comply.

8.4 Legislative and Planning Responses

There are a number of legislative and planning responses that Council can potentially take to address the issues and challenges arising from short-term rental platforms, some of which are already underway and actioned.

8.4.1 Clarify PPR and Owner-Occupied

It will be prudent to develop and adopt a definition of Principal Place of Residence (PPR) for the purposes of rateability and levying, as there are two aspects to owner occupied properties that are assumed to be PPR's. An owner occupier may rent out a room and remain present in the property. Alternatively, a property may be vacated by the owner-occupiers for a period of time to allow short-term letting while they are not present in the property. In both instances the property is a PPR, however Council does not wish to levy properties in which the owner-occupier is present during periods of short-term letting.

Council could be guided by the definitional approaches taken by other local councils. For example, in financial year 2018/19, Sunshine Coast Council introduced a definition of Principal Place of Residence into their revenue statement, excerpted as follows:

A Principal Place of Residence is defined as a single dwelling house or dwelling unit that is the place of residence at which at least one natural person who constitutes the owner/s of the land predominantly resides, or a multi dwelling house or multi dwelling unit that is the place of residence where at least one owner is a pensioner who complies with the eligibility criteria contained in the Queensland Government's Rate Subsidy Scheme resides. In establishing principal place of residence Council may consider, but not be limited to, the owner's declared address for electoral, taxation, government social security or national health registration purposes, or any other form of evidence deemed acceptable by the council.

Without limiting the above meaning the following cases do not comply with the definition of a principal place of residence namely a single dwelling house or a single dwelling unit or a multi dwelling house or a multi dwelling unit that is:

- (a) not occupied by at least one person/s who constitutes the owner/s, but occupied by any other person/s, whether in return for rent or remuneration or not, including members of the owner's family; or*
- (b) not occupied, whether permanently or temporarily (for more than 120 days of the financial year), including for the purposes of renovation or redevelopment, except in the case where:
 - i. place of residence for the purposes specified above and that the owner/s do not own any other property which they claim to be their principal place of residence; and*
 - ii. a property is vacant for a period longer than 120 continuous days of the financial year due to the owner/s absence on an extended holiday, provided that the property remains vacant for the entire period of their absence.*
 - iii. a property is occupied by the owner/s less than 120 days of the financial year due to the owner/s absence due to work commitments, provided that the absence is confirmed by the employer and the property remains vacant or is occupied by immediate family members only during the period of the owner's absence.*
 - iv. The owner is absent due to medical reasons of the owner or a close relative and this is confirmed by a health professional.**
- (c) not owned by a natural person e.g. owned by a company, excepting where the ratepayer residing at the property as their principal place of residence is the company owner.*
- (d) dual occupancy or a secondary dwelling on a single lot whether or not the properties are attached, except where the dual occupancy or a secondary dwelling on a single lot is owned by an approved pensioner in receipt of the Queensland Government Pensioner Rate Subsidy.*
- (e) a property categorised as transitory accommodation.*

8.4.2 Management of Party Houses

The Queensland State Government addressed the lawfulness of a residential dwelling being used as a 'party house' through changes to the Sustainable Planning Act 2009, which were carried through to the Planning Act 2016.

From a land-use planning perspective, it was never envisaged that a residential dwelling would be used in such a way that the primary use of the premises is more consistent with an event venue rather than as residential accommodation¹³. To date the use of premises for parties (party houses) by short-term rental properties has not been assessable development.

Changes to the suite of planning legislation in 2014 has enabled Council to include a provision in the new Noosa Planning Scheme to define a 'party house'. This declares that a 'party house' is impact and inconsistent development and also puts in place a 'party house restriction area' across the Shire through the planning scheme confirming that any residential dwelling within that area does not have the right to operate as a party house.

Once the New Noosa Plan is in place, Council will be able to take action towards specific party houses, using information obtained through specific complaints and other sources to identify offending properties.

8.4.3 Planning requirements for Short-Term Holiday Rentals

Council's new planning scheme will clearly define short term accommodation and identify locations where short term rentals will be permitted, ensuring that there are options and mechanism to assess and regulate this planning change in the future.

Council's new planning scheme proposes to adopt two distinct land use definitions of "dwelling house" and "short-term accommodation" from the Planning Regulation 2017. These uses are not interchangeable and it would require a Material Change of Use to change from one to the other. Property owners seeking to short term rent properties in areas where the use is not accepted will be required to obtain planning approval through a material change of use development application.

8.4.4 Capping Accommodation Bookings and Availability

Throughout Australia and internally, governments and councils are establishing rules and parameters allowing a maximum amount of short term accommodation booking days per year for a property. However, it is becoming apparent that this approach as a mechanism to reduce the incidence of short term holiday renting is ineffective, as it is currently relatively easy for hosts to remove an online listing and then create a new one on the same site or even another site.

Further, as online sites currently do not state how many days are booked, hosts can state that a property wasn't available, when it was actually booked and only visually looks like it is unavailable.

An alternate and more effective approach may be to allow hosts a maximum number of days of availability for a property, as this can then be tracked independently across a number of online sites. There could be further differentiation for short term renting where the property owner remains at the property (i.e. single room rentals).

Monitoring would still be required to ensure compliance, as a host could potentially argue that a property is only listed as available for the maximum allowable time, whilst the other periods of non-availability are actually booked periods.

8.4.5 Local Laws

Other more traditional short-term accommodation providers such as hotels and motels are subject to regulatory and legislative standards and obligations in relation to aspects such as fire safety, pool safety and accessibility for disabled visitors. As the utilisation of online booking platform proliferates, it has become apparent that the existing regulatory and legislative framework is not keeping pace with the short term holiday online accommodation phenomenon. It is reasonable that an appropriate framework of standard and regulation should apply to properties being operated for commercial gain.

In Queensland, local governments are able to make and enforce local laws, suitable to their needs and resources, to achieve specific purposes. The use of local laws is empowered by the Local Government Act 2009, which also limits the powers of local government to make certain local laws.

As discussed in Section 6, several other local governments within Australia are utilising local laws as statutory instruments to achieve better regulation, compliance and tailored control of short term holiday accommodation within their regions.

An effective action for Council to achieve compliance and regulation may be the creation and implementation of a tailored local law to address property registration, public residential amenity issues such as rubbish management, smoke alarm compliance, pool safety compliance and collection and parking of vehicles on roads and off-street parking areas. A further action may be a local law that requires hosts to conduct regular safety inspections of their homes.

This can be achieved by Council independently drafting a local law, in accordance guidelines issued by the Queensland Parliamentary Council under the Legislative Standards Act 1992. Council would be required to:

- consult directly with the state in checking state interests in relation to proposed local laws,
- review proposed local laws for anti-competitive provisions,
- make local laws by resolution of council, and
- notify the public and the Minister for Local Government of any new local laws and make copies available for inspection or purchase

A pathway to develop a new local law to address short term rental accommodation within the shire is for the Queensland Government to prepare a model local law. A model local law is a law approved by the Minister for Local Government that is suitable for adoption for local governments throughout Queensland.

8.4.6 Review Process – Legality and Enforceability

It may be prudent for Council to consider the longer term administrative, structure and resourcing enforceability of any legislation, monitoring, registration and local laws put in place, to ensure that any responsive actions are executed to achieve the desired outcome and fulfil the guiding principles.

8.5 Social Responsive Actions

Council's social response should target the erosion of social capital and residential amenity resulting from overtourism and tourism gentrification, acknowledging that there are limitations to growth, and establishing a position regarding the prioritisation of resident welfare above the tourism growth. Levels of visitation should fit within a destination's capacity, and this should be reflected within Council's response. There are a range of effective and actionable responses for Council, outlined as follows.

8.5.1 Development of Hosting Guidance Materials

Whilst accommodation share-economy platforms provide some guidance for hosts on development rules for their guests that are considerate of neighbour amenity, there is scope for the guidance to be expanded with Council driven material that seeks for consistent and appropriate setting of house rules.

Potentially, a broad approach could be taken, whereby information is prepared by the LGAQ, the representative local government association in Queensland. Further, the information could be endorsed by Airbnb, then made available to disseminate to customers, ensuring that communication and liaison with communities across those impacted Queensland communities is consistent and standardised.

8.5.2 Complaint Mechanisms

Whilst the incidence of party houses and disruption to residential liveability will be addressed from a planning perspective by the changes within the new Noosa Planning Scheme, there is still some merit in proactively advising residents of the best course of action to deal with poor behaviour and amenity issues, including:

- Reporting of excessive noise to police, giving the police an avenue to give the person responsible for the noise (including the host) a noise abatement direction, which directs the person to immediately stop the excessive noise and to cease making 'any' excessive noise for 96 hours after the direction is given.
- Leveraging the self-regulation of amenity that arises on share economy platforms due to the heavy reliance on reputational reviews of hosts and guests. There are also mechanisms for affected neighbours to make complaints directly to the share economy platform.

8.6 Economic Response Actions

- Consider an enforceable licensing system incorporated into a mandated registration process, whereby anyone hosting short stays is required to pay a licensing fee to fund compliance activities. Registration compliance can be achieved by requiring licence numbers to be shown on all short-term rental advertisements.
- Financially disincentivise unallowable short stay letting by penalising (e.g. fines). The fines need to be a value that outweighs the potential or actual income derived from short-term letting a property.
- Hold property owners liable and financially accountable for party guests disrupting residential amenity or cause damage to public residential areas. This may also indirectly encourage hosts to outline clear rules for guests in relation to what is allowed (i.e. no parties, noise time limits etc.)

9. Guiding Principles

The prevalence and popularity of home owners offering short-term rental accommodation through online platforms such as Airbnb are having negative impacts that are a major concern for many councils. As a high-volume tourist destination that economically relies on tourism growth and sustainability, Noosa is particularly vulnerable to the consequences and impacts of rapidly rising holiday letting through these platforms.

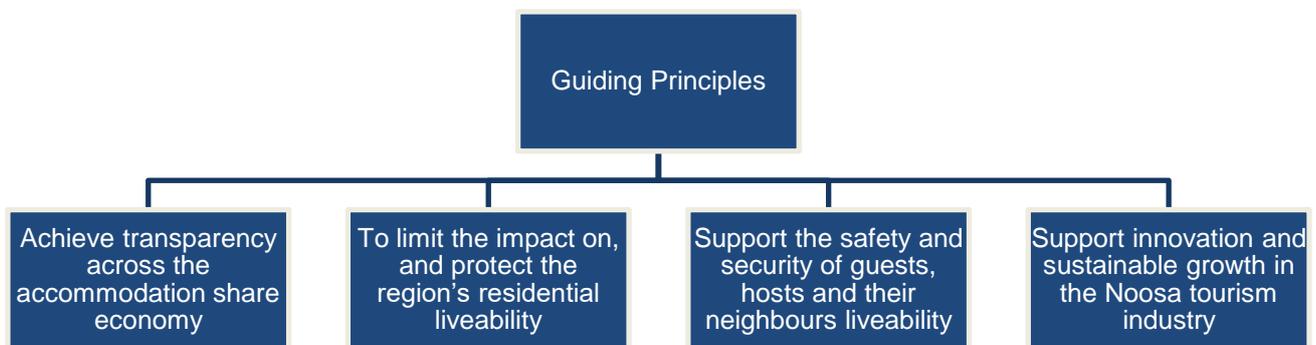
It is acknowledged that the region's tourism industry and economy has benefited from the positive impact of online accommodation share economy sites, however the Noosa shire is also experiencing adverse consequences including key indicators of over tourism, pockets of tourism gentrification, loss of residential liveability, reduced permanent rental and housing affordability, and longer term risks such as damage to the shire's tourism reputation.

The rise in popularity of sites such as Airbnb in recent years has been rapid, with most local and state governments in Australia now effectively playing catch up. As a result, Council is now working to develop and implement an effective, comprehensive, outcome-based and targeted response and action plan. It is imperative to address the issue with a balanced consideration for the technological and shared economy transformation taking place in society, having appropriate regard for the local community, residents and existing business operators, particularly those within the tourism industry and other accommodation providers.

Whilst it can be easy to get caught up in the complexities of the issues, examining the responses of governments and councils elsewhere and attempting to placate a variety of stakeholders with varying vested interests and goals, it is critical that Council creates and implements actions that are appropriate for this shire.

Council is committed to ensuring that actions and approaches taken to address the prevalence of rising short-term online rental accommodation occur with a balanced consideration of intervention and sustainable growth facilitation. Figure 2 presents the suggested guiding principles for Council.

Figure 2. Guiding Principles – Response, Recourse and Action



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