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Director Housing Policy
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Dear Sir / Madam

SHORT-TERM RENTAL ACCOMMODATION

Please refer to City of Newcastle's previous submission of October 2017 which is attached regarding proposed STRA controls.

Should you require any further information please contact David Clarke, Director Governance on 4974 2876.

Yours faithfully



Jeremy Bath
CHIEF EXECUTIVE OFFICER

NEWCASTLE CITY COUNCIL - SUBMISSION SHORT-TERM HOLIDAY LETTING

Newcastle City Council (NCC) supports the intent of the Options Paper to continue to enable the economic benefits of this type of accommodation while also managing the social and environmental impacts.

Newcastle is located within the Hunter Region and its coastline is a main attraction for tourists. It is recognised that tourist and visitor accommodation within Newcastle City is not adequately serviced by traditional forms of accommodation such as hotels and motels. Short-term holiday letting (STHL) supplements the supply, while also providing suitable longer term accommodation for those working away from home. Figures from the Australian Bureau of Statistics (2016, for establishments with more than 15 rooms) show just 2,877 hotel beds in Newcastle as per below:

Newcastle	Establishments	Rooms	Bed spaces
Adamstown - Kotara	3	104	270
Beresfield - Hexham	1		
Hamilton - Broadmeadow	3	81	242
Lambton - New Lambton	2		
Mayfield - Warabrook	5	193	527
Merewether - The Junction	1		
Newcastle - Cooks Hill	8	686	1,838
Stockton - Fullerton Cove	2		
Wallsend - Elernmore Vale	1		
	26	1,064	2,877

Figures for Lake Macquarie, add another 735 beds and Port Stephens, 3,513 beds.

The Newcastle Local Environmental Plan 2012 (which is a Standard Instrument LEP) does not specifically define, or have provisions for STHL. Notwithstanding this, Newcastle has approximately 270 listings across agencies such as Stayz and Airbnb for short-term rentals. However, in the past 10 years NCC has determined six applications for serviced apartments (the majority of which were for dedicated serviced apartment buildings).

NCC has concerns regarding potential amenity impacts of STHL, and supports uniform regulation to manage impacts and provide consistency. As such, NCC supports the following:

Amendment to Standard Instrument

The Options Paper recognises that there is no consistent definition of STHL. NCC agrees that a consistent definition is needed and suggests that a definition for short-term rental accommodation be included in the Standard Instrument.

It is suggested that references to 'holiday letting' should be omitted from the definition, as short term letting is not restricted to use by tourists. This form of accommodation is also widely being used by others such as seasonal or contract workers, and families visiting major hospitals (ie. The John Hunter) for treatment.

Regulation through the NSW Planning System

NCC supports regulation through the NSW planning system. It should be recognised however, that different Council areas will have requirements specific to the nature of their local government area, and the flexibility to regulate accordingly is important.

NCC recommends that the State Environmental Planning Policy (Exempt and Complying Development Code) 2008 be amended to include short term rental accommodation as exempt development within the residential and commercial zones only, with the inclusion of the following within the associated development standards:

(a) Size of Dwellings

By limiting the size of dwellings (ie. number of bedrooms) this may assist in reducing the likelihood of large group rentals and the associated impacts these larger groups may have on neighbouring properties. NCC supports the inclusion of dwellings of four bedrooms and under within exempt provisions.

(b) Days Per Stay / Days Per Year

NCC believes it is important to differentiate short term rental accommodation from serviced apartments, and the inclusion of maximum consecutive days per stay and days per year will facilitate this. Residential accommodation is defined as *"a building or place used predominantly as a place of residence"*. Short term rental accommodation, however, should be considered to fall under the Tourist and Visitor Accommodation definition as it provides *'temporary or short term accommodation on a commercial basis'*.

Considering the above, NCC supports as exempt development short term accommodation for a period of no more than 28 consecutive days (four weeks), and no more than 90 days per calendar year (based on the time period for NSW school holidays).

(c) Registration

NCC supports mandatory registration of all short term rental accommodation to a State Government Agency. This would assist in managing breaches to the regulatory framework, as upon registration, providers would agree to follow any mandatory guidelines and a Code of Conduct. This would also assist in managing breaches and limiting any amenity impacts on the wider community.

NCC also supports a requirement for a business identification sign to be affixed to the dwelling showing registration details (eg. registration number) and contact details for complaints (Council and / or manager). A copy of the registration should be required to be lodged with the respective local Council for their records.

(d) Code of Conduct

NCC supports a State structured Code of Conduct which is issued in conjunction with registration. The Holiday Rental Industry Association has a National Code of Conduct, under which short term rental providers such as Stayz and HomeAway currently operate. A format similar to this and which clearly addresses protecting the amenity of the local area should be considered. Under this scheme, providers must agree to abide by the Code of Conduct upon registration and to provide a copy for tenants in a prominent position within a dwelling.

Breaches of the Code of Conduct may result in enforcement actions and / or revoking of registration.

(e) Bushfire

If the dwelling is located in a bush fire prone area, a bush fire evacuation plan must be attached to the dwelling in a prominent location.

(f) Amenity

The use of a dwelling for temporary accommodation should not detract from the usual amenity of the residential neighbourhood. NCC suggests that amenity issues such as noise, waste and parking be addressed under any development standards.

NCC supports proposals which fall outside of the above guidelines applying for approval via the development application process. Registration of the premise and compliance with a Code of Conduct would be required as consent conditions.

Building Code of Australia (BCA)

The Options Paper identifies that STHL can constitute a change in building classification under the BCA. It is arguable that STHL for most dwellings / apartments will involve a change in building classification (eg. from Class 1a to Class 1b for dwellings, and from Class 2 to Class 3 for apartments) which is a '*change of building use*' under the *Environmental Planning and Assessment Act 1979*. Under current legislation, owners would be required to obtain development consent each time the use of the premise is changed, back and forth between one BCA classification and another. NCC therefore feels it is necessary for a clear position on BCA classifications for STHL to be established.

NCC suggests that the option of setting aside '*change of building use*' triggers that generate the need for development consent to be obtained when dwellings / apartments temporarily switch to STHL usage, should be considered.

Compliance

NCC recommends that any amendment to regulate STHL should consider the implications it may have on compliance and investigative works carried out by Councils.

Overall, NCC supports regulation which provides a streamlined registration and approval process for the owner; meets the objective of the respective zone; protects the amenity of the neighbourhood; and provides for efficient enforcement.