

9.3.7 ADOPTION OF MODIFIED LOCAL PLANNING POLICY 9.12 SHORT-TERM RENTAL ACCOMMODATION

Location:	Land zoned Residential, Rural Residential, Regional Centre or Special Development Zone 1 under Local Planning Scheme No.7.
Folder Path:	SODR-877026889-3318
Disclosure of Interest:	Nil
Date:	3 August 2022
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PROPOSAL

For Council to consider adopting the amended Local Planning Policy for un-hosted short-term rental accommodation.

BACKGROUND

On 25 October 2018, Council adopted a local planning policy to regulate short-term accommodation offered through commercial un-hosted holiday homes.

In December 2021, the Department of Planning, Lands and Heritage released a draft position statement, 'Planning for Tourism' following the 2019 Legislative Assembly's Economics and Industry Standing Committee Report – *'Levelling the playing field – managing the impact of the rapid increased of short-term rentals in Western Australia'*.

The rapid increase of peer-to-peer online booking platforms has contributed to a significant rise in short-term rentals; coupled with limited interstate and international travel in the last two years. This has led to management and compliance stress for the Shire primarily in the popular tourist locations of Jurien Bay and Cervantes.

The costs of increased commercial holiday homes include a possible threat or disruption to housing affordability and availability; disruption to the amenity of local neighbourhoods and the sense of community; and the threat or disruption to existing tourist accommodation providers.

As such the Draft Position Statement recommends local governments with areas subject to high supply of short-term rental accommodation and relatively stable housing growth are encouraged to monitor the situation and adjust policy settings as appropriate.

The above was the catalyst for a review of the Shire's 2018 policy. The following policy modifications have been made following review:

- Rename the policy from 'holiday homes' to 'short-term rental accommodation' to ensure it captures both hosted and un-hosted accommodation types.
- Provide clear definitions on the different forms of short-term accommodation.
- Revise policy objectives accordingly.

- Provide clear exclusions and exemptions consistent with the State's Position Statement. Traditional bed and breakfast establishments will now be excluded from requiring development approval, however, registration as a food premises will still be required under health legislation.
- Strengthen car parking requirements.
- Ensuring the property has sufficient essential services - water, wastewater and waste.
- Revise standards for maximum permissible occupancy numbers based on number of bedroom / bathroom.
- Tighten requirements and expectations for holiday home managers, including having a complaint management process and installing an onsite sign with contact details visible from the street.
- Increase requirements and expectations for guests through code of conduct improvements.

On 28 April 2022, Council resolved to advertise the modified policy to the local tourism industry and the wider public. This advertising was undertaken from 3 May 2022 to 17 June 2022. Two submissions were received which have been considered accordingly in the drafting of the final modified policy proposed to be adopted.

COMMENT

No policy changes are recommended as result of the comments received during the public exhibition period. As such, it is recommended that Council adopts the modified policy as first presented.

Nevertheless, as noted in the Background section of the report, commercial holiday homes / un-hosted short-term rental accommodation could potentially have adverse effects on neighbourhoods. The increasing numbers of holiday homes in the Shire requires ongoing monitoring and if necessary, further review of the LPP in the future to ensure that these affects are duly considered and appropriately responded to.

CONSULTATION

Two submissions were received on the modified policy. One submission noted support for the policy as presented, while the other sought clarification on several points of the policy and its implementation, which were responded to by staff. The submissions and responses are attached to this item for Council's reference.

STATUTORY ENVIRONMENT

Planning and Development (Local Planning Schemes) Regulations 2015:

The ability to prepare a Local Planning Policy (LPP) is afforded to the Council under Clause 3 of Schedule 2 in the *Deemed Provisions for Local Planning Schemes* (Deemed Provisions). The Deemed Provisions allow the Shire to prepare policies in respect to any matter

related to the planning and development of the Shire. Policies may apply to a particular class or matter and relate to one or more parts of the Shire's Local Planning Scheme area. Clauses 5 and 6 of the Deemed Provisions allow Council to amend or rescind its planning policies.

LPPs are guidelines used to assist the local government in making decisions under the Local Planning Scheme. Although LPPs are not part of the Local Planning Scheme, they must be consistent with, and cannot vary, the intent of the Local Planning Scheme provisions. In considering a development application, the local government must have due regard to relevant LPPs as required under the Local Planning Scheme.

LPPs aim at prescribing minimum standards acceptable to the Council in consideration of community sentiment for various types of development and land use. Additionally, these policies also aid in providing a foundation for delegation to be set in order to assist in streamlining the approval processes and establishing relative levels of compliance.

POLICY IMPLICATIONS

State Position Statement: Planning for Tourism (Draft 2021) and associated Guidelines.

The amended LPP is aimed to improve procedural and governance aspects of the Shire's development control responsibilities for short-term accommodation.

FINANCIAL IMPLICATIONS

No change to the application fee is proposed.

A separate matter for Council deliberation is whether or not to rate commercial short-term accommodation properties differentially to standard residential dwellings to best capture the commercial reward these property owners receive. This has been implemented in a number of other jurisdictions and would be considered through Council's rating review strategy.

STRATEGIC IMPLICATIONS

- Local Planning Strategy 2020
Tourism – Actions:
In consultation with State agencies and the tourism industry, monitor trends and plan for a range of accommodation forms/types in response to requirements of the tourism sector.
- Strategic Community Plan Envision 2029:

02 - Prosperity	The region will experience economic and population growth with increasing economic opportunities, diversifying primary production and a vibrant visitor economy.
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MINUTE EXTRACT- ORDINARY COUNCIL MEETING HELD THURSDAY 25 AUGUST 2022
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Priority Outcomes	Our Roles
Our Shire has a contemporary land use planning system that responds to, and creates, economic opportunities.	Ensuring that our planning framework is modern and meets the needs of industry, small business and emerging opportunities.
The Shire is home to a successful and growing market for domestic and international tourism.	Support the development of new products and services that increase the attraction of the region to the tourism market, in particular Indigenous cultural experiences.

ATTACHMENTS

Circulated with the agenda is the following item relevant to this report:

- Local Planning Policy 9.12 Short-Term Rental Accommodation (Doc Id: SODR-877026889-3080)
 - Submission and response (Doc Id: SODR-877026889-3317)
- (Marked 9.3.7)**

VOTING REQUIREMENT

Simple Majority.

OFFICER RECOMMENDATION / COUNCIL DECISION

Moved Cr Eyre, seconded Cr Rybarczyk

That Council, pursuant to Clause 4 of the Deemed Provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015*, adopts *Local Planning Policy 9.12: Short-Term Rental Accommodation* as provided as an attachment to this report.

CARRIED 8 / 0