



Mr Mark Arnold
General Manager
Byron Shire Council

Via email: marnold@byron.nsw.gov.au

RE: Outcomes of the Lot 22 Council-initiated Planning Proposal Peer Review, Byron Shire Residential Strategy Peer Review, and the Short-term Rental Accommodation Economic Impact Analysis

Dear Mr Arnold

Thank you for your collaboration over the past few months as the Planning Delivery Unit (PDU) has worked with Byron Shire Council and the Northern Region team at the Department of Planning, Industry and Environment (DPIE) to resolve differences of opinion between Council and DPIE on a number of key projects.

With the agreement of Council and working closely to agree the terms of references, the PDU engaged expert consultants to conduct independent peer reviews for the Lot 22 Council-initiated Planning Proposal and the Byron Shire Residential Strategy, as well as an economic impact assessment for short-term rental accommodation in Byron Shire.

The PDU endorses the recommendations of all three pieces of work. If Council chooses to proceed with these proposals, DPIE requests that they are consistent with the recommendations of these independent reports.

The PDU and DPIE's Northern Region team, and DPIE's Housing Policy team will continue to be available to provide guidance and support, and I encourage Council to engage with DPIE to discuss questions or concerns prior to formal resubmission.

Lot 22 Planning Proposal

The final peer review report for Council's Lot 22 Planning Proposal was completed on 24 August 2021 by Judith Stubbs and Associates. It identifies the following issues to be resolved:

- quality of available evidence supporting the Planning Proposal
- alignment of the Planning Proposal with relevant Council policy
- assurance that affordable housing will be delivered on site in perpetuity
- information on the quantum of affordable housing to be provided on site
- appropriate densities of affordable housing to be provided on site
- certainty that affordable housing will be provided in accordance with its statutory definition
- clarification of the proposed Land Trust model

More detail on these matters is included in the peer review report, which Council should use to guide its resubmission of the Lot 22 Planning Proposal.

Byron Shire Residential Strategy

The final peer review report for Council's Residential Strategy was completed on 15 November 2021 by Locale Consulting. Although Locale presented a number of options for progressing Council's Residential Strategy, Option 1 was identified as the preferred option. Option 2 was also recognised as being able to deliver the intended planning outcomes for the strategy, however, it was contingent on all parties being agreeable to the approach, which was not the case.

As such, the PDU endorses Option 1, which identifies the following recommended changes to the Residential Strategy:

- revisit the staging/sequencing of the 'investigation areas' to better reflect known constraints
- revise the *Monitoring & Review* section to include an implementation plan
- revise the *Actions* section
- address the outstanding concerns of DPIE's Northern Region team, which were outside the scope of the peer review:
 - revise any text in the document to ensure it is consistent with State policy (such as Short-Term Rental Accommodation and Action 27)
 - clearly identify that Areas 8, 9 and 10 need to be further investigated and may not be able to be rezoned due to constraints and/or inconsistencies with current state and regional planning frameworks, and that further work with State agencies will be required to determine the suitability of these lands for rezoning and the submission of planning proposals.

A summary of Locale's recommended changes in relation to the first three bullet points, is outlined in Appendix A of the final peer review report.

Economic Impact Analysis for Short-term Rental Accommodation in Byron Shire

The final economic impact analysis for short-term rental accommodation (STRA) in Byron Shire was completed on 29 November 2021 by Urbis. The PDU endorses the recommendation of Urbis's final report, which is for a 180-day cap on non-hosted STRA to be implemented across the entire Byron LGA, as it generates the highest overall net benefits to almost all key stakeholder groups of the six options that were tested in the analysis. The recommended 180-day cap is in accordance with State Environmental Planning Policy (Affordable Rental Housing) Amendment (Short-term Rental Accommodation) 2021.

More information on the methodology and findings of the STRA analysis is included in the final economic impact analysis report.

Next Steps

The PDU encourages Council to revisit both the Lot 22 Planning Proposal and Byron Shire Residential Strategy to address the matters raised in both peer review reports, prior to resubmission to DPIE. I understand my colleague Marcus Ray (Group Deputy Secretary, Planning and Assessment) will be advising of next steps for STRA in Byron Shire via additional correspondence.

The PDU will be available for further discussions on these matters and to reconvene all relevant parties where necessary, to assist Council in progressing these important initiatives.

If you have any questions, please contact Mr Tom Kearney Executive Director, Planning Delivery Unit on 9860 1533.

Sincerely,



24 December 2021

Brett Whitworth
Group Deputy Secretary
Planning Delivery and Local Government

Encl: Cover letter (Judith Stubbs)
Residential Strategy Peer Review (Locale)
Peer Review of PP Lot 22 (Judith Stubbs)
STRA Caps EIA (Urbis)

cc: Sharyn French, Manager, Environmental and Economic Planning, Byron Shire Council
Rukshan de Silva, Director, Regional NSW, NSW Planning Delivery Unit
Craig Diss, A/Director, Northern Region, DPIE
Sandy Chappel, Director, Housing Policy, DPIE