



Submission on Proposed Far North District Plan

Form 5 Submission on publically notified proposal for policy statement or plan, change or variation

Clause 6 of Schedule 1, Resource Management Act 1991

To: Far North District Council - District Planning

Date received: 21/10/2022

This is a submission on the following proposed plan (the **proposal**): Proposed Far North District Plan

Address for service:

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Attachments:

Far North District Plan Change Submission - SENT.pdf

I wish to be heard: No

I am willing to present a joint case: No

Could you gain an advantage in trade competition in making this submission?

-

Are you directly affected by an effect of the subject matter of the submission that

- (a) adversely affects the environment; and
(b) does not relate to trade competition or the effects of trade competition

-

Submission points

Point 48.1 **S214.001 to S214.015**

Section: General residential

Sub-section: Rules

Provision:

GRZ-R4 **Visitor accommodation**

General Residential zone

Activity status: Permitted

Activity status where compliance not achieved with PER-1, PER-2 or PER-3: Discretionary

Where:

PER-1

The visitor accommodation is within a residential unit or accessory building.

PER-2

The occupancy does not exceed six guests per night.

PER-3

The site does not share access with another site.

Sentiment: Support

Submission:

The proposed district plan allows for visitor accommodation as a permitted activity for less than or equal to 6-10 guests on site. If these conditions are not met, the activity is discretionary except in the settlement zone where it is restricted discretionary. Airbnb supports the overall approach to allow visitor accommodation to occur in all zones and commends the Council's leadership in this space. We would, however, recommend that restrictions around the number of guests be standardised to 10 across the district to account for the range of families that tend to stay in this type of accommodation and would also recommend that properties that do not meet permitted status default to restricted discretionary as opposed to discretionary. This would increase certainty for our Hosts and unlock the full potential of RVA in the district.

Airbnb strongly believes that consistency for guests and Hosts is important and that a national approach is the most effective way to address these concerns. Kiwis agree with 64% expressing support for national regulation. One example of this type of standardised approach across councils is the Code of Conduct approach as piloted in New South Wales (NSW), Australia.

The [NSW Code of Conduct](#) includes a robust compliance and enforcement mechanism, operating on a 'two strike' basis whereby bad actors are [excluded from participating in the industry](#) for a period of 5 years after repeated breaches of the Code. Employing a similar mechanism in the Far North as part of a nationwide framework would ensure that complaints can be heard independently and fairly, and compliance action may be taken to deal with industry participants who are found to have violated the Code of Conduct.

Relief sought

Standardise the guest limit cap to 10 across all zones and make the default non-permitted status restricted discretionary as opposed to discretionary across zones.



Submission to Far North District Plan Review

Thank you for the opportunity to comment on the Far North District Plan Draft. Airbnb is committed to working with Far North District Council and the wider community to put in place policy settings and initiatives that deliver positive outcomes for local jobs, the recovery of the tourism economy, and the community. With the resumption of domestic and international travel in New Zealand, we are keen to support the efforts of local policy-makers to ensure that the visitor economy in communities across the district remains sustainable and competitive.

Airbnb's community of Hosts and guests are vital contributors to the district's economy, supporting ancillary services and tourism operators throughout the area. Our community of Hosts in the Far North — everyday Kiwis who are passionate about showing off their communities — are eager to do their part to help grow jobs sustainably into the future through responsible hosting.

Executive Summary

- Airbnb's community has a strong track record of growing the visitor economy in the Far North District, providing more choice of accommodation for consumers in more locations across a variety of price points. As at the end of Quarter 2 in 2022, our Host community welcomed over 43,000 guests throughout the district.¹
- Airbnb's community brings valuable tourism dollars to regions throughout the country. In 2019, Airbnb guests who stayed in New Zealand spent an estimated \$2.5 billion, which supported 26,300 jobs in brick-and-mortar businesses such as cafes, restaurants, and retailers, according to research by Oxford Economics.
- Airbnb has identified a number of targeted regulatory measures to unlock the full potential of the residential visitor accommodation (RVA)² sector and measures to better manage RVA in communities, many of them at no cost, by way of a [National Regulatory Toolkit](#). Our proposal to central government considers reform of the RVA sector by enacting the following recommendations:
 - Tough but fair Code of Conduct
 - A sliding scale of regulation
 - Including an exemption for sharing one's own home;
 - A standardised approach for non-primary homes, including for safety and compliance.
 - National data sharing framework
 - A national, 'opt-in' sustainable visitor levy framework
 - This could be collected by the Central Government and provided to Councils who opt in.
 - Making tax compliance easier

¹ Internal Airbnb data as at 30 June 2022

² Also referred to as short-term rental accommodation (STRA) internationally



About Airbnb

Airbnb was born in 2007 when two Hosts welcomed three guests to their San Francisco home, and has since grown to over 4 million Hosts who have welcomed more than 1 billion guest arrivals in almost every country across the globe. Every day, Hosts offer unique stays and one-of-a-kind activities that make it possible for guests to experience the world in a more authentic, connected way.

Airbnb support for a national regulatory framework

To help create jobs in the hospitality, retail, and transport sectors, and regrow the visitor economy, Airbnb has identified a number of targeted regulatory proposals to unlock the full economic potential of the RVA sector. The key to establishing policy settings that boost economic growth and job creation is through simple, progressive, and easy to understand national rules that unlock opportunity in the home sharing economy.

Currently, the regulatory framework for RVA in New Zealand is a legacy patchwork of rules that vary from district to district, and there is a clear need for reform to provide clarity and consistency across New Zealand. Airbnb recognises that many of the existing rules and legislation predate the rise of home sharing and booking platforms. This presents an opportunity for policy makers to come together to design smart policy frameworks which can respond to the emerging regulatory challenges of RVA in the 21st century. Airbnb welcomes the opportunity for local districts and councils to support efforts to streamline and simplify RVA regulation at the central government level. This would provide consistency in regulations which oversee critical visitor accommodation across New Zealand.

The Airbnb community in the Far North

Airbnb's community has a strong track record of growing the visitor economy in the Far North, providing more choice of accommodation for consumers in more locations across a variety of price points. As at the end of Quarter 2 2022, our Host community welcomed over 43,000 guests to the district.³ These are almost entirely trips taken by Kiwis, with little to no international travel throughout 2021 owing to border closures.

Economic contribution of Airbnb to the local community

Airbnb has a large community of Hosts throughout the district for whom sharing their home is now part of their lifestyle. The majority of our Hosts are 'mum and dad' operators looking to supplement their income or subsidise their own travel, with many hit hard by the pandemic and related border closures.⁴ As the Council would be well aware, tourism is playing a crucial role in New Zealand's economic recovery, helping to empower local communities to share in

³ Internal Airbnb data as at 30 June 2022

⁴ Internal Airbnb data as at 30 June 2022



the benefits of tourism and welcome new visitors to their neighbourhoods.

In 2019, Airbnb guests who stayed in New Zealand spent an estimated \$2.5 billion, which supported 26,300 jobs in brick-and-mortar businesses such as cafes, restaurants, and retailers, according to research by Oxford Economics. In addition to visitor spending, the home sharing economy is supporting the growth of ancillary services and the creation of local jobs — such as domestic cleaning, gardening and property management — facilitated by over one quarter of surveyed hosts (27 percent) on Airbnb in New Zealand who prefer to engage professional services to manage their listings and bookings.⁵ The economic activity created by Airbnb supports these businesses, including those in regional areas that might not otherwise benefit from tourism and increased visitation. This highlights the immense value of short-stay accommodation to the district and the economic opportunities it provides for Hosts, local businesses and the wider community. Any consideration of changes to short-stay accommodation in the Far North must consider the flow on effects to small businesses and those who are employed by them.

Importantly, Airbnb also plays a crucial role in helping people remain in their homes and communities by providing them with the ability to supplement their income. In a survey of Hosts on Airbnb in 2021, a third of respondents said the primary reason they started hosting was to ‘make ends meet’.⁶ In turn, these Hosts help drive economic growth and job creation, with many local businesses relying on the valuable tourism dollars spent by Airbnb guests. Moreover, the supplemental income earned through home sharing helps Kiwi women and older or retired persons to remain in their homes and communities — 70 percent of Hosts with an Airbnb listing in the Far North who report their gender are women, whilst 45 percent of Hosts are 60 years or older.⁷ As the cost of living increases, home sharing provides an economic lifeline for everyday Kiwis in helping to make ends meet.

Increasing the benefits of events tourism — resilience and innovation

Throughout the district, the Airbnb community can help grow tourism through the creation of unique accommodation supply. The surge capacity which the Airbnb community can provide during major events — such as sporting events, agricultural exhibitions, music festivals or business conferences — presents opportunities for attracting and hosting major events in both cities and regional towns, and in turn supporting the recovery of tourism.

The benefit of having RVA in a local community ensures that visitor numbers can be maximised when traditional forms of accommodation are exhausted and have reached capacity. The elasticity in supply which RVA can provide for major events is something which can result in more guests and a higher visitor spend for the local community.

⁵ Airbnb survey data. Survey conducted from Feb 1, 2021 to Mar 3, 2021 of 528 hosts in New Zealand who hosted a trip during 2020.

⁶ Airbnb survey data. Survey conducted in January 2020 of 1,383 hosts who had a listing on Airbnb in New Zealand.

⁷ Internal Airbnb as at 30 June 2022



Collaboration and partnership to future proof tourism

Airbnb has been at the forefront of driving the recovery of tourism across New Zealand through partnerships to promote hosting on Airbnb and visitation to New Zealand's most stunning destinations. We see increased collaboration and future partnership opportunities as the means to help maximise the success of Hosts on Airbnb to offer local, authentic, people-powered travel and creating attractive, resilient, and sustainable destinations.

We welcome opportunities to continue partnering with destinations on ways to sustainably grow the visitor economy in the region. Whether that's local councils, destination marketing organisations, or local event organisers, we are open to opportunities to collaborate so that the future of tourism is bright.

Far North District Plan Review

Airbnb welcomes the opportunity to comment on the Far North District Plan Draft.

The proposed district plan is a great starting point for laying the foundations for realising the benefits of RVA. Overall, we welcome the permitted status for visitor accommodation in all zones. The following sections discuss each proposal in more detail.

Visitor Accommodation as a Permitted Activity

The proposed district plan allows for visitor accommodation as a permitted activity for less than or equal to 6-10 guests on site. If these conditions are not met, the activity is discretionary except in the settlement zone where it is restricted discretionary. Airbnb supports the overall approach to allow visitor accommodation to occur in all zones and commends the Council's leadership in this space. We would, however, recommend that restrictions around the number of guests be standardised to 10 across the district to account for the range of families that tend to stay in this type of accommodation and would also recommend that properties that do not meet permitted status default to restricted discretionary as opposed to discretionary. This would increase certainty for our Hosts and unlock the full potential of RVA in the district.

Airbnb strongly believes that consistency for guests and Hosts is important and that a national approach is the most effective way to address these concerns. Kiwis agree with 64% expressing support for national regulation⁸. One example of this type of standardised approach across councils is the Code of Conduct approach as piloted in New South Wales (NSW), Australia.

The [NSW Code of Conduct](#) includes a robust compliance and enforcement mechanism, operating on a 'two strike' basis whereby bad actors are [excluded from participating in the industry](#) for a period of 5 years after repeated breaches of the Code. Employing a similar

⁸ Airbnb survey data of 1088 respondents from across NZ in November 2021



mechanism in the Far North as part of a nationwide framework would ensure that complaints can be heard independently and fairly, and compliance action may be taken to deal with industry participants who are found to have violated the Code of Conduct.

Conclusion

Tourism is a crucial and resilient part of the economy and the path ahead to create new and lasting jobs will require forward-looking regulatory reform and innovative thinking. For the reasons outlined, Airbnb recommends that the council builds on its strong foundation and provides the necessary clarity and consistency across the district. Airbnb further recommends that the council engages constructively with the RVA industry, local Hosts and local businesses to reconsider the ways in which to manage amenity impact and impacts on permanent residents whilst balancing the needs of Hosts, guests and the broader community.

Airbnb is committed to working with both Far North District Council and central government to help achieve the right national regulatory settings and compliance measures to enable the home sharing economy to grow sustainably with clear rules which are easy to understand and comply with. The Far North is a leader in this space and uniquely placed to demonstrate its commitment to innovative, fit for purpose regulation. We believe working collaboratively with governments and communities is the best way to optimise the value proposition of home sharing as an economic solution that encompasses the following:

- empowers people to earn;
- expands and enriches travel for consumers; and
- strengthens communities through sustainable tourism that supports jobs, promotes neighbourhoods and generates new revenue.

Airbnb wants to ensure that as tourism continues to thrive in the district and that local people and the communities they live in are the primary beneficiaries.

We would be pleased to engage in discussions on these issues and provide additional information which would be helpful to the Council's deliberations.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Crosby'.

Michael Crosby
Head of Public Policy - Australia & New Zealand
Airbnb



Appendix - Airbnb's ongoing commitment to local communities

Community amenity initiatives

The overwhelming majority of guests who use the Airbnb platform behave appropriately and do the right thing. Nuisance issues during guest stays are extremely rare exceptions and action should be taken, where required, against bad actors whose actions are detrimental to communities, and responsible RVA operators should be enabled to continue to share their homes to support their families. Airbnb believes that communities need to have faith that if something does go wrong, there is a way to have their voice heard and swift action taken against those who disturb neighbours, violate the trust of the Airbnb community, and negatively impact the reputation of the broader RVA industry.

Airbnb seeks to lead industry on best practice for industry-led oversight and regulation. We believe that home sharers must also be good neighbours and we take the issues of managing wrongdoers seriously, including by enforcing a number of strict policies that may result in removal from our platform. This is why we are eager to work with governments and communities on policies that address amenity concerns and have supported frameworks that deal with irresponsible behaviour and wrongdoers through a transparent process which is fair for all parties. Airbnb is supportive of a targeted approach to address behavioural issues, as well as continuing our educational initiatives which encourage responsible hosting.

While we want to work with governments on appropriate regulatory responses to managing community amenity, we also have led the industry in terms of proactive solutions to address instances of bad behaviour and respond to community concern.

We appreciate that guests and Hosts will come into contact with neighbours and other local residents, which is why we place great emphasis on the importance of responsible hosting. Information on the standards that we and our community of travellers expect is published on our [website](#).

Global Ban on Parties

At Airbnb, we believe the neighbourhoods and communities in which we operate are as important as the Hosts and guests who use our service. We know that the overwhelming majority of our Hosts share their homes responsibly, just as the overwhelming majority of guests are responsible and treat their listings and neighbourhoods as if they were their own. In turn, we focus on trying to deter the very rare instances in which Hosts do not operate responsibly, or guests try to throw unauthorised parties. To that end, in August 2020 we announced a temporary ban on all parties and events in listings globally — which at the time was in effect 'until further notice.' The temporary ban has proved effective, and in July 2022 we [officially codified the ban](#) as our policy. The policy will continue to include serious consequences for guests who attempt to violate these rules, varying from account suspension



to full removal from the platform. In 2021, over 6,600 guests globally were suspended from Airbnb for attempting to violate our party ban.⁹ In these cases, we also work to support our Hosts with property damage protection via [AirCover for Hosts](#).

Host Guarantee Program and Host Protection Insurance

To help give Hosts additional peace of mind, Airbnb has developed its [Host Damage Protection Program](#) and [Host Liability Insurance](#). Each trip booked on Airbnb in New Zealand is covered by these two programs.

System of reviews

Core to the experience of travelling on Airbnb is a system of reviews — where Hosts and guests rate each other after a stay. Both Hosts and guests therefore build up their own reputation, which is visible to other users of the Airbnb site, creating trust for our online community. Potential guests can see reviews of a Host's home to identify both positive and negative feedback, and Hosts can look at similar assessments of any potential guests. Our Hosts are provided with information and guidance on how to welcome guests to their homes in the most hospitable and neighbourly way and we have established a [hospitality program](#) based on seven core standards that we encourage all Hosts to meet. Our hosting standards encourage plenty of communication prior to a booking, so that both Host and guest can be comfortable that they are a good match.

Airbnb encourages Hosts to take [extra steps](#) to ensure that their homes are safe. We remain focused on continually improving our systems and exploring new ways to keep people safe and help ensure each stay is a positive experience for Hosts, guests and the wider community.

House rules

Hosts are strongly encouraged to help their guests to understand any rules and restrictions which apply to their building, or to their immediate area. We encourage guests to be mindful of neighbours and behave in a respectful manner.

Our team also continues to work diligently and collaboratively with government and police to help make each stay a positive one for Hosts, guests and the wider community. As part of this, we continue to enforce a global ban on parties and have launched a Neighbourhood Support Line in New Zealand, which allows neighbours to request a call from a specialised support agent and makes it even easier for people to raise any issues with our rapid response team that may arise with nearby listings.

⁹ Internal Airbnb data as at 1 September 2022



Law enforcement team

Airbnb also has a dedicated Law Enforcement team who support police efforts. Our online portal provides law enforcement with a direct and secure channel to submit and track valid requests for information.

Housing availability and affordability

Housing policy is a complex public policy issue and Airbnb welcomes the opportunity to place RVA into context. Given the complexity of housing markets, any mature and prudent debate must look at the real drivers of affordability, including market factors such as taxation policies, planning frameworks, decisions around investment in affordable housing, economic circumstances of households, construction costs, and demographic changes, as well as holistically consider policies across central and local governments.

Airbnb understands the interest from policy-makers in understanding more about the RVA market and its relationship with the broader property market, and specifically any impact on housing availability and affordability. Broadly, Airbnb listings represent a tiny fraction of the housing market in New Zealand.

Further, focusing on the regulation of the short-term rental market to solve issues related to housing affordability distracts from much larger macro factors such as:

- enabling planning systems to provide adequate social and affordable housing
- construction growth to match population growth
- demographic changes, and
- taxation policies.

In considering the policy settings to regulate home sharing, it's important to understand how Hosts interact with the Airbnb platform. A listing, even an entire home listing, is not necessarily equal to a dwelling or a home as an entire home listing might in fact be a 'granny-flat' or other self-contained space. An individual or family's primary place of residence or holiday home will also appear as an entire home listing, even when it is only listed for a short period, for example while they are travelling and choose to list their home on Airbnb for the period they are absent.

It is also important to note that an entire home listing on Airbnb might not be used all year round. A Host may decide to block their calendar for a variety of reasons — most notably because they are at home and not travelling and so it's not available to guests. Alternatively, Hosts may have their homes blocked because their home is being renovated, friends are staying over or they themselves are making use of their holiday home. This means an entire home listing does not necessarily equate to a dwelling that could be on the long-term rental market otherwise.

(DOCUMENT ENDS)