

ACCOMMODATION SUPPLY ISSUES IN EXMOUTH

The Shire is aware of the current lack of suitable accommodation options and has been actively investigating solutions since July/August 2020.

The combined impacts of an undersupply in housing stocks and increased demand from returning permanent residence combined with first home buyer incentives and record low-interest rates have created a national housing supply issue. The impact of this national issue on many coastal tourism destinations has been magnified due to our reliance on an increase of seasonal workers to service seasonal tourism demands.



01

SHIRE ACTIONS IN RELATION TO THE ACCOMMODATION ISSUE

Local Government is not responsible for land supply, native title clearance or planning legislation and process. These are the responsibility of Development WA's, The Department of Planning Lands and Heritage, The Western Australian Planning Commission and the Regional Development Commissions.

The Shire has been advocating strongly to the relevant State Government Departments for solutions to this year's accommodation supply issues. To date, the Shire has been unsuccessful in convincing the relevant State Government agencies to relax current legislation restricting lawful solutions to the supply issue.

On this basis, the shortage of accommodation for this immediate season is unlikely to be resolved. The medium to long-term solutions looks much more promising as we undertake the relevant changes to our planning scheme, additional land is due for release in 2022, and investors become more active in constructing housing and short-stay accommodation.

The Shire has undertaken the following actions to date:

- July 2020 - Council approved \$500,000 towards a building incentive scheme designed to increase the town's housing stock.

- August 2020 - The Shire and Department of Defence investigated repurposing disused barrack buildings and the Sea Breeze Resort at HEH Naval Base. The independent building inspection reports identified significant issues with these buildings, and on this basis, the risk of habitation was deemed too great, and the buildings will be demolished.
- January 2021 - The Shire actively promoted ancillary dwellings' development opportunity on appropriately zoned residential lots. It received several inquiries, but no building application to date. Property owners can still action this opportunity, and prefabricated buildings are available from Perth for immediate delivery, providing additional income to the owners.
- January 2021 - The Shire is working with the Department of Planning, Land and Heritage (DPLH) to gain ministerial approvals to create temporary workers accommodations on appropriately zoned land. As the only appropriately zoned land in our current scheme is Rural zoned land without power and water, this option is a medium to long term solution requiring private investment to then build the camp and connect essential services.
- January 2021 - The Shire has been actively advocating Development WA to fast-track the release of Super Lot D, Nimitz and Sargent Streets development sites for residential housing. As a result of lobbying, land titles will be available in 2022. The Shire will ensure land has conditions to suit the local market needs.
- January 2021 - The Shire and the Exmouth Chamber of Commerce (ECCI) have investigated the use of emergency campground overflow facilities for temporary workers' accommodation. This solution was not supported by the current health and planning regulations. There was no appetite from decision-makers to make an exemption for this to proceed whilst more suitable solutions were found.
- February 2021 - The Shire is currently working with the DPLH to undertake a fast-tracked scheme amendment process (Shires Local Planning Scheme No. 4). A fast-tracked amendment will take approx. 4 months from February 2021 and allow workers accommodation to be permitted use in our Service Commercial zoned land.

02

NUMBER OF REGISTERED SHORT-TERM PROPERTIES WITHIN EXMOUTH

Exmouth has 1,699 private dwellings registered. Currently, 94 of these dwellings are registered as short-term holiday accommodations (including bed-and-breakfast applications).

03

ILLEGAL SHORT-TERM ACCOMMODATIONS, INCLUDING UNREGISTERED AIRBNBS, ARE MONITORED

The Shire regularly audits landowners of short-term accommodations without the necessary approvals. It continues to monitor this issue - either via the marketing platform Airbnb, other public advertisements or neighbour complaints.

The Shire also enforces penalties on unregistered short-term accommodations. Where the necessary development application is lodged after the accommodation service has commenced, e.g. advertised, a penalty fee of three times the application fee applies. In the instance of a holiday house, the current applicable fee would be \$885.00. In addition, breaches of the Local Planning Scheme can result in issuing a \$500 infringement for minor offences. More serious violations can result in Direction Notices being served. The maximum penalty for failing to comply with a Direction Notice is \$200,000 (\$1 million for a company) and a daily penalty of \$25,000 for a continuing offence (\$125,000 for a company).

The Shire is currently issuing infringements and compliance notices to several unregistered short-stay accommodation providers identified through the latest audit.

04

PLACING A CAP ON NEW SHORT-TERM ACCOMMODATION APPLICATIONS NOT POSSIBLE

Applications for short term accommodation are assessed against the relevant statutory framework. At this time, the Shire of Exmouth has not limited the number of short-term accommodation applications if they meet all legislative planning conditions.

The decision not to place a cap on temporary holiday accommodation applications was made after a review of legal advice and noting that no other local governments have taken this approach due to the risk of legal action.