

**From:** Dylan Schwartz  
**Sent:** Wed, 23 Nov 2022 12:31:33 +1300  
**To:** District Plan  
**Subject:** District Plan Submission  
**Attachments:** Mackenzie District Plan Change Submission.pdf

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Kia ora,

Please find attached Airbnb's submission on District Plan Change 21. Please let me know if you require further information.

Ngā mihi,

Dylan



Dylan Schwartz

Public Policy

New Zealand

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## Submission to Mackenzie District Plan Change 21

Thank you for the opportunity to comment on the Mackenzie District Plan Change 21. Airbnb is committed to working with Mackenzie 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 Mackenzie District— 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 Mackenzie District, providing more choice of accommodation for consumers in more locations across a variety of price points. In the 12 months to 30 June 2022, our Host community welcomed over 41,000 guests throughout the district.<sup>1</sup>
- 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)<sup>2</sup> 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.

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<sup>1</sup> Internal Airbnb data as at 30 June 2022

<sup>2</sup> Also referred to as short-term rental accommodation (STRA) internationally



- Making tax compliance easier

## **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 Mackenzie**

Airbnb's community has a strong track record of growing the visitor economy in Mackenzie District, providing more choice of accommodation for consumers in more locations across a variety of price points. In the 12 months to 30 June 2022, our Host community welcomed over 41,000 guests to the district.<sup>3</sup> These are almost entirely trips taken by Kiwis, with little to no international travel throughout 2021 owing to border closures.<sup>4</sup>

### Economic contribution of Airbnb to the local community

Airbnb has a large community of Hosts throughout the Mackenzie 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.<sup>5</sup> As the Council would be well aware, tourism is

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<sup>3</sup> Internal Airbnb data as at 30 June 2022

<sup>4</sup> Internal Airbnb data as at 30 June 2022

<sup>5</sup> Internal Airbnb data as at 30 June 2022



playing a crucial role in New Zealand's economic recovery, helping to empower local communities to share in 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.<sup>6</sup> 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 Mackenzie District 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'.<sup>7</sup> 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 empowers Kiwi women and older or retired persons to remain in their homes and communities — 74 percent of Hosts with an Airbnb listing in the Mackenzie who report their gender are women, whilst 20 percent of Hosts are 60 years or older.<sup>8</sup> 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

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<sup>6</sup> 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.

<sup>7</sup> Airbnb survey data. Survey conducted in January 2020 of 1,383 hosts who had a listing on Airbnb in New Zealand.

<sup>8</sup> Internal Airbnb data as at 30 June 2022



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.

#### 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.

### **Mackenzie District Plan Change 21**

Airbnb welcomes the opportunity to comment on the Mackenzie District Plan Change 21.

The proposed district plan change 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 guests on site and no more than 1 unit per site in all residential zones. For 6-12 guests the activity is restricted discretionary limited to matters of amenity and traffic. Airbnb supports the overall approach to allow visitor accommodation to occur in all zones and commends the Council's leadership in this space.

It would be helpful for the Council to clarify the matter of using one unit per site for RVA activity. For example, if a family were to host in a granny flat for two guests and in a spare room in the main house for two guests, the overall number of guests would be under the cap of six, but would still be classed as a discretionary activity. This situation would create inconsistency within the plan if the aim is to manage impacts on traffic and amenity. Therefore, we request a rationale behind this aspect of the plan. We also seek clarity on how this policy would apply to apartments/town houses in the medium density residential zone. That is, would RVA be limited to one apartment per complex or does site refer to title?

Additionally Airbnb recommends a standardised approach to assessing impacts on amenity. A reference to noise management is presented in the matters of discretion based on the standard definition of acceptable noise in a residential neighbourhood. Having a separate discretionary category for noise specific to RVA is likely to be redundant as all residential



dwelling are subject to the same noise restrictions. Overall, whilst we support RVA as a permitted activity in most residential zones, we want to ensure that matters of discretion and definitions are consistent with the principles of the wider district plan.

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.<sup>9</sup> 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 Mackenzie District 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 Mackenzie 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. Mackenzie is a leader in this space and uniquely placed at the heart of government 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.

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<sup>9</sup> Airbnb survey data of 1088 respondents from across NZ in November 2021



Airbnb wants to ensure that as tourism continues to thrive in the Mackenzie, 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 'M Crosby', written over a light grey rectangular background.

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



## **Appendix - Airbnb's ongoing commitment to local communities**

### Amenity 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 were suspended from Airbnb for attempting to violate our party ban.<sup>10</sup> 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 Guarantee Program](#) and [Host Protection 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.

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<sup>10</sup> Internal Airbnb data as at 30 June 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, and 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 most housing markets 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 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.