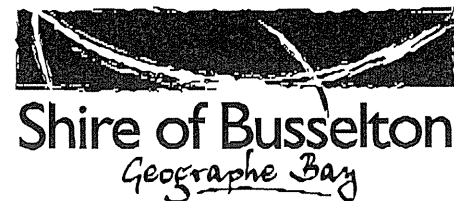


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Enquiries: Mersina Robinson
(08) 97810342

1 May 2009

Principal Research Officer
Economics and Industry Standing Committee
Parliament House
PERTH WA 6000

Dear Sir/Madam

**SUBMISSION TO ECONOMIC AND INDUSTRY STANDING COMMITTEE
PARLIAMENTARY ENQUIRY – PROVISION, USE AND REGULATION OF CARAVAN PARKS
AND (AND CAMPING GROUNDS) IN WESTERN AUSTRALIA**

Thank you for your letter of 23 March 2009 requesting the Shire to make a submission in respect of the above parliamentary enquiry. This submission addresses the Committee's terms of reference in relation to:

- The Shire's draft Local Tourism Planning Strategy
- Loss of Caravan Parks and Camping Grounds
- Financial incentive to maintain a viable caravan park industry
- Park homes
- Legislation to facilitate tourist use of caravan parks and camping grounds
- Provision for park homes as a residential alternative in residential areas

Local Tourism Planning Strategy

The Shire lies within the Vasse region where tourism is an important driver of the local economy. The existing Shire planning framework currently encourages tourism but lacks an ability to differentiate and control changes in the type of accommodation and activities on tourism sites.

Tourism operators face a range of financial pressures to maintain occupancy rates. These include increasing costs, and difficulties in retaining staff. In recent years residential development pressures have meant that the land is often more valuable to the owner for residential than tourism use. Caravan Parks in particular have become vulnerable, and losses of capacity in the Shire have resulted.

In recognition of these pressures, the State Government has been reviewing the policy framework for tourism development and land use. In 2002, a Ministerial Tourism Taskforce was established to examine the impact of combining tourism and residential accommodation on tourist zoned land, and the strata titling of tourism developments. The Taskforce Report, endorsed by Cabinet in 2006, identified the need for all Local Governments in WA to prepare a 'Local Tourism Planning Strategy' with an aim to ensure that high volume tourism sites are protected.

The purpose of preparing a Local Tourism Planning Strategy as recommended by the Tourism Taskforce, is designed to provide local government planners and Councils with a decision-making framework for tourism proposals, and for development applications for change of land use from tourism zoning to an alternative land use. It should address current and future demand for tourism uses, identify tourism sites and infrastructure needs. The tourism strategies should also develop a classification of different types of tourism sites and locations, both strategic and non-strategic tourism sites and identify the different forms of accommodation and activities that are suitable in each location.

The main mechanism for implementation of the Strategy will be through the preparation of a new local planning scheme and local planning policies.

The Shire of Busselton has been conducting a strategic planning process to develop comprehensive strategic land use planning outcomes to inform a review of *District Town Planning Scheme No. 20* (DTPS 20). The Shire is developing a number of sector based strategies to form the basis of a Local Planning Strategy and new Town Planning Scheme. They include:

- Local Rural Planning Strategy (endorsed by WAPC in 2008)
- Local Tourism Planning Strategy (commenced)
- Local Commercial Planning Strategy (commenced)
- Local Environmental Planning Strategy (commenced)
- Local Settlement Planning Strategy (commenced)
- Local Cultural/Heritage Planning Strategy (commenced)

The Shire commissioned a consultant team to develop a draft Local Tourism Planning Strategy (LTPS) in 2007. The LTPS has a specific land use focus to identify locations and sites that are important for sustainable tourism industry growth within the Shire.

The LTPS planning process was guided by a Technical Working Group comprised of the Shire of Busselton and representatives of the Department for Planning and Infrastructure (DPI) and Tourism WA (TWA). The format of the LTPS has been guided by the requirements of TWA to generate a standard format for LTPS's in WA, and to facilitate incorporation of recommendations into the Busselton Town Planning Scheme. During the process of developing the *Accommodation Audit* and *Demand Analysis* a broader industry group was established to stimulate input from industry and to gain feedback on the draft LTPS. Extensive consultation was conducted by consultants and the Shire during 2007 and 2008 and a draft LTPS was prepared in 2008. Council considered the LTPS in August 2008 and resolved that prior to release of the draft LTPS for public advertising, a workshop be conducted with stakeholders to discuss the assessment and recommendations of the draft LTPS. Workshops were conducted in February 2009.

The LTPS has been undergoing further consultation and consideration by staff. The LTPS will be reported to Council during 2009, with a request to advertise the Strategy to the community.

Further information and research is outlined in the *Accommodation Audit, Demand Analysis and draft Local Tourism Planning Strategy* (November 2008) and may be viewed or downloaded from the Shire website www.busselton.wa.gov.au

Loss of Caravan Parks and Camping Grounds

One of the major issues considered in the LTPS is the loss or redevelopment for other purposes, of the Shire's caravan parks, particularly those on the coastal strip between Busselton and Dunsborough. The LTPS recognises the value of caravan parks as an integral part of the tourism accommodation diversity in the Shire, and the need to plan for this style of tourism accommodation.

Caravan Park tourists have traditionally been a very important part of the tourism accommodation mix in the Shire of Busselton, particularly for West Australian families. Planning for the maintenance of this style of tourism accommodation is extremely important to maintain this diversity.

The Tourism Western Australia (2007) report *Potential Caravan Park Developments in Regional WA* (Pre-Feasibility Study) states that: 'demand for caravan park accommodation is the fastest growing sector of the tourism industry in Australia (15% over last 5 years)... In 2005/2006 10% of domestic visitor nights were in caravan parks.' 'The number of caravanners on the road is increasing, whilst the number of caravan sites available is decreasing.' Ten percent of caravan parks in WA have closed, and there are more imminent closures. The Shire of Busselton has lost 5 (as at December 2007) caravan parks and more than 30% of capacity (800 caravan sites/beds) over the last 10 years. Currently there are 16 caravan parks in the Shire.

A recent caravan park study *Understanding the Caravan Industry in WA*, a consultancy project for Tourism WA and Tourism Research Australia (May 2007), forecast demand growth of 12% over the next 5 years. 'Retired baby boomers, international backpackers and families will continue to demand the caravan park accommodation experience. Busselton is an iconic tourism destination and may be easily marketed as a 'family' destination suited to the caravan park market. Fuel price increases may actually result in higher use of caravan parks in the Shire as it is closer to the main population centres of the State than caravan parks in the north.'

The LTPS recognises the research from *Understanding the Caravan Industry in WA* but notes this estimate does not include current non-users, as they were not included in the survey.

The *Accommodation Audit* (Sustainable Development Facilitation, 2007) found that during the peak season most tourism operators including holiday village/caravan parks are at capacity. However the seasonal fluctuations are marked due to lack of activities to attract visitors in off-season periods. The study found that accommodation providers of caravan parks were experiencing a sharp increase in occupancy rates. Accommodation providers reporting a decrease in occupancy rates were from the resort, apartment, cottage/villa/chalet and lodge style accommodation types. The operators have reported reasons such as competition from unofficial holiday homes and difficulties in business operations.

The draft LTPS concluded that 'all existing caravan parks along the coast of the Shire provide for an important and growing sector of the tourist industry. The availability of tourism/caravan parks on the coast has decreased dramatically over the last decade and it is considered necessary to encourage and support their ongoing use without unacceptable economic outcomes for private landowners of those remaining.'

The LTPS proposes that a number of tourist establishments in the Broadwater locality and elsewhere in the Shire be included within strategic tourism locations or sites wherein caravan parks and camping premises should be retained as caravan parks with 100% short stay tourist accommodation use.

The draft LTPS includes a proposed classification of tourism sites of state level strategic significance and at the local tourism planning strategy level. The recommendations in the LTPS relating to caravan parks and camping grounds include:

- suggested modifications to the District Planning Scheme to expand the range of tourism related zones and land use controls;
- a recommended Zoning Table which incorporates the new zones and additional land uses to better facilitate and differentiate the range of tourist uses identification of tourism sites in accordance with the proposed site classification;
- proposed rezoning of eight existing caravan parks and camping grounds through a proposed 'Caravan Parks and Camping Grounds' zone;
- recommendations for financial incentives, concessions and other measures which will assist caravan parks and camping grounds in remaining viable and encourage operators and investors to develop and maintain these uses;
- rezoning of other tourism parks to 'Tourism Cabin and Chalet Park' zone;
- other tourism management controls to retain a proportion of accommodation units as vacant sites available to the travelling public. The remaining proportion to be available for on-site vans, cabins or chalets. The proportion of cabin/chalet development that should be permitted should reflect the character of existing uses and projected demand.

Under the current 'Tourism' zoning in DTPS 20 there is limited control over the extent and type of uses as the current zoning allows for a range of uses including: bed and breakfast; guesthouse; chalets; motel and restaurant etc. The LTPS addresses this issue by recommending more specific zones and statements regarding the extent of time that tourist may occupy caravan parks and camping grounds.

The Shire generally supports the reclassification of caravan parks from the 'Tourist' zone to a 'Caravan Park and Camping Ground' zone as a mechanism to limit redevelopment of this important community and tourism resource. However, the issue of reclassification of caravan parks has resulted in concern from a number of caravan park owners/operators. The Shire has been aiming to address this issue through consultation with affected caravan park owners/operators.

It is anticipated that the draft LTPS will be the subject of a report to Council in mid 2009, with a recommendation that it be approved for public advertising. It is anticipated that the Strategy recommendations will eventually be reflected in a new town planning scheme for the Shire.

Financial Incentives to maintain a viable caravan park industry

The LTPS recommends that measures be considered to encourage remaining caravan parks to continue operating. It recommends support and promotion of the recommendations of the *Potential Caravan Park Developments in Regional WA* (Pre-Feasibility Study) including full exemption on land tax be given to caravan parks in Western Australia, for as long as they remain a caravan park.

At present a 50% exemption on land tax is given to caravan park owners in WA. However, this exemption does not distinguish between caravan parks that are zoned 'Tourist' and those that are specifically zoned for the purpose of a caravan park. Hence caravan parks that are zoned 'Tourist' and largely developed with chalets or park homes (are actually operating as a tourist resort or chalet park as opposed to providing for caravans and camping) are benefiting from the exemption and the ability to develop for other purposes. Were they not eligible for an exemption unless they were a genuine caravan park and camping ground, and had an ongoing commitment and requirement to operate as a caravan park this would encourage the retention of caravan parks for this use. The distinction between these uses and application of the exemption to genuine caravan parks and camping grounds only will assist in the retention of caravan parks and camping grounds.

Park Homes

The lack of planning control over the approval of park homes within the 'Tourism' zone is due to the classification of park homes as short term accommodation as opposed to permanent accommodation, given that they are constructed with wheels, and have the ability to be removed within 24 hours. Hence they do not require a planning or building approval, and only require a health assessment under the *Caravan Park and Camping Ground Regulations 2007* (the Regulations). They are issued with a licence by the Health Department of the Shire. They are not required to comply with the Building Code in respect of building requirements, hence they are not assessed in regard to fire management (in terms of building fire separation walls); building safety and building energy efficiency requirements. The reality is the majority of them are occupied for long stay purposes.

Many park homes in the Shire are often occupied by semi-permanent or permanent residents. This has resulted in a number of additions to park homes such as ancillary structures including pergolas and carports. In contrast to park homes, ancillary structures are required to obtain a building licence. However, there is insufficient control over the number of structures permitted per site and setbacks relating to ancillary structures. In addition due to a lack of enforcement of the Regulations throughout the state there are a number of illegal structures in many caravan parks. It is considered that legislation should address the responsibility of enforcement and place the onus on the owner or manager of a park. Consideration should be given for Council to issue fines for non compliance, issue of notices and to enable Council to recover costs for the removal of non-complying structures.

Legislation to facilitate tourist use of caravan parks and camping grounds

The lack of control with regard to the provision of park homes within caravan parks/camping grounds and other tourist parks is leading to their long term residential use. It is considered that long term residential use of tourist parks should be within residential areas that are provided with adequate services including; connection to sewerage and water; proximity to local

shopping facilities. Furthermore as long term uses they should be subject to meeting adequate controls to meet building requirements as per the Building Code of Australia.

Facilitating tourist use of caravan parks and camping grounds should be addressed more clearly in the *Caravan Park and Camping Regulations 2007* (the Regulations). At present there is no distinction between the requirements for park homes within tourism or residential zoned areas. Park homes are simply classified as short term accommodation. Amendment of the Regulations or introduction of new legislation could facilitate tourist use by making a distinction between the standard of building requirements for structures in caravan parks and camping grounds as opposed to park home parks or park homes in residential areas.

The number of park homes that can be constructed on 'Tourism' zoned land is not specified in the District Planning Scheme, hence there is a lack of control over the percentage of such development which also leads to their proliferation at the expense of genuine tourist use of caravan parks/camping grounds and tourist parks. Due to the lower cost of construction of park homes these facilities are providing low cost housing which is inconsistent with the intent of the zoning. Developers are also exploiting this loop hole in the Regulations to develop retirement park home facilities on sites intended for tourism use.

The benefit of legislating for the separation of park home parks and tourist parks includes financial benefits for genuine tourist uses. Caravan Parks and camping grounds for tourist use do not require to be constructed to the same standard which may reduce the cost for tourist parks. This is a major issue affecting the establishment of new tourist parks.

Provision for park homes as a residential alternative in residential areas

The need for park home parks and lifestyle villages as a genuine need or alternative for residential use is recognised. Identification of suitable locations for park home parks and lifestyle villages within residential areas will be addressed as part of providing for diversity of housing in the Shire's Local Settlement Planning Strategy (currently in preparation).

If you have any queries regarding this submission or wish to discuss further please contact the Shire's Project Manager, Scheme Review, Mersina Robinson on 9781 0342.

Yours faithfully,




Nigel Bancroft

DIRECTOR, LIFESTYLE PLANNING DIRECTORATE