

Our Ref: C2202/ Contact: Paul Needham

9 February 2022

Jacquie Stone
Director Policy
Department of Planning, Lands and Heritage
Via email to: tourism@dplh.wa.gov.au

Dear Ms Stone

RE: SUBMISSION TO DRAFT POSITION STATEMENT: PLANNING FOR TOURISM

Thank you for the opportunity to comment on the draft Position Statement: Planning for Tourism.

The City of Busselton has a significant, and growing, tourism based economy, likely amongst the largest in Western Australia. It is disappointing therefore, that the Department did not seek to engage with the City during the drafting of the Position Statement. The City has a number of concerns with the proposed Position Statement which are broadly outlined as follows:

- The proposed policy measures do not appear to be congruent with the outcomes of the 2019 inquiry Levelling the Playing Field: Managing the impact of the rapid increase of Short-Term Rentals in Western Australia (2019 Inquiry).
- Relevant to this submission, the 2019 Inquiry recommended that the State's role would be to amend/update land use definitions and corresponding planning guidance; and to develop a system for the registration of online booking platforms. It is the role of local government, rather than the State, to determine how the land uses should be regulated in each local government area.
- Unlike the State, local governments have extensive experience, knowledge and expertise in managing land uses. The State policy team did not engage broadly when drafting the Position Statement to discuss whether or not the proposed policy measures would be achievable.
- It is unclear how the Policy Objectives will be achieved by the proposed Policy Measures which appear to have been developed without clear and direct reference to the objectives.
- The opening statement under the proposed Policy Measures indicates that "Local government are best placed to plan for tourism within their communities". The City agrees with this statement and questions therefore, the need for such prescriptive content within a State level Position Statement.
- The City does not support the proposed Policy Measure seeking to ensure all existing and proposed caravan parks be zoned 'Special Use Caravan Park'. While some protection may be required where land values, or other priorities, threaten the on-going use of a singular caravan park within a locality, within the City of Busselton caravan parks are abundant and it is not sensible or appropriate to sterilise such land from other tourism based land use opportunities.
- The state-wide 60 day exemption for unhosted accommodation is not supported as it will undermine the



City's current controls. It is contrary to the preferred direction of our community, and appears to be unenforceable, de-facto regulation.

- Clarity is required in respect to whether the proposed 60 day exemption for unhosted accommodation will apply to all land designated bushfire prone.
- The City has many Rural, Rural Residential and Viticulture Tourism zoned properties that are attractive for short-term accommodation but are serviced by limited road access.
- The lack of detail around a state-wide registration scheme should not conflict with local laws which enable effective local management, and the state-wide registration scheme should be developed concurrently with the proposed policy reforms.

The regulation of short-term rental accommodation has been a significant issue for the City of Busselton, including residents, ratepayers and other stakeholders, for several decades. Working in tandem with the State the City first set out to draft a policy framework in 2002, which formally came into effect late in 2012. At the end of 2021 the City recorded close to 1000 holiday homes, currently operational, meaning that development and registration approvals are in place. A further 500 properties have been granted development approval, but are not currently registered for operation.

As a peak tourism destination the City accounts for a significant proportion of all holiday homes in WA, and has amassed a considerable amount of experience, knowledge and expertise in their regulation. It is nearly 10 years since the City's regulatory framework was established and, during 2021, Council resolved to undertake a review of the framework. Five key changes were proposed through broad scale community and stakeholder consultation. 570 submissions were received, with majority support for each of the key changes.

In drafting these changes, the City set out to make suggestions that were complementary to the recommendations of the 2019 Inquiry. Our understanding was that there were two key recommendations stemming from the Inquiry relevant to the City's framework, which the State government were committed to act upon: a) the establishment of a state-wide registration scheme; and b) amending land use definitions to differentiate between hosted and unhosted accommodation, and updating the associated planning guidelines.

On the basis of the City's experience with holiday homes, and the State government's commitments stemming from recommendations of the 2019 Inquiry, proposed changes advertised by the City were for more rigorous controls to the regulation of holiday homes. These changes included the introduction of residential areas in which holiday homes would not be permitted, reduced permissible occupancy numbers, and more clearly defined responsibilities and expectations for managers and occupants. The proposals received support during consultation, and the City is now in the process of drafting formal changes.

Furthermore, the City does not support a number of the proposed and/or amended land use definitions, and does not support a broad exemption for all 'hosted' accommodation, without further consideration of other legislation that may impact upon the operation of this type of short-term accommodation.

In respect to bushfire, the City is concerned that while cl 61(6)(b) of the *Planning and Development (local Planning Schemes) Regulations 2015* indicates that the exemptions at cl 61(1) and cl 61(2) do not apply to land designated bushfire prone, cl 78(D)(3) indicates that a development approval is only required for land with a BAL-rating of BAL-40 or BAL-FZ. It is the City's position that development approval should be required for all unhosted accommodation in a bushfire prone area, irrespective of the BAL-rating and particularly for sites outside a 'Residential Built Out Area' given access can be limited and the risk of bushfire high, to ensure that risk to guests can be considered. Amendments to the Regulations may be required to achieve this.



For the reasons outlined above, the City submits that the draft Position Statement, in its current form, is not proportional to the significance of the issues arising from short-term rental accommodation in our District, and therefore many of the proposed measures are not supported.

Yours sincerely,

Paul Needham **Director Planning and Development Services**



OVERVIEW

This template has been prepared to assist local governments and government agencies to provide comment on draft Position Statement: Planning for Tourism and accompanying Guidelines. Use of the template will greatly assist the Commission in analysing submissions.

Information on the draft Position Statement, including proposed development exemptions for short-term rental accommodation, definitions and amendments to the *Planning and Development (Local Planning Schemes) Regulations 2015* can be found on the Department's <u>website</u>.

To provide comments to be considered during the development of the proposed registration scheme, head to Section 6 of this template. Any feedback on the scheme will be forwarded to the Department of Local Government, Sport and Cultural Industries for consideration, as this is not within the scope of the draft Position Statement and cannot be considered by the Western Australian Planning Commission.

SECTION 1 GENERAL INFORMATION

What local government or agency are you responding on behalf of?

City of Busselton

What is your email address?

city@busselton.wa.gov.au

What region are you from?

- Gascoyne
- Goldfields
- Great Southern
- Kimberley
- Mid West

- Peel
- Pilbara
- Perth
- South West
- Wheatbelt

SECTION 2 EXEMPTING HOSTED ACCOMMODATION

Should hosted accommodation be exempt from development approval where it occurs in a single house (or ancillary dwelling)?

The City supports this measure, provided:

- 1. The maximum number of guests does not exceed six, and maximum number of guest bedrooms does not exceed three (inclusive of the aggregate number of bedrooms within any dwelling and ancillary dwelling located at the development site).
- 2. A state-wide registration scheme is developed concurrently with the Position Statement, and all hosted accommodation is required to register through this scheme.
- 3. As a pre-requisite to registration, the hosted accommodation provides:
 - a. A 'certificate of local government authority', as outlined in the final section of this report; or if the local government does not opt-in to this requirement,

All Communications to:



- b. Proof that the premises is an approved, lawful dwelling.
- c. The maximum number of guests to be accommodated.
- d. Details of the number of bedrooms to be utilised and bathrooms available to guests.
- e. Details of car parking arrangements, available exclusively for use at the development site, within the site boundaries.
- f. Demonstrated suitability of design as a Class 1b building, including disability access, fire safety equipment and evacuation measures.
- g. Where reticulated sewerage is not available, demonstrated compliance with the *Health* (*Treatment of Sewage and Disposal of Liquid Waste*) Regulations 1974.
- h. Where food is to be served, approval from the local government authority through lodgement of a Food Business Notification/Registration form.
- 4. Full details of the registration are available to the local government authority at all times.

Should hosted accommodation be exempt from development approval where it occurs in a grouped dwelling?

No, the City does not support this exemption:

Grouped dwellings can vary greatly in terms of lot size, dwelling size, type of common property, parking and public transport availability, and a number of other matters. It should not be assumed that there will be lesser impact because the site is hosted.

Should hosted accommodation be exempt from development approval where it occurs in a multiple dwelling?

No, the City does not support this exemption:

- 1. Multiple dwellings can vary greatly in terms of dwelling size, type of common property, parking and public transport availability, and a number of other matters. It should not be assumed that there will be lesser impact because the site is hosted.
- 2. Clause 67 (2) (u) (v) of the Deemed Provisions requires consideration of the availability and adequacy for the development of access by people with disability.
- 3. Under the Building Code of Australia, disability access requirements differ between a Class 2 building (block of flats or an apartment building containing two or more sole occupancy units) and a Class 3 building (typically a hotel, motel, or larger boarding house or hostel).
- 4. A change of use for one sole occupancy unit within an apartment building would change the building class from 2 to 3, thereby potentially making disability access either unavailable or inadequate.

Note: the *Guideline on the Application of the Premises Standards Version 2 (2013)* provides guidance on this matter, however unlike the *Building Code of Australia* it is not referenced in the *Building Regulations 2012*.

Does the room and guest cap for hosted accommodation appropriately capture low-scale hosted accommodation? Are there any other considerations or criteria which may be relevant?

1. The following maximum number is considered appropriate to exempted low-scale hosted



accommodation in a single house (or ancillary dwelling), providing:

- There is no distinction between the age of guests and whether or not they will be contained within one family how will this be regulated, and by whom?
- The criteria set out above (in response to hosted accommodation single house) are satisfied.

	Max. number of guests	Max. number of guest bedrooms
Single house (or ancillary dwelling)	Six	Three

2. Maximum numbers for other types of hosted accommodation (grouped and multiple dwellings) should be determined at a local level by each authority, based on local experience, knowledge and expertise.

SECTION 2 EXEMPTING UNHOSTED ACCOMMODATION

Should unhosted accommodation be exempt from development approval where it occurs in a single house?

No – see comments below.

Should unhosted accommodation be exempt from development approval where it occurs in a grouped dwelling?

No – see comments below.

Should unhosted accommodation be exempt from development approval where it occurs in a multiple dwelling?

No – see comments below.

What length of stay timeframe is appropriate for unhosted accommodation to be exempt from development approval?

No 'length of stay timeframe' exemption is supported. This proposal is unenforceable and raises serious concern in respect of how bushfire risk is managed – see comments below.

Do you have any additional comments on the proposed exemptions?

Unhosted accommodation exemptions are not supported for the following reasons:

- 1. The exemption is contrary to the policy objective (dot point five) which states
 - "Ensure land use impacts between tourism activities and other land uses (including residential areas) are appropriately managed."

because the following matters cannot be assessed by the local government authority:

- a. Proof that the premises is an approved, lawful dwelling.
- b. The number of occupants to be accommodated.



- c. The number and size of bedrooms.
- d. The number of bathrooms and toilets.
- e. The capacity of on-site effluent systems.
- f. The availability of car parking, for exclusive use by the development, within the development site boundaries.
- g. Adverse impact from surrounding land uses.
- h. Ability to register properties under the City's Holiday Home Local Law.
- i. Ability to ensure properties are appropriately managed under the City's *Holiday Home Local Law*.
- j. Adverse impact on neighbouring properties.
- k. Adverse cumulative impact (from multiple exempted properties) on the locality.
- 2. The exemption is contrary to policy measure 5 which states

"Local governments are best placed to plan for tourism within their communities, with local knowledge of tourism activity, opportunities, constraints, including potential impacts and what requirements, if any, should be placed on tourism proposals."

because:

- a. The City of Busselton began investigating the management of holiday homes (unhosted accommodation) in 2002 (upon direction from the then Minister for Planning), formally implementing a regulatory framework in 2012.
- b. At the close of 2021, almost 1,000 holiday homes are registered under the City's *Holiday Home Local Law* for current use.
- c. During this 20 year period, the City has amassed considerable local knowledge and expertise around the impact of holiday homes within the District.
- d. A state-wide exemption would ignore the City's local knowledge and expertise, and undermines the City's regulatory framework refer Finding 16 of *Levelling the Playing Field: Managing the impact of the rapid increase of Short-Term Rentals in Western Australia* (2019 Inquiry) which states

"Local planning schemes, local planning policies and local laws provide the flexibility necessary for local governments to set effective planning controls for Short-Term Rentals appropriate to their local context. While some local governments have designed effective frameworks, there is considerable variation across Western Australia."

The City of Busselton has an effective framework in place.

- e. Community consultation carried out by the City during 2021, which received 570 submissions, demonstrated majority support for greater regulation of holiday homes, rather than less.
- f. The proposed exemption for unhosted accommodation will serve to undermine the future regulatory direction preferred by the City's Council and community.



3. The exemption is contrary to policy measure 5.1 (dot point five) which states

"Promote the location of tourist accommodation in areas with the highest tourism amenity... and adequate separation from, or management of, any interface with residential land uses."

because:

- a. The City's experience is that there are very few residential areas where no holiday homes are present, regardless of proximity to tourism amenity or the length of time that the residential area has been established.
- b. The City's knowledge of where holiday homes are located is well informed and based on the regulatory framework in place (development and registration approval), plus the engagement of a company to regularly report on unregistered holiday homes.
- c. While it may be argued that holiday home use limited to 60 days results in low impact, the cumulative impact of multiple exempted holiday homes within a residential area is not considered.
- d. The City is moving towards achieving policy measure 5.1 (dot point five) by considering the introduction of defined residential areas in which holiday homes will not be permitted. There is support from Council and the community to introduce this measure.
- 4. For the reasons set out directly above, the exemption is also contrary to the policy measures set out at 5.3.2.2, which states
 - "The regulatory and policy response of the local government should be proportional to the significance of the issues arising from unhosted short-term rental accommodation in their municipality."
- 5. No detail has been provided on how the exemption will be monitored and enforced:
 - a. If a property is listed with a single booking platform (and registered under a state-wide registration scheme) then there may be some ability to monitor the number of nights that the property has been let for, however there is no clarity around how the number of nights let will be monitored if a property is listed with multiple booking platforms.
 - b. The City's experience is that:
 - i. Many properties do list with multiple booking platforms.
 - ii. Most online listings do not provide a specific street address unless a booking is made.
 - iii. Considerable resources are required to locate unapproved holiday homes.
 - iv. Considerable resources are required to pursue non-compliant holiday homes.
 - c. Potentially it would require considerable resources to monitor the number of nights that unhosted properties are let for, to ensure that the exemption period has not been exceeded, and to pursue non-compliance. It is not clear whether this responsibility would fall to State or local governments.
- 6. The City is concerned that while cl 61(6)(b) of the *Planning and Development (local Planning Schemes) Regulations 2015* indicates that the exemptions at cl 61(1) and cl 61(2) do not apply to land designated bushfire prone, cl 78(D)(3) indicates that a development approval is only required for



land with a BAL-rating of BAL-40 or BAL-FZ.

It is the City's position that unhosted accommodation, especially outside 'Residential Built Out Areas', where access can be limited and the risk of landscape fire high, development approval should be required, irrespective of the BAL-rating so that risk to guests can be considered.

Being able to achieve a BAL-rating of BAL-29 or less does nothing to mitigate poor access. If no DA is required for such sites, neither a Bushfire Management Plan nor Emergency Evacuation Plan will be required to be prepared which may result in an increased risk to life for guests in the event of bushfire and/or subsequent evacuation.

SECTION 3 DEFINING HOSTED ACCOMMODATION AND BED AND BREAKFAST QUESTIONS

Do you support the new land use definition for hosted accommodation?

No, the City does not support this measure because the definition introduces a new concept into the planning framework (i.e. the concept that accommodation can be hosted) without addressing a number of other factors:

- 1. There are other types of short-term accommodation defined under the planning framework (e.g. 'Residential Building') that could be but are not apparently captured by this definition. This is particularly problematic if capped numbers are introduced.
- 2. There are other types of short-term accommodation that are defined under the *Health* (*Miscellaneous Provisions*) *Act 1911* (e.g. 'Lodging House'), whereby provisions exist but these may be difficult to enforce by a local government authority if this definition is introduced.
- 3. The definition does not distinguish between different dwelling types (i.e. single house, grouped dwelling, multiple dwelling).
- 4. By failing to recognise different dwelling types, the definition does not address the different requirements that may apply to each dwelling type (see comments above).

Do you support the deletion of the bed and breakfast definition from Schedule 1 (Model Provisions) of the *Planning and Development (Local Planning Schemes) Regulations 2015*?

No, the City does not support this measure until the issues associated with the definition of 'hosted accommodation' (outlined above) are resolved.

SECTION 4 GENERAL POLICY APPROACH TO SHORT-TERM RENTAL ACCOMMODATION

Do you support criteria outlined in sections 5.2.2. and 5.3.2 of the draft Position Statement to guide local government in determining how to plan for, regulate and manage short-term rental accommodation?

- 1. 5.2.2: The City has identified a number of concerns elsewhere in this submission in regard to the draft policy, and would prefer to see this section of the document to be redrafted in response to those concerns.
- 2. 5.2.2.1-5.2.2.2: No comment on these policy criteria as the City already has considerable local knowledge and expertise around the impact of holiday homes within the District.



3. 5.3.2:

- a. The City supports an exemption for hosted accommodation in single houses, provided the various points set out above are addressed at registration stage.
- b. The City does not support an exemption for hosted accommodation in grouped and multiple dwellings, as set out above.
- c. The City does not support an exemption for unhosted accommodation, as set out above.
- 4. 5.3.2.1-5.3.2.2: The City supports these policy criteria provided they are not contradicted and undermined by exemptions for unhosted accommodation.

SECTION 5 GENERAL FEEDBACK

Do you have any additional comments on the Position Statement or Guidelines?

- 1. No detail has been provided on the state-wide registration scheme. In Part 5 of the Guidelines, the note for consultation (second paragraph) highlights that there is inadequate information available on the implementation of the registration scheme, particularly in relation to the ongoing operation of local laws. See further comments below.
- 2. Policy measure 5.1, dot point 11 refers to proposals in areas subject to natural hazards. It should be specified here that, under clause 61 (6) (b) of the Deemed Provisions, a proposal would not be exempt from requiring development approval if the development is undertaken on land designated as bushfire prone. As indicated previously in Section 2, further clarity is required on whether any such exemption would apply to all bushfire probe land or only sites with BAL-ratings of BAL-40 or BAL-FZ as per clause 78(D)(3)(a). It is the City's position that unhosted accommodation, especially outside 'Residential Built Out Areas', where access can be limited and the risk of landscape fire high, development approval should be required, irrespective of the BAL-rating so that risk to guests can be considered.
- 3. The City does not support the following new and amended definitions:
 - a. The introduction of the term hosted accommodation, without differentiating between dwelling types (and further recommends that consideration be given to 'Residential Building' and other types of short-term accommodation defined by other Western Australian legislation).
 - b. Holiday house, unit and apartment these are not planning terms and do not align with the broader planning framework, e.g. the Residential Design Codes, and appear to have been written for the general public. Similar to the various types of 'Industry' and 'Liquor Store' land uses, preferred terms are:
 - i. Holiday House Single House
 - ii. Holiday House Grouped Dwelling
 - iii. Holiday House Multiple Dwelling.
 - c. Tourist development and serviced apartments neither definition includes a requirement for 24 hour on-site management are these hosted or not?
- 4. The City does not support the proposed Policy Measure seeking to ensure all existing and proposed caravan parks be zoned 'Special Use Caravan Park'. While some protection may be required where



land values, or other priorities, threaten the on-going use of a singular caravan park within a locality, within the City of Busselton caravan parks are abundant and it is not sensible or appropriate to sterilise such land from other tourism based land use opportunities.

17. Do you have any additional comments on proposed changes to the Regulations in accordance with section 256 of the *Planning and Development Act 2005*?

No further comments.

SECTION 6 REGISTRATION SCHEME FOR SHORT-TERM RENTAL ACCOMMODATION

- 18. If you have comment to provide on the development of the proposed registration scheme, please supply below and your comments will be forwarded to the Department of Local Government, Sport and Cultural Industries for consideration. You may be contacted by the Department via the provided email address.
- 1. Recommendation 7 of the 2019 Inquiry included a number of undertakings by the intergovernmental working group to:
 - a. Establish baseline requirements for a state-wide registration scheme.
 - b. Determine legal mechanisms to introduce and enforce the scheme.
 - c. Determine an appropriate mechanism to collect and manage data.
 - d. Determine information disclosure requirements, sharing mechanisms and public availability.

There is no evidence of this undertaking, and it is of concern to the City that planning reforms will occur without the concurrent development of a registration scheme.

2. Recommendation 7, 7 of the 2019 Inquiry stated the following:

"Ensure that local governments maintain the ability to require the provision of additional information and impose additional licensing or operational requirements, depending on their particular circumstances."

The PS and Guidelines provide no certainty around this part of the recommendation. Part 5 of the guidelines includes brief discussion around local laws but it is unclear whether the City's *Holiday Home Local Law*, and ability to manage holiday homes at a local level, will be overridden or undermined by the state-wide registration scheme.

- 3. The City considers that it is imperative that the planning framework and registration scheme are developed concurrently:
 - a. Refer to comments above in regard to registration of hosted accommodation.
 - b. Registration of unhosted accommodation is supported provided:
 - i. The City has the ability to continue assessing the suitability of holiday homes through the development assessment process, and register holiday homes at a local level under the provisions of a local law, enabling the regulation of holiday homes in a manner that is commensurate to the number and scale of holiday homes in the District.
 - ii. The applicant provides proof to the state-wide registration scheme, demonstrating that development approval has been granted by the local government.



- iii. Full details of the registration are available to the City at all times.
- iv. Monitoring and enforcement are responsibilities of the State.
- 4. The City is concerned that the DLGSC is not currently responsible for the ongoing issuing of licences and permits. In NSW, the short-term rental accommodation register is administered by NSW Fair Trading, and the City notes that Recommendation 6 of the 2019 Inquiry was for the establishment of an interdepartmental working group, including the Department of Commerce, to establish a state-wide registration scheme. Recommendation 7, 1d of the 2019 Inquiry was to identify the most appropriate agency to hold the register, and the City considers that Department of Commerce would be more appropriate than DLGSC.
- 5. The City acknowledges that there is considerable variation in regulatory frameworks across Western Australia. In light of this, the City recommends the following mechanisms to support a state-wide registration scheme:
 - a. A scheme that allows local government authorities to choose to 'opt-in' to a pre-requisite requirement for unhosted accommodation proposals to obtain, from the local government:
 - i. development approval; and/or
 - ii. local government registration approval,

resulting in the issuing of a 'certificate of local government authority', which would also require:

- i. periodic renewal; and
- ii. conditions of compliance.
- b. Should the local government choose not to 'opt-in', then owners, managers, booking platforms and any other entity responsible for obtaining state-wide registration would not be required to provide a 'certificate of local government authority', however other evidence should be provided to ensure that the amenity of surrounding properties is protected.