LOCAL TOURISM PLANNING STRATEGY

SHIRE OF AUGUSTA MARGARET RIVER

APRIL 2015

Updated as required by WAPC - 2016

Adoption of Local Tourism Planning Strategy		
Description	**Adoption Date**	**Council Resolution**
Local Tourism Planning Strategy (except Key Tourism Sites)	22nd May 2013	OM1305/16
Key Tourism Sites	11th December 2013	OM1312/3
Minor Content Amendment for WAPC Recommended Changes	8th April 2015	OM2015/64
Changes required by WAPC – November 2015	Completed January 2016	

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PART 1

INTRODUCTION

1.1 Executive Summary

This report examines the existing and projected tourism industry within the Shire of Augusta-Margaret River. As tourism is a key driver of the local economy, evaluation of tourism issues and an appropriate response from the Local Authority is essential to the wellbeing of the industry and broader community.

At the time of development of the Shire's Local Planning Strategy (LPS) it was acknowledged that further analysis was required through the preparation of a Local Tourism Planning Strategy (the Strategy) to inform a policy position for tourism. This Strategy is informed by:

- An analysis of the planning context;
- Assessment of the supply of tourism facilities;
- Assessment of the demand for tourism facilities, which included four quarterly surveys of tourists undertaken by the Augusta-Margaret River Tourism Association (AMRTA); and
- An economic analysis of the viability of tourism and forward projections for the tourism sector.

Key findings of the Strategy include:

- Moderate projections for increased visitation, driven principally by increases in international visitation;
- Attraction to the area is based largely around the quality of the natural environment and the premium image of the region;
- Issues with viability of tourism investment based on significant supply (and potential supply through zoned and approved development), and comparatively low occupancy rates;
- A highly seasonal industry;
- That facilitation of higher end tourism development may serve to increase visitation and consequential investment in tourism infrastructure;
- The need to retain low cost tourism accommodation in the face of pressure for redevelopment, and the proactive role the Shire can play in supply in this area particularly in relation to caravan parks;
- That a number of other actions should be undertaken to support the tourism industry and improve occupancy and viability of investment or reinvestment.

Proposed responses to these key findings include:

- Incorporation of specific principles for development based around sustainability and the quality of the region;
- Provisions for mixed use ULS/tourism development in appropriate circumstances to support viability;
- Guidance to strata title and green title subdivision of tourism sites;
- A performance based approach to the location of tourism development rather than the identification of designated areas;
- The identification of key tourism sites where these sites should be retained for predominantly tourism purposes, with specific recommendations provided with respect to each site.

1.2 Purpose

Tourism is one of the key drivers of the economy within the Shire of Augusta-Margaret River. Appropriate response and support of the tourism industry is essential to the well-being of the community. This Strategy will act as the strategic planning document to provide land use planning and resource investment direction to the Shire, and information for the development of the tourism industry.

The Strategy has been prepared following the adoption of the Shire's Local Planning Strategy in accordance with the process set out in the *Town Planning Regulations (1967)* for the development of the LPS. Specific policy recommendations will be incorporated within the Local Planning

Strategy in due course. Accordingly, this Strategy provides a recommended course of action for the timeframe intended for the LPS, to the date of 2026, subject to periodic review.

This Strategy examines the current state of the tourism industry, future projections for growth and development of the industry, relevant factors influencing future development and establishes a policy position to seek a maximum benefit for all stakeholders through:

- The identification of sites and areas deemed to be of significant importance to the future of tourism development in the Shire;
- Providing guidance on the rezoning of land for tourism purposes and the removal of land from tourism zones;
- Providing guidance to inclusion of other uses in tourism developments, such as ULS units or activities incidental to tourism;
- Establishing a position on subdivision of tourism developments in the Shire;
- Examination and recommendation in relation to the range of planning controls relevant to tourism within the Shire's Local Planning Scheme No.1;
- Providing focus for investment of Government resources to support the tourism sector.

1.3 Context

This Strategy serves the purpose of reviewing the provisions of Local Planning Scheme No. 1 (LPS1) and the Local Planning Strategy (LPS) relating to tourism development, providing appropriate strategy and direction for the consideration of future planning decisions in relation to tourism issues, and informing the use of Council's resources. This Strategy does not provide a review of all aspects of the tourism sector in the Shire, although alignment in the future direction of land use planning and resource investment with marketing, resourcing, collaboration of stakeholders and other aspects of the tourism industry are relevant considerations for this Strategy.

The success of the tourism industry is closely linked to action on both the supply and demand sides of the equation. It is pointless to foster greater demand if the tourism industry does not have the productive capacity to meet it[1]. This Strategy examines future demand scenarios but principally, seeks an appropriate response to Council's regulatory role in the supply side of the tourism equation, aiming to balance competing issues to ensure a maximum benefit for the environment, the community and the economy. This Strategy provides a firm rationale for determining future land allocation, planning controls and infrastructure needs for tourism in the area.

1.4 Background

In September 2002, the Minister for Planning and Infrastructure established a taskforce to examine issues surrounding the trends of introducing a residential component into developments on tourist zoned land, and the strata titling of tourism developments. At the time, it was noted that there was a lack of strategic direction available to local governments for determining tourism proposals. The findings of the taskforce were included in the Tourism Planning Taskforce Report (the Taskforce), endorsed by State Cabinet in January 2006 and released to the public in July 2006.

A primary intention of the Taskforce was to provide guidance to local governments in preparing a tourism strategy with associated policies, in part to combat the erosion of the State's relatively few high-value (premium) tourism development sites, ensuring their availability to generate the future benefits that the tourism industry offers[2].

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[1] As observed by Martin Ferguson, Minister for Tourism in the *National Long Term Tourism Strategy*, Australian Government (2009)

[2] Western Australian Planning Commission 2011, *Planning Bulletin 83/2011 – Planning for Tourism,* Western Australian Planning Commission, Perth

Planning Bulletin 83 – 'Planning for Tourism' (Planning Bulletin 83) was initially adopted in June 2007 to implement the recommendations as set out by the Taskforce. In 2009 the Board of Tourism Western Australia commissioned a review of tourism accommodation development on behalf of the tourism industry, including the recommendations of the Taskforce. A key outcome of this review was the need for a more strategic and flexible approach to tourism planning to encourage and support investment in the industry, including:

- Strategic focus of broader planning concepts such as locations and precincts to replace the existing "strategic" and "non-strategic" tourism sites identified in the Taskforce.
- Greater emphasis on the local planning framework in addressing regional and local tourism issues and land use planning objectives.
- Review of the limits to residential development as part of tourism sites.

Planning Bulletin 83 was subsequently revised to reflect the above. The Shire's Local Planning Strategy was endorsed in 2010. It is acknowledged in the Local Planning Strategy that further analysis of tourism issues was required and that a tourism strategy be prepared. The LPS will be updated as a consequence of this process.

1.5 Methodology

The Strategy has been prepared having regard to the draft *Guidelines for the Preparation of Local Tourism Planning Strategies* (2006). The Strategy has been prepared with consideration of the suggested format for a Local Planning Strategy as provided in the Western Australian Planning Commission's Planning Schemes Manual – Western Australia Guidance on the Format of Local Government Planning Strategies. The Strategy is also guided by the Taskforce (2006) and Planning Bulletin 83 (2011).

The Strategy is principally in summary form (Section 1) with detailed analysis included as Appendices (Section 2), which include:

Review of Planning Context
A description of the local and regional planning context provides the background to planning responses set out in this Strategy.

Supply analysis
The supply analysis undertaken includes an inventory of the location and details of accommodation, attractions, activities, access, amenities (5 A's of tourism). Data was subsequently gathered by conducting phone surveys with accommodation providers, and information provided by AMRTA and previously approved planning approvals.

Demand analysis
A demand analysis was prepared by AMRTA on behalf of the Shire. The demand analysis involved quarterly surveys of visitors during 2010-11 and provided a qualitative and quantitative analysis of visitor demand for existing accommodation, attractions, activities, access, amenities in the shire.

Economic analysis
The economic analysis was prepared by AEC Group in January/February 2012 and involved on-site meetings with accommodation providers and a review of Tourism WA and ABS statistics to provide an understanding of the current and forecasted tourism economy.

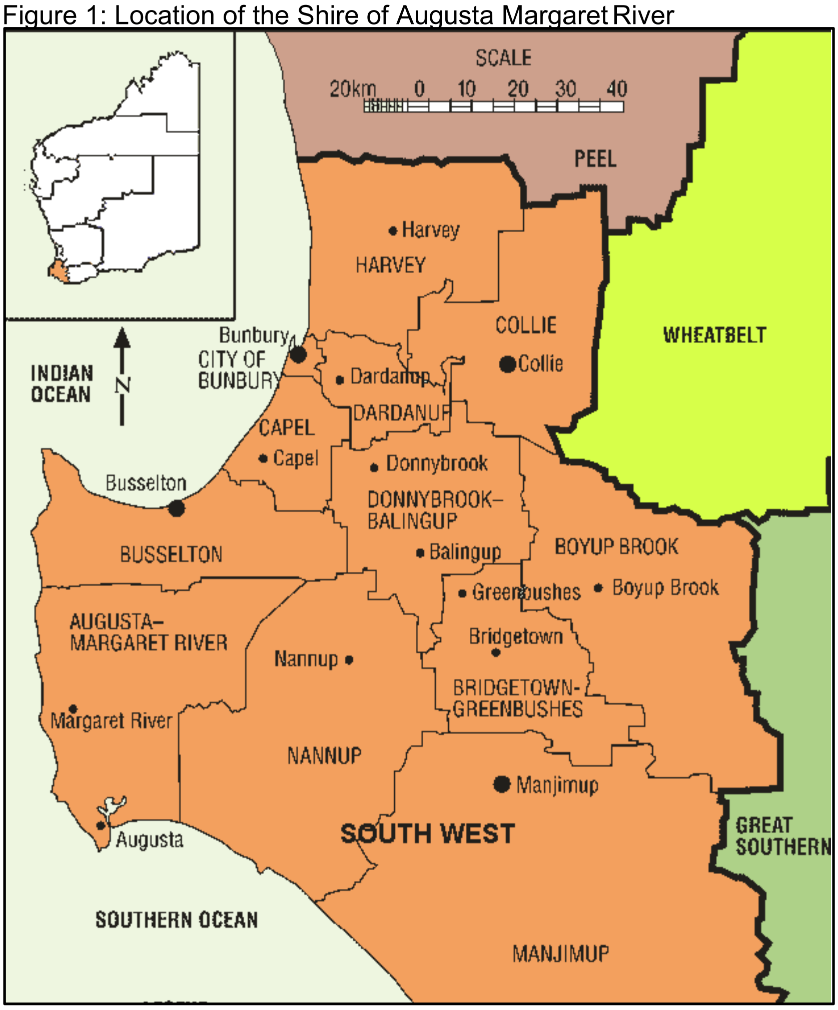
1.6 Study area

The Shire of Augusta-Margaret River covers an area of approximately 237,000ha in the south western corner of Australia, as shown in Figure 1. This area includes approximately 82,245ha dedicated as State Forest and 18,815ha set aside as National Parks.

The Shire is characterised by a Mediterranean climate, with the significant majority of rain falling in the colder winter months from May to September. While a comparatively high annual average rainfall of around 960mm provides for diversity in agricultural pursuits and vegetation, these climatic conditions result in a partially seasonal tourism industry in the Shire.

The Shire is a recognised 'biodiversity hotspot'[3] well known for its scenic beauty and diversity in the environment. Iconic geographic features such as the Leeuwin Naturaliste Ridge, the Indian Ocean, the area of the Leeuwin Naturaliste National Park and the various rivers and streams contribute to the attributes of the area as a popular tourist destination. Tourists are drawn to the region for these aspects of the natural environment as well as premium local wines, diverse quality food, adventure sports such as surfing, fishing and diving, walking and cycling trails and many other attractions.

Figure 1: Location of the Shire of Augusta Margaret River



(Source: ***South West Development Commission)***

1.7 Aims and objectives

The primary focus of the Strategy is to establish forward thinking in sustainable tourism, which is not only economically productive but also aims to protect and enhance natural and cultural environments for both visitors and the local community. The Strategy provides motivation for identifying and allocating appropriate land for tourism development, applying suitable planning regulations and determining zoning allocation and infrastructure needs for tourism. The Strategy seeks to achieve the following objectives:

[3] Biodiversity Hotspots for Conservation Priorities, Myers et al (2000)

- To provide for the sustainable evolution of the tourism sector by identifying and retaining sites to facilitate a range of tourist accommodation and attractions to meet the projected demand for the Shire.

- To encourage social inclusion through provision of affordable holiday accommodation, including the retention of existing caravan parks and camping grounds in prime locations that reflect the attributes of the region.

- To protect identified tourism locations or sites from the effects of conflicting land uses.

- To encourage a high standard of design, layout and the provision of facilities for tourism developments.

- To acknowledge the importance of tourism to the local economy in the preparation of strategic plans and policies.

- To identify the anticipated growth of tourism in the locality and to encourage development that compliments the locality's existing tourism attractions.

- To develop a sustainable tourism industry in a manner that maintains the areas environmental integrity and ensures the areas natural resources are conserved, managed, protected and used sustainably for future generations.

- To recognise and foster the specific attributes of the Shire that provide an opportunity for tourism to be a significant contribution to the local, state and national economy and the well-being of local residents.

PART 2

SUMMARY OF KEY ISSUES

2.1 Tourism Forecasts for Western Australia

In considering the Shire's role in the tourism industry it is relevant to consider likely and possible scenarios for future tourism demand. Current tourism forecasts for Western Australia are prepared regularly by the Tourism Forecasting Committee on behalf of Tourism Research Western Australia. Forecasts typically consider factors including the actions of tourism investors, industry and governments with the aim to achieve consensus forecasts across the international, domestic and outbound tourism sectors.

The Tourism Forecast Committee's (TFC, 2012) latest publication predicts that for the ten year period between 2011/12-2020/21 the following outcomes will occur:

- Australian inbound visitor nights will grow at a compound average annual growth rate (CAGR) of 3.9%.
- Western Australian inbound visitor nights will grow at a CAGR of 4.2% (4.5% CAGR for Perth and 3.7% CAGR for Regional WA).
- Australian domestic visitor nights will grow at a CAGR of 0.5%.
- Western Australian domestic visitor nights grow at a CAGR of 0.4% (1.1% CAGR for Perth and 0.0% CAGR for Regional WA).
- Summing these forecast inbound and domestic visitor nights; Australia is expected to achieve a CAGR of 2.1%, consistent with the CAGR for Western Australia.[4] Western Australia is expected to achieve a CAGR of 2.1% *(2.9% CAGR for Perth and 1% CAGR for Regional WA).*

The above forecasts do not address unforseen adverse economic events, therefore these forecast growth rates need to be considered as best estimates of inbound visitation growth expected for Western Australia rather than an absolute. In general terms these forecasts identify stagnant domestic tourism and moderate increase in international tourism.

2.2 Tourism Trends in Augusta-Margaret River

Future tourism trends in the Shire will depend on a number of contributing factors including international economic stability, destination marketing, new and emerging national and international destinations, and the affordability and quality of attractions, activities, amenities, access and accommodation in the Shire. In addition, the ability of the region to adapt to new types of tourists will be a contributing factor[5]. Table 2.1 below provides a historical trend of tourism visitors and visitor nights from 2002-2011. The trend, as with Western Australia generally, is a decrease in domestic visitors and an increase in international visitors.

International visitors to the Shire in 2009/10/11 made up 15% of all visitors however, represent 24% of visitor nights due to their length of stay, 6.2 nights compared to intrastate and interstate visitors that stay an average of 3.0 and 4.7 nights[6].

[4] Tourism Forecasting Committee 2012, *Forecast 2012 Issue 1,* Tourism Research Australia

[5] Tourism WA 2010*, Australia's South West Tourism Development Priorities 2010-2015,* Tourism WA, Perth

[6] Tourism WA 2011, *Shire of Augusta-Margaret River Overnight visitor fact sheet – Years ending December 2009/10/11,* Tourism WA, Perth

Table 2.1 - Domestic and international visitors to the Shire (2002-2010)

	Domestic	International	Total
Visitors			
YE December 2002/03/04	490,600	58,633	549,300
YE December 2005/06/07	424,000	55,133	479,133
YE December 2008/09/10	355,000	58,700	413,700
YE December 2009/10/11	355,000	61,600	416,600
Nights			
YE December 2002/03/04	1,814,000	238,800	2,052,800
YE December 2005/06/07	1,266,667	252,067	1,518,733
YE December 2008/09/10	1,169,400	386,600	1,538,000
YE December 2009/10/11	1,191,300	379,200	1,570,500

Source: Tourism WA fact sheets, Visitors/nights – AMRSC, Tourism WA, Perth

2.3 Occupancy rates

Occupancy rates in the Shire are seasonal and vary across different accommodation types, location and size. Tables 2.2 and 2.3 address accommodation occupancy by seasonality and accommodation type.

Occupancy Rates by seasonality

The seasonal data below was prepared by Tourism WA for the year ending December 2011. The survey captured occupancy rates for hotels, motels and serviced apartments consisting of 15 bedrooms and more. The survey conducted during 2011 identifies May through to August as months of low occupancy (38% to 46% occupancy) while October through to April enjoy higher occupancy rates (51% to 67%). Room and bed occupancy rates are seasonably variable, peaking in warmer December and March quarters. Seasonal fluctuation of between 40.5% and 67.1% occupancy for rooms and 26.9% and 50.1% for beds were experienced from March 2005 to December 2011[7]. Occupancy rates for 2011 show an increase, up 3% from 2010.

Table 2.2 – Occupancy rates in the Shire (2009-2011)

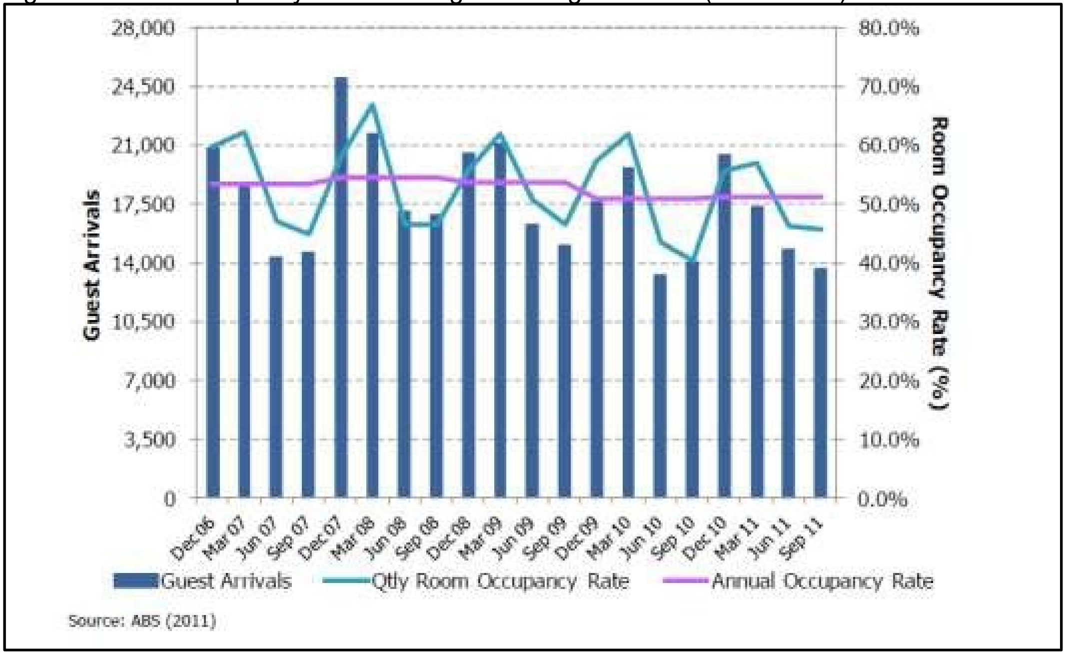
Month	2009	2010	2011
January	65.6%	63.3%	59.5%
February	55.6%	63.1%	55.1%
March	64.0%	59.8%	55.9%
April	61.9%	56.0%	62.7%
May	50.4%	37.7%	37.8%
June	39.6%	36.9%	38.6%
July	44.8%	38.6%	41.0%
August	41.5%	36.2%	45.7%
September	53.5%	47.0%	50.9%
October	57.3%	56.0%	62.6%
November	56.6%	55.2%	66.9%
December	58.2%	55.4%	61.6%
Annual Average	**54.2%**	**50.3%**	**53.1%**

Source: Tourism WA 2011, *Shire of Augusta-Margaret River Overnight visitor f0act sheet – Years ending December 2009/10/11*

Analysis by the ABS also shows a relatively flat rate of occupancy, reflected in Figure 2 below. The following observations show that there is both capacity for existing accommodation to be used more efficiently, and capacity for greater returns to accommodation providers (and corresponding support for viability and reinvestment) through extension of the tourism season.

[7] *Ibid*

Figure 2: ABS Occupancy rates for Augusta-Margaret River (2006-2011)



Source: ABS as compiled by AEC Group (2012)

Occupancy rate by accommodation type

A survey of accommodation providers was conducted to establish accommodation rates for 2010/11 across a variety of accommodation types. Although the survey was relatively small it still captured 55% of available accommodation capacity due to responses from caravan parks and other large scale accommodation providers. The occupancy rates are similar to results published by Tourism WA above. As expected, relatively low occupancy rates were observed within caravan parks due to the large number of sites required to be occupied before they reach their capacity. Occupancy rates for holiday houses were also relatively low due to short stay dwellings being mainly occupied during peak periods of the year. As expected, hotels, motels and serviced apartments located in close proximity to the Margaret River town centre provided higher occupancy rates.

Table 2.3 – Occupancy rates

Accommodation type	Number of establishments surveyed	Average occupancy rate for 2010/11
Resort	2	52 %
Chalet/farm stay/cottage/B&B	10	53 %
Serviced apartment	3	73 %
Hotel/motel	2	63 %
Guesthouse/backpackers	3	55 %
Holiday house	4	23 %
Caravan Parks	5	36 %
Total	**29**	**51 %**

Source: AMRSC Survey (2011)

2.4 Potential tourism development, industry forecasts and occupancy in the Shire

AEC Group[8] has considered a range of potential tourism demand scenarios including a weighted projection that accounts for historical tourism demand, the Tourism Research Australia projections and an aspirational scenario. This weighted projection assumes continued but modest growth in the tourism sector, largely driven by an increase in international visitors, who are on average staying for a longer period. These observations are consistent with the projections identified above. The conclusion that can be drawn is that there is a degree of pressure on the tourism industry with a need to foster and encourage domestic tourism and support the value and growth potential of the international tourism market.

There are approximately 30 undeveloped sites in the Shire zoned for tourism purposes. These sites are zoned for tourism purposes under LPS1 or have obtained tourism development potential through development approval. Suggesting these sites were all developed in the short term then it may result in an over-supply of tourist accommodation and lower occupancy rates across the board.

Table 2.4 – Potential tourism development

Location	Additional accommodation keys	Additional accommodation capacity
Cowaramup	221	811
Gnarabup	102	374
Augusta	212	778
Margaret River	37	136
Rosabrook	44	161
Karridale	44	161
Forest Grove	11	40
Total	**671**	**2463**

Source: AMRSC Supply Analysis (2011)

- Additional accommodation keys = total number of approved additional use rights for tourism, showing total number of accommodation keys which may be developed on each site.
- Additional accommodation capacity = *'Additional accommodation keys'* *3.67 guests per key (based on figures from Appendix 2: Supply Analysis)

Forecast models

The forecast model below has been based on international and domestic visitors and visitor nights as recorded in 2011 by Tourism WA. The Tourism Forecasting Committee CAGR figure of 1.5% has been used to determine additional visitor nights through to 2020. The scenario below assumes that no additional accommodation capacity is developed from 2011-2026 and therefore the occupancy rate increases by 4% increments over each 5 year period. The occupancy rate is expected to vary depending on the level of new tourist accommodation developed, the number of annual visitors and the length of stay. Table 2.5 below excludes Visiting Friends & Relatives (VFR), therefore provides an accurate estimate of visitors staying in dedicated tourist accommodation.

[8] *Economic Analysis for AMRSC Local Tourism Planning Strategy (AEC Group, 2012)*

The forecast model is relatively conservative and the Shire may see a greater increase in arrivals due to anticipated future development in the area and recognition as the largest tourism destination outside Perth.

Table 2.5 – Current and potential tourism development scenarios

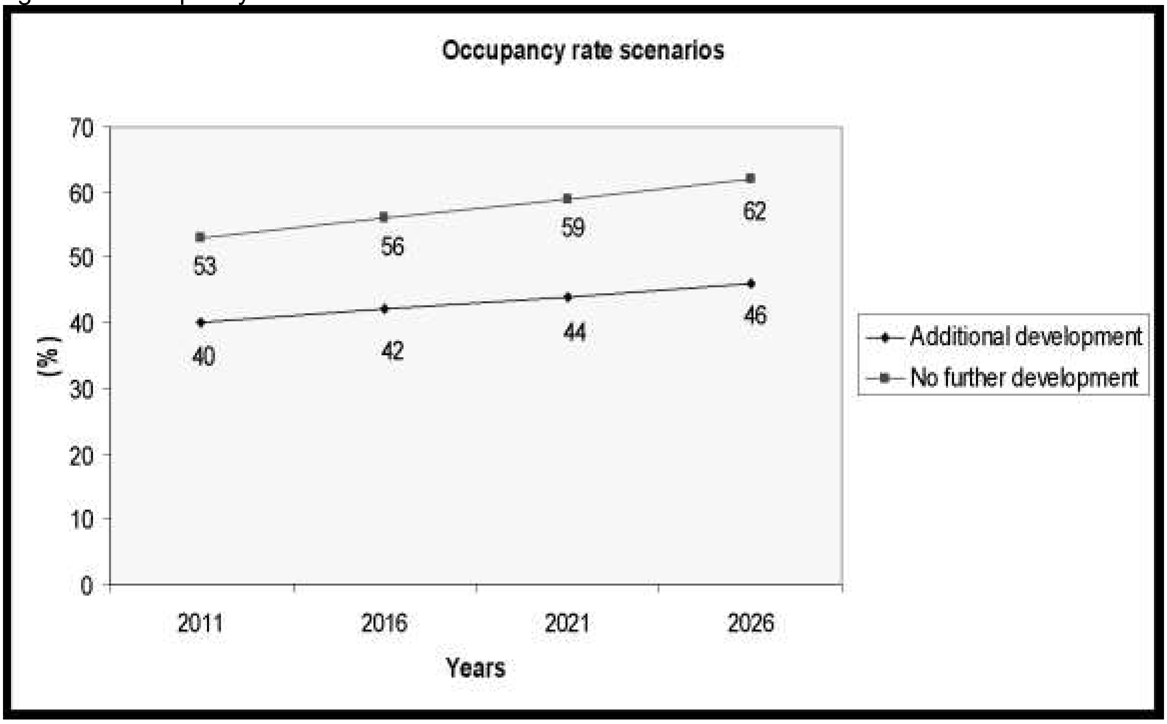
Visitor Nights	2011	2016	2021	2026
Average visitor nights (per night)	3,984	4,187	4,401	4,625
Current development scenario				
Visitor capacity per night	7,517	7,517	7,517	7,517
Occupancy rate	53%	56%	59%	62%
Additional development scenario				
Visitor capacity per night	9,980	9,980	9,980	9,980
Occupancy rate	40%	42%	44%	46%

Source: Appendix 2 - Supply Analysis (2011)

- Average visitor nights = 'visitor capacity per night' (7,517) *0.53 % occupancy rate (Tourism WA factsheet, 2011). Average visitor nights are multiplied by 1% per annum (based upon Tourism Forecasting Committee trends) for years 2011-2021.
- Current development scenario:
  1. Visitor capacity per night = current accommodation capacity (based on figures from Appendix 2: Supply analysis)
  2. Occupancy rate = 'Visitor capacity per night' divided by (/) 'Average visitor nights'. The occupancy rate % increases as the 'Average visitor nights' increase
- Additional development scenario:
  1. 'Visitor capacity per night' = current accommodation capacity (7,517) + 'Additional accommodation capacity' (2,463 as identified in Table 2.4) = (9,980).
  2. Occupancy rate = 'Visitor capacity per night' (7,517) divided by (/) 'Average visitor nights'. The occupancy rate % increases as the 'Average visitor nights' increase.

Figure 3 below provides a forecast of anticipated occupancy rates based upon information provided in Table 2.5 above. One scenario assumes that there is 'No further development' proposed. Under this scenario, occupancy rates increase from 53% in 2011 through to 62% in 2026. The other scenario assumes that there is substantial 'Additional development' reflective of zoned and/or approved development as at 2011. Under this scenario, occupancy rates increase from 40% in 2011 through to 46% by 2026. While clearly there are issues of market conditions and timeframes for physical establishment of development the analysis of each scenario demonstrates that if there were to be substantial new tourist development in the Shire then occupancy rates would decrease significantly.

Figure 3 - Occupancy rate scenarios

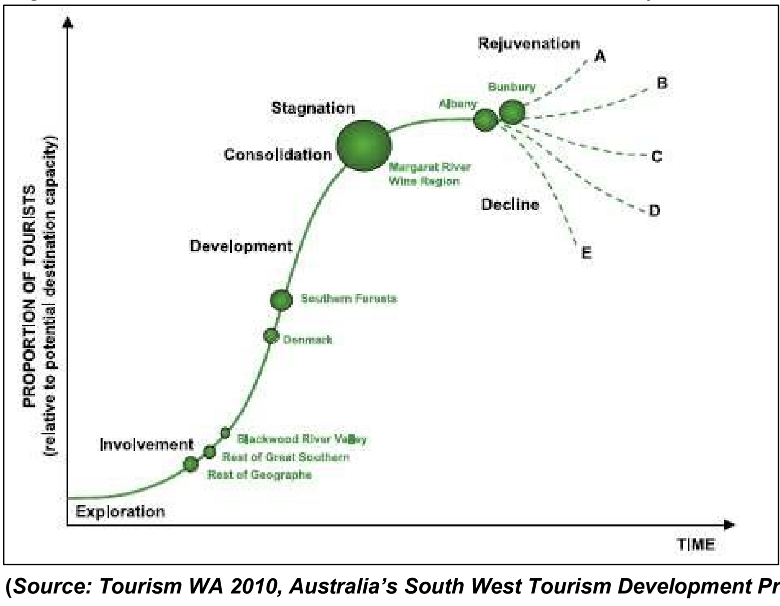


Additional development = *'Current development scenario'* as described in Table 2.5
No further development = *'Additional development scenario'* as described in Table 2.5

2.5 Margaret River tourism life cycle

The Margaret River Region is the most visited region in WA outside Perth, recording an average of over 1.5 million visitor nights during 2010[9]. There is a long history of interstate domestic visitors venturing 'down south' during peak periods of the year. The Margaret River wine region is largely in the consolidation stage of the tourism area lifecycle, although having been established for some years is likely to be moving towards becoming a mature destination. Tourism WA has developed a theoretical tourism lifecycle concept. Figure 4 below provides a summary of the Tourism Area Lifecycle analysis for identified tourism destinations in the south west.

Figure 4 - Australia's South West – Tourism Area Lifecycle



(Source: Tourism WA 2010, Australia's South West Tourism Development Priorities 2010-2015)

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[9] Tourism WA 2010, *Shire of Augusta-Margaret River Overnight visitor fact sheet – Years ending December 2008/09/10,* Tourism WA, Perth

The Margaret River Wine Region is judged by Tourism WA to be in a mature phase and approaching the stage at which decline is possible without an effort to re-invent and rejuvenate. [10] The intent of the Strategy is to support the Shire's tourism industry capacity to continue to adapt to new changes in the tourism market. Tourism WA provides the following scenarios following the stagnation period:

- Successful redevelopment of man-made or natural tourism assets could result in renewed growth and expansion (see curve A).
- Minor modification and adjustment to capacity levels, and continued protection of resources, could allow continued growth at a much reduced rate (see curve B).
- A readjustment to meet all capacity levels could create a more stable level of visitation to be maintained in the longer term after an initial readjustment downwards (see curve C).
- Continued unsustainable overuse of natural tourism resources, non-replacement of aging tourism product and infrastructure, and decreasing competitiveness relative to other tourism destinations would result in a marked decline (see curve D).
- The intervention of various shock factors, such as war, disease, major environmental damage or other catastrophes could result in an immediate and rapid decline in visitor numbers from which it may be extremely difficult to recover (see curve E). [11]

The tourism industry in Margaret River is well established, but its future is not assured without active management. Tourism is a competitive industry and the prospect of a comparatively high Australian dollar value for some time to come means that Australian tourist destinations must work particularly hard to retain business. The issue in the context of this Strategy is which of the scenarios in Figure 4 provides the best and most sustainable outcome, and how the actions from this Strategy can influence that outcome. Given the importance of tourism to the local economy, scenarios C, D and E would all have negative consequences.

2.6. Sustainable tourism development

Sustainability is a key theme embodied within the Shire's Strategic Plan, which reflects the vision of the community for the future of the Shire. Sustainable development is also a key driver of the LPS. Demand analysis identified through a broad survey of tourists that a key issue of the region as a destination was the quality of the natural environment and consistency of development with maintenance of this quality. The approach to tourism development should give due consideration to the principles of sustainability.

Implicit in the concept of sustainable tourism are a range of interventions aimed not only at conserving resources upon which the industry relies, but also at maximising the benefits to local populations that may accrue through proper management of those resources. Tourism planning can also be a mechanism for the distribution and redistribution of tourism-related investment and economic benefits. [12]

Sustainable tourism is based on the three 'pillars' of sustainability (economic, social and environmental). The most frequently used definition of sustainable development is still that given in the *Bruntland Report of the World Commission on Environment and Development - Our Common Future (1987)*: *'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.* [13]

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[10] Syme Marmion & Co 2011, *The redevelopment of Margaret River townsite: creating a world class main street tourist precinct*, Syme Marmion & Co, Perth

[11] *Tourism WA 2010, Australia's South West Tourism Development Priorities 2010-2015,* Tourism WA, Perth

[12] Williams, S 1998, *Tourism Geography,* Routledge, London

[13] South Australia Tourism Commission 2007, *Design Guidelines for sustainable tourism development,* Government of South Australia, Adelaide

This definition embraces the concept of stewardship – a responsibility to care for the destination in a way that will preserve and enhance its well-being for residents and its appeal for the visitors in to

the foreseeable future. Tourism is in a unique position because of the contribution it can make to sustainable development and the challenges this presents. If developed without concern for sustainability, tourism can harm the natural, cultural or social environment. Conversely, a sustainable approach to tourism has the capacity to benefit local communities, economically and socially, and to raise awareness and support for conservation of the environment.[14]

2.6.1 Sustainable carrying capacity

Carrying capacity recognises that for any environment, whether natural or non-natural, there is a capacity (or level of use) which when exceeded is likely to promote varying levels of damage and/or be associated with reduced levels of visitor satisfaction. Carrying capacity has been visualised in several distinct ways; for example:

- Physical capacity – which is normally viewed as a measure of absolute space, such as the number of car parks associated with tourist development;
- Ecological capacity – which is the level of use that an environment can sustain before damage to the environment is experienced;
- Perceptual capacity – which is the level of crowding that a tourist will tolerate before they decide a location is too full and relocates elsewhere. [15]

In the absence of planning there are evident risks that tourism development will become unregulated, formless or haphazard, inefficient and likely to lead directly to a range of negative economic, social and environmental impacts. [16]

Quality developments relate positively to their local, social, cultural and natural environments. The basis for successful long term accommodation development is established by decision making that is responsive to social and environmental context. The carrying capacity of the non-natural and natural features within the Shire is influenced by a number of factors, including:

- The status of the majority of the open coast and natural attractions within the Shire being within the Leeuwin Naturaliste National Park. The primary purpose of the National Park is for conservation, and recreation is only permitted where it is consistent with this purpose with a significant portion of the Park having intrinsic wilderness value.
- The National Park is to be managed so as to ensure the maintenance of the existing natural attributes of the region[17]. Natural areas specifically vested for recreation are confined to Shire managed reserves (particularly on the coast). The carrying capacity of these environments is most appropriately addressed by the amount of infrastructure that can be established to mitigate impacts on the environment from users, while maintaining local amenity objectives. Detailed coastal planning for these locations determines this capacity.
- Urban areas of the Shire and facilities within those areas do experience capacity issues at peak times. In general terms the urban environment is adaptive to increased demand. Investment in improvements to the public realm in urban areas is critical to visitor satisfaction and mitigation of social impacts on residents. While there is a reasonable level of satisfaction of visitors with current facilities, it has also been highlighted that there is significant scope for improvement[18].

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[14] Ibid

[15] Williams, S 1998, *Tourism Geography,* Routledge, London

[16] Ibid

[17] See Appendix 9 'Visitor Management Settings': *Leeuwin Naturaliste Capes Area Parks and Reserves Draft Management Plan* (DEC et al, 2010)

[18] Augusta-Margaret River Tourism Association 2012, *Demand Analysis*

- Visitor satisfaction was a key issue canvassed in the demand analysis undertaken by AMRTA[19]. There is no general indication in the responses provided to the survey of an impression that tourism has become developed to a point that impacts on visitor enjoyment.
- Economic carrying capacity can be considered in terms of the viability of investment or reinvestment in the tourism sector and is discussed further below.

2.6.2 Environmental Sustainability

Environmental sustainability has a focus on conserving and managing resources, especially those that are not renewable, requiring action to minimise pollution of air, land and water and conserving biological diversity and natural heritage.

The Shire is the only biodiversity hotspot in Australia and the unique natural landscape is the primary selling point for domestic and international visitors and an intrinsic component of the Margaret River brand as a drawcard for tourists. The future of tourism in the area relies heavily on the maintenance of the quality of the environment and the management of natural attractions and their associated cultural values.

Tourism impacts on the environment occur in different ways. While environmental impacts can be addressed through good design and best practice, impacts caused by inappropriate location of tourism activities presents a number of issues and opportunities, summarised as follows:

Table 2.6 – Environmental sustainability

Area of effect	Negative impacts	Positive impacts
Biodiversity	• Loss of habitat and change in species composition resulting from clearing of vegetation.	• Establishment of protected or conserved areas to meet tourist demands. • Alternative economic and low-impact use of land of conservation significance.
Erosion & physical damage	• Overloading of key infrastructure (e.g. water, power etc.) • Water pollution, air pollution, noise pollution, littering.	• Tourism revenue to finance tourist infrastructure, ground repair and site restoration. • Cleaning programmes to protect the attractiveness of location to tourists.
Resource base	• Depletion of ground and surface water. • Consumption of local resources to meet tourist needs.	• Development of new/improved sources of supply such as renewable energy, water recycling plants and educational programs.
Visual/structural change	• Detrimental visual impact on natural and non-natural landscapes through tourism development. • Land use conflicts between built environment and agricultural and sensitive land uses.	• New uses for marginal or unproductive lands. • Regeneration and/or modernisation of built environment. • Re-use of disused buildings.

Implications for development controls

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19 Ibid

New tourism developments should recognise the nature and impact of activities and encourage design that is responsive to, and protects the inherent values of the land. The focus within the Shire on sustainable initiatives and alignment of development controls with the perception of Margaret River as a destination suggests it is appropriate to include specific requirements for incorporation of sustainability initiatives into tourist development policy.

New tourism development must ensure protection of areas considered to be fragile, pristine or unable to sustain tourism development. Tourism development located within the urban landscape is generally accepted as part of the existing built environment, albeit with local level amenity and infrastructure considerations. Tourist development in more remote and undeveloped areas of the Shire requires a more detailed level of environmental assessment before it may proceed.

In particular areas of the Shire, visual and structural change has the potential to undermine the value of the Margaret River region as a destination. This impact can be addressed through application of visual management principles embodied within the LPS and State Government Planning Policy. In addition, the capacity of development should be appropriate to the setting.

2.6.3 Social/Cultural Sustainability

The Shire has been recognised as an area within which the retention of its natural attributes, character and amenity is of paramount importance. It is important to acknowledge that the rural areas closer to the coast and major settlements are subject to greater pressure for land use change, where agricultural practices such as clearing have an impact on landscape amenity which is such an important element for tourism, and where many people are seeking a particular lifestyle.

Agricultural land use is a key part of many people's lives in the region. Legitimate agricultural practices should not be compromised as a result of non-rural development such as tourist accommodation. Tourism development proposals are only likely to be acceptable in locations where it is demonstrated that the scale of the development is compatible with surrounding land uses, landscape quality, lifestyle, infrastructure and the general social and community fabric of the locality. Tourism development in the Shire must consider positive and negative effects relating to both the host community and visitors to the Shire. Table 2.7 summarises these potential effects:

Table 2.7 – Social/cultural sustainability

Area of effect	Negative impacts	Positive impacts
Commercialisation	• Debasement and commercialisation of local society.	• Increased knowledge and understanding of host societies and cultures.
Lifestyle	• Increased tensions between imported and local lifestyles.	• Promotion of the cultural reputation of the hosts in the community.
Value	• New patterns of local consumption.	• Introduction of new values and practices.
Attitude	• Risks of promotion of antisocial activities.	• Revitalisation of traditional culture and history.
Employment	• Seasonal work resulting in part-time employment of the workforce.	• Creation of employment opportunities.

Implications for development controls

Nature and coastal retreats and genuine visitor experiences can be appropriate in more remote and natural areas of the Shire provided the design and development, following a proper analysis of site features and conditions, identifies how activity, visitation and building(s) can be introduced with minimal impact and intrusion. Tourism development in areas remote from existing or planned urban settlement should be relevant to the context of that land and seek to ensure that the social and cultural fabric of the landscape, impacting both visitors and the host community, is not compromised. Relevant to the social impacts generated by the perception of overcrowding, specific consideration should be given to the density of development within the area, the suitability of local infrastructure, and the significance of change arising from infrastructure upgrading requirements.

In terms of tourism development within urban areas, key social and cultural issues arise from the compatibility of development with the community's use of facilities, and consistency with the community's use of land for recreation and services. Tourism development should have due regard for these issues. In areas identified for settlement, adequate provision for tourism development should be factored into strategic planning for these areas early in the process. As tourism opportunities in new growth areas respond to economic conditions, prior identification in urban growth areas may not have occurred. While there is a need for some flexibility, inclusion of tourism development in the Shire should not compromise the efficient settlement and amenity of new growth areas.

2.6.4 Economic sustainability

Economic sustainability has a focus on generating prosperity at different levels of society and ensuring the viability of enterprises and activities are maintained in the long-term. Despite being the second most visited region in Western Australia, tourism within the region is highly seasonal, with a large difference between the high season, between October and April, and the low season, between May and September. Tourism is a key driver of the local economy. The region benefits from a well-established brand. Employment in retail sales and food services forms over 25% of total employment in the area, and forms over 10% of total economic activity. Tourism contributes directly through demand for accommodation and activities, and also plays a key role in supporting the key industries in the region of manufacturing (which includes wine production), agriculture and construction.

The South West tourism sector is one of the most established within Western Australia in terms of the accommodation provided at all levels, with a wide and distinct variety of accommodation. As a result of this a significant supply of tourism accommodation exists, resulting in a competitive accommodation sector characterised by comparatively low occupancy rates and often marginal profitability. Adding to the issues of viability generated by a significant supply of accommodation, recent challenges to the tourism industry, including increased competition, staffing and returns on investment, are also influencing the market.

In order for the region to maximise the potential benefits arising from the tourism market and guide tourism policy direction, an economic analysis on tourist accommodation has been prepared to inform future land use planning. This analysis is included as Appendix 4. Key findings include:

- Identification of issues with profitability of existing tourism enterprises;
- Issues with the viability of investment in new tourism development; and
- Identification of Shire actions that may provide a means to address issues of profitability and encourage investment in new tourism product.

Consideration of economic factors in planning policy and decision making is influenced by the role that local government intervention is intended to have in this area through the planning system. In general terms, economic competition between different uses is not an appropriate planning consideration. The relevant consideration is when these impacts go beyond economic impacts and become consequential impacts on the community and the environment. There is some evidence that competition in the tourism accommodation sector is impacting viability and reinvestment. This fact has differing implications for different forms of tourism development and is discussed with respect to each category in Section 4.1 of this Strategy. It is certainly the case however that significant issues arising from competition or overdevelopment have the potential to impact on the economic and social well-being of the community as summarised in Table 2.8 below.

Table 2.8 – Economic sustainability

Area of effect	Negative impacts	Positive impacts
Investment	• Increase dependence upon foreign investors and companies resulting in economic leakage.	• Opportunity for co-ownership and investment through new overseas invest opportunities
Services	• Increased visitor's places pressure on existing infrastructure and the need to spend money on new services.	• Improvements to infrastructure such as roads, aerodrome services, power and water supply, waste water disposal, waste management and park and reserve facilities generated by tourist visitations
Fluctuation	• Changes in the price of holidays consequent upon fluctuations in international monetary exchange rates or competition within the travel industry • Increased levels of development have the potential to affect profitability of existing providers.	• Promote equity in the distribution of both the economic costs and the benefits of the activity amongst tourism developers and hosts. • New development can offer diversity in the experience of tourists and encourage industry growth.
Transport	• Changes in costs of transportation, reflecting particularly changes in oil prices and associated costs of aviation travel	• Improved transport opportunities through tourism revenue.

Implications for development controls
Tourism development is a key driver of the local economy and it is critical to encourage the continued productivity of this sector. Methods to encourage investment and assist viability vary with accommodation type and location and are included with respect to each form of tourist development in Section 4.1. In addition, there are a number of key measures that sit outside of the planning system that can be supported by the Shire. These are summarised in the recommendations of the Economic Analysis included as Appendix 4.

Other Actions
The Shire should proactively seek to address tourism staffing issues including the potential to provide support through 'key worker housing' initiatives of the Department of Housing.

2.7 Supporting the tourism sector

Assessment is provided in Appendix 4 of the viability of tourist development, to examine key measures that may be taken to encourage investment in the tourism sector. This assessment makes a number of significant assumptions about viability of investment that may vary dependent of the specific circumstances of financing, tenure etc. This assessment identifies that under current market conditions there are issues with the viability of a typical hotel or chalet development, and returns that may be too low to encourage investment for caravan parks and camping grounds. While many of the factors relating to these observations are beyond the control of the Shire, there are a number of measures that are recommended to encourage future investment, including addressing market failure and the provision of low-cost tourist accommodation. These recommendations include the following, together with consideration of the manner in which the Council can implement these recommendations.

Table 2.9 – Supporting the tourism sector

Recommendation	Implementation
1. Concentrate on attracting more	The Shire has been engaged in a collaborative

international visitors to the LGA by working with Tourism Western Australia and local stakeholders on marketing the unique amenity and high level of service offered within the area and encouraging the development of high quality accommodation.	working relationship with the Regional Marketing Committee and this is the most appropriate forum by which to implement this recommendation.
2. Participate in a strategic marketing campaign designed to emphasise the strengths of the LGA, with particular focus on increasing visitation outside of the peak summer period.	The strategic marketing campaign will be implemented through the Regional Marketing Committee.
3. Continually develop, augment and amend visitor experience and tourism product to grow visitation, including growing the number of week-long holidays.	A key method by which this can be achieved is to proactively support the development of facilities for international tourists, and encourage domestic visitors to stay longer. Festivals, events, and infrastructure are all factors that can be supported to achieve this.
4. Improve on the already high value-add offered from the LGA's agriculture industry to both domestic and international visitors in order to grow demand.	Diversification in the agricultural sector and innovative productive rural land use may be supported by the Shire through the land use planning process.
5. Increase the capacity of the LGA to host business events and the capacity of the region to provide a regional business event destination.	Implementation of this action requires support to establish a significant facility with associated accommodation capacity. The Shire can support achievement of this type of facility through the land use planning process, or seek funding for improvements to public infrastructure to meet this need.
6. Attract, establish and promote regular events particularly during the low season to provide an ongoing, year-round flow of people to the LGA including a golf tournament, music festival (including numerous vineyards) and a food festival.	The Shire has committed around $76,000 in Icon Events sponsorship in the 2012/13 financial year. In addition, the Shire also contributes to the Augusta River Festival and the Margaret River Agricultural Show. Further contributions are undertaken through CAPEROC collectively with the City of Busselton and through initiatives such as jointly funded photo shoots with AMRTA and the Regional Calendar of Events.
7. Ensure good mix of accommodation product and options are sustained, including availability of a range of accommodation types (hotels, motels, serviced apartments, caravan parks).	While the retention of some types of facilities is beyond the control of the Shire, policy guidance should ensure that the extent and form of development is sustainable. The Shire has a key role in maintaining Caravan Parks in Augusta, and can take a proactive role in addressing the viability of tourist development where there may be gaps in accommodation types, such as through making provision for mixed use development where appropriate.
8. Facilitate infrastructure to unlock business travellers (i.e. convention	The Shire has taken a proactive role to date in seeking to facilitate the scale and type of facility

centre).	required.
9. Invest in and support broad investment in tourism infrastructure (i.e. Surfer's Point, Town Centre Redevelopment) to drive future visitation.	Several key infrastructure projects have been identified to enhance the attractiveness of the Shire as a destination and are identified as opportunities in the following section.
10. Encourage refurbishment of accommodation supply over new build in the short-term due to current supply levels and availability of old product.	There are differing implications for different forms of tourist accommodation. For some forms of accommodation, or major tourism sites, and where appropriate due to location, providing for a mixed-use (residential element) to tourism development can facilitate reinvestment and mixed-use should only be facilitated where enhancing viability or reinvestment.
11. Improve transport connections between accommodation establishments and activities offered within the LGA.	Enhanced transport connections are largely private sector issues in terms of public transport at the scale appropriate for the Shire. There is some scope for enhanced pedestrian infrastructure, including development of the rails to trails reserve as a pedestrian and cycle trail, and making functional improvements to the transport network.
12. Proactively engage with investors and owners regarding refurbishment of existing properties and identify ways in which the local government planning process can encourage reinvestment in existing properties.	The principal role of the Shire in facilitating reinvestment will be through: • Supporting public realm improvements; or • Requiring portions of financial returns through mixed-use development to be reinvested into improved tourism product.
13. Invest in improving the quality of public spaces (e.g. landscaping and facilities), building upon natural assets of the LGA.	A number of public realm improvement opportunities exist. These are discussed in the 'opportunities' column described in the following section.
14. Prioritise pedestrian access and movement within the town centre. This includes promotion of pedestrian permeability of developments along the Bussell Highway.	Redevelopment of the Margaret River Town Centre should give due regard to the function of the Town Centre and degree of amenity provided to create a world class destination. Following removal of the heavy haulage designation (facilitated by implementation of the M/R Perimeter Road) significant improvement in pedestrian facilities should be a core component of town centre improvements.
15. Encourage commercial office development (including its auxiliary services such as conference and meeting facilities) to reduce the seasonality in demand for services and accommodation in the LGA.	The primary role for the Shire, beyond regulation of office development, will be to proactively seek investment in facilities that support the business tourism market.
16. Support and facilitate staged	Major development or redevelopment sites are

redevelopment of major sites in the LGA, particularly those that are too large to be developed in one stage (either due to feasibility or market saturation issues). This includes the facilitation of mixed-use developments.	described individually in Section 5. In some instances mixed use of these sites may be inappropriate and market conditions will be the ultimate determining factor.
17. Identify and release State and LGA owned sites onto the market to facilitate LGA revitalisation through private sector partnership.	Detailed consideration has been given to Shire owned or vested land through the Shire's Land Asset Management Plan process.
18. Consider allowing greater levels of residential development within tourism accommodation developments on a case by case basis to increase future investment in tourism accommodation.	The incorporation of residential development into tourism developments will need to be subject to consideration of criteria set out in policy, and with site specific assessment provided for major sites.
19. Support upgrading the status and capacity of the Busselton airport.	Upgrading of the Busselton airport has the potential to facilitate much more convenient access to the region.

PART 3

GAPS AND OPPORTUNITIES IN THE TOURISM INDUSTRY

3.1 Gaps and support factors in the tourism industry

Tourism WA prepared a document titled *'Australia's South West - Tourism Development Priorities for 2010-2015'*. A section of the document reviewed gaps in the tourism industry for the Margaret River Wine Region (Augusta-Margaret River and Busselton Shires) based upon the 5A's of tourism (Accommodation, Attractions, Activities, Access and Amenities). The following is a review of the gaps that were identified in the Shire of Augusta-Margaret River Shire.

Accommodation

While there is sufficient accommodation in most categories in the region, there is also the opportunity for the development of '5 star' or resort style accommodation in the region. This form of accommodation is aligned with the needs of the most likely key growth market in tourism visitation to the region – international visitors. The development of high quality accommodation has the potential to increase the desirability of Margaret River as a destination.

Stakeholders also highlighted that an opportunity exists for accommodation operators to differentiate their accommodation through more sustainable business practices, including better management of waste, water and energy. This driver for sustainable outcomes is a theme of the Strategic Plan for the Shire, and supports the brand and vitality of the region through environmental protection and enhancement, minimising resource use, and creation of a vibrant community.

Activities/Attraction

With a significant level of existing product in the region, it was felt that the rejuvenation of some key existing attractions in the area could be a good first step to facilitating the development of a less seasonal tourism industry. While developing these types of attractions is considered essential, stakeholders conceded that finding financially viable products that can be offered throughout the entire year is a challenge. Maintaining the standard of the caves and indigenous experiences in the Margaret River region was seen as important. Re-development of Ngilgi Cave and the proposed Mega Fauna Centre at Mammoth Cave were recognised as key projects in continuing to improve the cave experience in the area. Other projects which are supported by stakeholders as a way of facilitating a less seasonal industry include:

- Further enhancement of the Cape to Cape Walk Trail;
- Ngari Capes Marine Park;
- AMRTA's Mega Fauna Centre proposal;
- Environmentally sensitive infrastructure to cater for off road cycling and mountain biking;
- Improvements to the Margaret River Town Centre;
- Redevelopment of key coastal recreation areas;
- The development of the Augusta Boat Harbour; and
- The development of attractions and activities based on the region's geological assets.

Access

Road access to the Margaret River wine region is regarded as fairly well developed with the majority of visitors accessing the region by self-drive. There are however, opportunities for road improvements. While the Margaret River township offers a unique shopping and dining experience, having a major road carrying heavy vehicles through the town centre creates unacceptable amenity and safety issues, and prevents improvements being made to the Town Centre. The Margaret River Perimeter Road is critical for facilitating associated improvements to the Town Centre and creation of a world class visitor experience. Upgrading of the Busselton airport has the potential to facilitate much more convenient access to the region.

Part of the amenity of the Shire is afforded by rural roads and particularly the vegetation that remains in these road reserves. Significant tourism proposals that require modification to road geometry and impact on amenity through land clearing in roads should be given specific consideration as to whether the nature and form of tourist development provide a positive and sustainable outcome.

There is scope for improvements to pedestrian facilities throughout the Shire. These key facility improvements are described in the Integrated Transport Strategy for Margaret River and the Shire's Path Plan. The proposed development of the Busselton Airport to provide for long haul domestic flights and connection for the international tourist market has significant potential to increase the accessibility of the region.

Local public transport options have been subject to extensive evaluation. While the desire for a local public transport system is often raised this is essentially a private sector issue and the lack of a critical mass of demand is an impediment to the market delivering a local public bus system. Taxi cabs, minibuses and charter vehicles remain the only viable options for the foreseeable future. Significant development proposals should provide travel management plans that address the movement of people.

Amenities
The need for business/conference facilities within the Margaret River wine region is considered to be an issue amongst stakeholders. It is felt that while many groups want to travel to the region for meetings, incentives, conferences and events (MICE), a lack of adequate facilities limits the opportunities for the corporate market in the area. A development of meeting facilities for up to 400 participants is seen as essential if the benefits of the MICE sector are to be felt in the region. The development of appropriate jetty facilities in Augusta and Dunsborough is also seen as essential for supporting the local whale watching industry, cruising and diving tours and for the recreational boating sector in general.[20]

There are many opportunities for improvement to the Shire as discussed in the SWOT analysis below.

[20] *Tourism WA 2010, Australia's South West Tourism Development Priorities 2010-2015,* Tourism WA, Perth

3.2 Strengths, Weaknesses, Opportunities, Threats

The following Strengths, Weaknesses, Opportunities and Threats (SWOT) identifies priority tourism related actions outlined in the following documents:

- AMRTA demand analysis prepared for the Shire (2010-2011);
- Shire's 10 Year Strategic Plan;
- Priorities in accordance with *Tourism WA 2010, Australia's South West Tourism Development Priorities 2010-2015,* Tourism WA, Perth; and
- Tourism WA facts sheet for AMRSC.

Table 3.1 – Strengths, Weaknesses, Opportunities, Threats

Tourism demand	**Strengths**	**Weaknesses**	**Opportunities**	**Threats**
	• Growth in the global and Western Australian tourism industry. • Increasing demand for eco-tourism based opportunities. • Margaret River nominated as a Super Town and allocated funding for major projects.	• The tourism market is volatile and domestic overnight visitor to the Shire have shown a 10% decline in visitors in 2011/12 summer from the same period in 2010/11. • Potential for tourism decline is possible without an effort to re-invent and rejuvenate the tourism experience.	• Increased expectations from international markets regarding service, foot printing and standards forces improvement in quality. • Ensure appropriate land use planning is in place to cater for increased visitors.	• Strong international competition from emerging tourist destinations such as Bali. • Increased expectations from international markets regarding service, ecological footprint and tourist destination standards. • Increased tourist's places additional pressure on the ecological footprint.
Tourism supply	**Strengths**	**Weaknesses**	**Opportunities**	**Threats**
	• Margaret River is classified as a mature tourist destination attracting a strong day tripper and domestic overnight market. • The Shire is an iconic tourist destination with a	• The Shire is a mature tourist destination traditionally based on its natural assets. On-going urban development restricts areas of tourist establishment. • Knowledge of current	• Provide services and development to meet the needs of future tourist market.	• Competition with emerging destinations in the domestic and international markets. • Meeting changes in market demand. • Changing the diversity of

	strong identity as a premier wine region. • Margaret River has a strong identity and repeat visitation history.	and future tourism markets is limited without an established resource database.		product available could reduce repeat visitation. • Lack of trend data may result in steady incremental changes that are not noticed in the micro level.
Amenities	**Strengths**	**Weaknesses**	**Opportunities**	**Threats**
	• Considerable knowledge amongst industry operators. • Plans and funding in place to implement a large number of tourism infrastructure projects. • Recycled water system ensures tourist activities such as the golf course and parks are well maintained. • Awareness of the need for future recreational and tourism infrastructure.	• Some areas of high tourist demand are not serviced by reticulated services. • Lack of car parking available to cater for tourists during peak periods of the year. • Lack of signage to some key attractions/activities • With increased visitors comes demand for increased water demand.	• Investigate and facilitate the development of convention/conference facilities in the area. • Develop appropriate jetty facilities for whale watching and other marine based tourism activities in Augusta. • Provide support during construction of the boat harbour at Augusta. • Develop and maintain a high standard of tourist facilities and infrastructure including public toilets, barbeque areas, directional and interpretive signage, car parks, paths and waste management collection facilities. • Conduct a major upgrade of the Shires Tourism Foreshore Precincts	• Loss of character in rural towns due to increased urbanisation resulting in less tourism reinvestment. • Inability to control traffic management within areas of significant tourism value. • Pressure for mainstream tourism development has the potential to cause loss of vernacular architectural styles. • Increased tourist's places pressure on water availability to service the town.

			including: - Cape Mentelle to Gas Bay - Cape Leeuwin Precinct - Gracetown foreshore • Water recycling pipeline construction to service townsite parks, sporting ovals, school grounds and the Margaret River golf club. • To cater for additional water needs, the Water Corporation intends to extract 15GL from the Yaragadee each year.	
Accommodation	**Strengths**	**Weaknesses**	**Opportunities**	**Threats**
	• Diverse range of existing accommodation types and styles in the Shire. • A large number of sites have planning approval to develop future tourist accommodation. • Surrounding natural landscape provides opportunity for new eco-type accommodation.	• A significant decrease in occupancy rates from 54% in 2008 to 50% in 2010 (update). • Lack of self-contained, 5 star luxury accommodation and conference development. • Lack of affordable accommodation.	• Review and implement Turner Park Caravan Park Business Plan (2011 – 12). • Implement the management and business plan for the Alexandra Bridge Camping Ground to maintain a profitable and well utilised facility. • Develop and implement a business plan and required improvements	• Housing development pressure has the potential to override the need for tourism accommodation in the Shire. • Oversupply of tourism accommodation may result in very little revenue return for tourist developments. • Tourist accommodation that does not reflect tourist needs may result in fewer visitors.

			for the Flinders Bay Caravan Park to maintain a profitable and well utilised facility. • Opportunities to develop ULS component on appropriately located tourism sites. Generated revenue returns to be used to upgrade existing tourism facilities.	
Accommodation	**Strengths**	**Weaknesses**	**Opportunities**	**Threats**
	• The Shire of Augusta-Margaret River is in relatively close proximity to the Perth visitor market. • The Shire is in close proximity to Geographe Bay, highly accessible to Margaret River Wine Region and also to emerging inland zones.	• Proximity to Perth may limit day tripper visits. • Perth-Shire, Intra-Shire and Shire-South West transport options dominated by the private automobile. • Main street dominated by heavy haulage vehicles impacting amenity. • Poor access to some coastal areas.	• Support the Shire of Busselton endeavours to establish a regional airport facility to improve air access for visitors to the Margaret River region. • Lobby to finalise the planning, design, land tenure and funding for construction of the Margaret River Perimeter Road. • Construct additional passing lanes on Bussell Highway between Busselton and Augusta (TWA). • Improve safety on Margaret River's secondary roads (TWA).	• Increased traffic may potentially reduce quality of experience. • Increase in price of fuel may impact level of visitation from Perth to South West. • Cheap flights overseas from other regional centres may result in fewer visitors to the Shire. • Potential closure of some coastal access tracks due to increased visitor numbers and pressures on the environment.

Attractions/Activities	**Strengths**	**Weaknesses**	**Opportunities**	**Threats**
	• Iconic coastal beaches and nature experiences (caving, bushwalking etc.) • Emerging tourism industries: - Water-based activities including surf schools and kite-boarding - helicopter scenic tours - mountain biking - 4wd adventure tours	• Limited areas of the coastline where dogs are permitted. • Limited infrastructure and pedestrian access to some beaches. • New urban development impacts on tourist's perception of natural assets. • Viability of commercial sector throughout the year to maintain operations. • Limited emerging tourism industries to cater for shortfall periods of the year.	• Development of the Mega Fauna Centre at Mammoth Cave. • Further enhancement of the Cape to Cape walk trail and development of ancillary services for walkers (TWA). • Prepare a new Shire paths and trails plan to a 10 year timeframe and implement annually. • Work with the Shire of Busselton and National Trust to prepare a master plan for the Augusta-Busselton rail trail. • Develop and implement a Cultural Plan for the Shire.	• Increased visitor numbers may result in adverse impacts to amenity and environment. • Reduced visitor numbers due to overcrowding and impacts on environmental footprint. • Closure of some tourist operations due to seasonality.
Marketing	**Strengths**	**Weaknesses**	**Opportunities**	**Threats**
	• The Shire has a strong tourism brand supported by the Margaret River Wine Region label. • Pro-active local tourism association and Chamber of Commerce.	• Limited data collection to track changes in visitor expectation and perception.	• Maintain a positive collaborative relationship with AMRTA to measure visitor numbers and impacts and maximise visitor benefits to the Shire.	• Limited data collection therefore no detailed knowledge of trends. • Assimilating branding with the wine region may result in loss of promotion of the Shires other attributes.

PART 4

PROPOSED LAND USE CONTROL

This section of the Strategy details the land use planning responses to identified issues that will be undertaken through:

- Criteria to be included within the LPS for the consideration of appropriate tourism sites where rezoning and development applications are considered;
- Provisions to be incorporated within the LPS as policy guidance for development proposals;
- Setting the considerations to be given for separate forms of tourism development;
- Identifying consequential modifications required to LPS1;
- Setting a position on Unrestricted Length of Stay - ULS (combined residential and short stay uses) in the Shire; and
- Setting a position on green title and strata title subdivision of rural land.

4.1 Accommodation types and tourist amenities

The following description of accommodation types, development issues and responses is based on the land use classes within Local Planning Scheme No. 1.

Caravan Parks, Camping Grounds and Park Home Parks

Caravan parks and camping grounds traditionally have been the pioneer tourism use along the coast and in other scenic areas of the State, and have tended to be the subject of redevelopment pressures as access and availability of services improved. Pressure for redevelopment was exacerbated by rising land values and associated land tax implications. Following the inquiry of the WA Economics and Industry Standing Committee[21] into caravan parks the 50% land tax concession granted in 2005 was increased to 100% from the 2010/11 financial year, removing this financial impediment. Nonetheless, increased land values and infrastructure value, reinvestment costs comparative to land values, and higher returns from alternative use retains a significant pressure for redevelopment of these facilities.

Redevelopment of these facilities have historically been subject to replacement with developments on new sites or in nearby locations. The development of replacement facilities is no longer occurring at a rate sufficient to cover redeveloped sites and as such is resulting in a reduction in accommodation diversity at a state wide level. This lack of new development appears to be due to a number of factors, including the lack of availability of new low-cost sites and the servicing costs associated in establishing these sites. Tourism industry concern has been expressed as caravan ownership is substantial and increasing.[22]

There has also been an insurgence in campervans as a mode of travel due to an aging population and the popularity with young mobile travellers. As such, there is a need to retain caravan park type accommodation. There is an increased focus required on the retention of caravan parks for tourism purposes and on the extent of long-stay use and park home development appropriate within tourist caravan parks.[23]

Many operators wish to develop a portion of the site for semi-permanent and permanent residential purposes. The additional issues that need to be considered in the approval of long-stay parks due to the permanent nature of the residents include proximity to services, education and health facilities, as opposed to the need to locate short-stay parks near existing tourism and recreation facilities. As caravan parks cannot be strata titled, the element of long-stay users within a park can be very important to the ongoing viability of the operation by providing a low-season or year-round base income to the operator. Given the demand for services, and the strong drive of State Government Policy[24] and the Shire's Local Planning

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[21] WA Legislative Assembly 2009, ***Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia,*** WA State Government, Perth

[22] Tourism WA 2006, ***Tourism Planning Taskforce Report,*** Department for Planning and Infrastructure, Perth

[23] Tourism WA 2006, ***Understanding the Caravan Industry in WA – Fact Sheet,*** Tourism WA, Perth

[24] WAPC 1998, ***State Planning Policy 2.6 – Leeuwin Naturaliste Ridge,*** WAPC, Perth

Strategy for location of residential settlement within defined areas, permanent residential stay in caravan parks unaligned with the settlement strategy of the Local Planning Strategy is considered inappropriate.

In terms of location, caravan parks should generally be located in close proximity to beach-side and river-side locations within the Shire and other areas considered having significant tourism values. In addition, caravan parks should be located near to areas of tourist interest and travel and not be located so as to diminish the enjoyment or use of surrounding land, such as through introducing land use conflict issues to adjoining agricultural or conservation land. Caravan parks should not compromise other primary objectives of the Local Planning Strategy, and should not require infrastructure upgrades that diminish the sense of place or enjoyment of the region.

Operators are concerned about increasing operating costs resulting in increased accommodation rates pricing caravan park accommodation out of the market of providing an affordable, budget accommodation option for families, seasonal workers and caravanners. There is an increased focus required on the retention of tourist caravan parks for tourism purposes, as many are located on strategic tourism sites, and/or serve a strategic tourism function. Any loss of these sites to residential use will affect the ability to accommodate future tourism demand. [25] Caravan parks also have a key function in social sustainability through the principle of equity – that is the inherent social issue in the provision of low cost accommodation being removed from prime tourism areas along the coast and in areas of high amenity.

While the implications vary from park to park, some Caravan Parks within the Shire meet the criteria of strategic tourism sites, and the nature and form of future redevelopment needs to be considered on a site specific basis. These observations for Caravan Parks of strategic importance are described in Part 5 below. The Council also has a role to play by ensuring the continued operation of the key Caravan Park facilities at Turners Caravan Park and Flinders Bay, Augusta. This role is highlighted by the recent closure of a private Caravan Park in Augusta and rezoning of this Site for permanent residential use.

Also covered by caravan parks and camping ground legislation is the Local Planning Scheme No. 1 use of 'Park Home Park'. A park home park is essentially a more permanent caravan park and is included in the 'residential' rather than 'tourism' section of the Local Planning Scheme No. 1 zoning table. Consideration should be given to removing this use class from the non-urban zones of the Local planning Scheme.

Resorts, Serviced Apartments and Motels/Hotels

Resort developments are generally specialised and are often destinations in their own right (providing motivation for the visit). They provide a range of accommodation forms and recreational facilities. They often provide a theme focus (marina, health, golf) and cater for higher paying leisure and conference visitors. These types of developments will generally be supported in or around townsites or located close to coastlines and other tourist based amenities and attractions. It is not recommended that these types of developments be permitted outside townsites or areas of key tourist attraction.

The economic analysis identified significant issues with the affordability of establishing hotel and resort development, which offered the lowest Net Present Value and Internal Rate of Return of the four different forms of tourism development considered[26]. Much of this form of tourist accommodation, or potential tourist accommodation, has the capacity to deliver tourism product at the higher end of the market. This form of accommodation is seen as a potential means to increase demand, particularly through the international tourist market, and achieve allied investment in renewed or additional tourism facilities. One way in which the Strategy

[25] Tourism WA 2006, *Tourism Planning Taskforce Report,* Department for Planning and Infrastructure, Perth

[26] *Economic Analysis for AMRSC Local Tourism Planning Strategy (AEC Group, 2012)*

can support this outcome is through adopting a flexible approach to the provision of mixed use ULS/short stay use on tourism sites.

Significant motel and resort style developments are often located, and of a form and scale that meets the criteria to be considered as Key Tourism Sites. The implication is that mixed use of this form of development needs to be considered carefully and on a site specific basis. As described in Planning Bulletin 83 – the identification of tourism sites does not imply that the site is suitable for immediate development or redevelopment. Sites may be identified to facilitate long term protection of land for tourism purposes where economic conditions appropriate for redevelopment may not be reached for a number of years. While the development of higher quality facilities is desirable in terms of industry growth, it is not necessary that for all sites the development potential is modified to a point that makes all viable in the current economic conditions. One potential solution, that is not appropriate in all circumstances, is to permit a form of multi-occupancy units, where innovative design may facilitate permanent or short stay use dependent on demand at any given time.

Motels/hotels are generally small to medium scale establishments with the majority of existing stock built in the 1970s or '80s. Motels/hotels are best suited near an urban centre or on a major tourist route. This form of development attracts the relatively price sensitive 'on the move' traveller, who basically requires bed and food for the night, or budget to medium price range holiday market. Local Planning Scheme No. 1 permits motels and hotels within urban settlement areas including Future Development, Town Centre, Village Centre and Tourism zones. It is not recommended that motels/hotels be permitted outside recognised townsites.

As with the discussion of mixed-use further below, this is only considered appropriate where part of a complete package to facilitate reinvestment and improvement of facilities, or where a ULS component facilitates establishment of a quality tourism facility.

Cabins and Chalets
These are generally small scale typically located on a working farm, vineyard, or surrounded by a natural setting within a townsite. These types of accommodation should be located close to an attraction and natural settings within either rural, coastal or townsite environs. Rural chalet developments provide for an interpretation of the local environment and in some circumstances, rural production. Within rural areas this form of development should generally be subsidiary to the primary use of agricultural land for agricultural purposes, or maintenance of conservation values. Chalet development in agricultural or conservation areas is therefore considered to be of an ancillary nature.

Chalet development in agricultural or conservation areas is therefore, not appropriate to be a real estate investment driven form of development, and no subdivision or strata title will be supported.

The economic analysis included as Attachment 4 identifies issues of viability with investment and reinvestment in this form of development. While economic conditions vary between individuals, this viability issue is partly driven by occupancy levels. Despite this issue, the consequences to the tourism industry are not significant enough to warrant intervention by the Local Government to prevent further chalet development. This situation is a consequence of normal competition and the level of accommodation on a site by site basis is comparatively minor. There is however a role in ensuring the scale of development is genuinely ancillary to agricultural or rural production activities. In this regard the provisions of Local Planning Scheme No. 1 set out what can be considered ancillary development. While partly subjective, the provision for up to 6 chalets on lots over 20ha could in some circumstances be beyond an ancillary form of development.

Holiday houses
Development of holiday houses are to be consistent with Council's Local Planning Policy 20. The policy supports holiday houses in coastal settlements and other areas in close proximity to attractions and amenities of tourism value. Holiday houses can be used for either permanent or short stay purposes and are an important component of tourism accommodation supply accounting for around 10% of all accommodation capacity. The Shire's position on holiday houses as described in Council Policy will need to be incorporated within future modifications to the Local Planning Strategy and Local Planning Scheme No. 1.

Bed and Breakfast / Guesthouse
These developments are small-scale relatively inexpensive and homely establishments. Bed and Breakfast and Guesthouse tourism accommodation should be adjacent to, or within, reasonable proximity to a main access road within a town. Where the proposed Bed and Breakfast/Guesthouse is not located within a town it should be within close proximity to a main road which is easily accessible from the local road network. Proposals in remote locations, away from main traffic routes, which require a series of directional signs and/or are located on poorer quality local roads which would require road upgrading to accommodate the proposed use, as determined by the local government, are unlikely to be supported.

Amenities, attractions and activities
Amenities, attractions and activities are key tourism infrastructure and the existing locations of this infrastructure are identified in the supply analysis included as Attachment 2. These locations are generally centred around key tourism nodes or areas, however in the last decade there are a number of significant built tourist attractions that have been established in traditionally agricultural areas of the Shire, such as Osmington Road and at Rosa Brook.

The predominant issues with the location of activities and attractions are the associated infrastructure requirements (such as the standard of road access, servicing and amenities like public ablution facilities), the potential to introduce land use conflict, particularly in the agricultural areas of the Shire, and the consumption of land that may otherwise be used for productive purposes. Another issue, that is somewhat more difficult to quantify, is the impact of significant travel distance in terms of resource consumption from locating these facilities distant from other areas of tourist interest.

While there is some merit in adopting a flexible approach to the location of attractions and activities, those issues mentioned above must be carefully considered in determining the appropriateness of a particular type of facility in a particular location. For this reason the Location criteria set out in this Strategy highlight a number of considerations to be considered for the establishment of attractions and activities.

Many of the attractions located in the agricultural areas of the Shire were established on the premise of a relationship with agricultural land use. Under the now superseded Town Planning Scheme No. 11 attractions such as wineries and breweries were approved as a Rural Industry where these were only permitted if using products grown in the locality. The general approach taken sought to ensure that these attractions were related to rural land use on the same site, such as a winery and cellar door related to growing grapes, a brewery to hop production, and restaurants only associated with these uses.

Under LPS1 a revised approach has been taken through provision for wineries in the Agricultural Zones as legitimate uses in these areas without the need to actually produce grapes on site, and for breweries and the like to have similar potential. The LPS1 requires restaurants to be subsidiary to a predominant agricultural use[27]. It is appropriate that these uses are also subject to location criteria, however the requirement for restaurants to be

[27] See clause 4.15.4 of the Shire of Augusta-Margaret River Local Planning Scheme No.1.

ancillary to agricultural use falls away when wineries no longer have the same requirement. The Strategy supports restaurants in agricultural areas only where it is commensurate with a winery or other substantial tourism development. LPS1 requires modification in this regard.

4.2 Location of tourism development

Guidance to the location of future tourism development is a key issue for the Strategy to resolve. The WAPC through Planning Bulletin 83 suggest a process of identification of 'tourism precincts' which is also relevant to the consideration of location. These tourism precincts are intended to be localities of tourism value or amenity that have the potential to incorporate the '5A's' of tourism destinations. The purpose of identifying these 'precincts' is as a focus for more detailed structure planning to identify specific tourist development sites.

As outlined in Planning Bulletin 83, the location and scale of tourism precincts will be determined by consideration of a number of principles including:

- Proximity to tourist attractions and facilities;
- Existing compatible land uses and infrastructure;
- Existing and potential short stay accommodation opportunities;
- Character and amenity;
- Visitation statistics to the locality;
- Access including transport opportunities; and
- Capacity to accommodate a mix of uses that complement tourism development.[28]

Based on the principles above, Margaret River and Augusta town centres along with areas of Prevelly and Gnarabup were identified as potential tourism precincts in the Shire. In considering these tourism precincts it is evident that a significant amount of forward planning already exists for these areas by means of existing Structure Plans and specific zoning controls. While tourism precincts may be relevant in some instances, given the degree of prior assessment there is accordingly, little purpose in having recognised tourism precincts embodied within the LPS for the Shire. Further detail on important sites for existing and future tourism supply is described in relation to key tourism sites in Part 5. A description of identified tourism sites can be found in the plan of key and non-key tourism sites included in Part 5.

Once the issue of tourism precincts is resolved and key tourism sites identified, the issue of broader location criteria requires resolution. Historically tourism planning was based around defined nodes for development, including near the junctions of Caves Road with Sebbes, Carters and Cowaramup Bay Roads, West Bay, within townsites and other locations as identified in the Rural Strategy of 1991, with a preference to land west of Bussell Highway. Since the Rural Strategy was revoked, the identification of tourism sites has been on a more ad-hoc basis through the rezoning process.

The location of tourism development can have significant consequences. As can be seen from the supply analysis included as Appendix 2, there are specific areas of the Shire where a greater concentration of the '5A's' provides benefits in terms of infrastructure to support tourism. There are benefits in avoiding a prescriptive application of defined tourism locations, most importantly the provision of an adaptive planning framework that is able to provide for tourism development to be considered on its merits. This more performance based approach to location requires sound criteria to adequately guide decision making through the development application or rezoning processes.

[28] Western Australian Planning Commission 2011, *Planning Bulletin 83/2011 – Planning for Tourism,* Western Australian Planning Commission, Perth

4.2.1 Location criteria for new tourism development

The criteria in Table 4.1 has been developed predominantly for areas outside key settlement areas, including the Leeuwin-Naturaliste Ridge Conservation zone, Leeuwin-Naturaliste Ridge Landscape Amenity Zone, Southern Ocean Foreshore Protection zone, and the Principal and General Agriculture zones of LPS1, where some low impact tourism development is either already permitted or can be considered. There is a general presumption against supporting larger scale tourism development (that exceeds the definition of 'low impact tourism') within agricultural or conservation zones as this is considered contrary to the protection of agricultural land for rural production purposes, and conservation land for the maintenance of environmental quality. A balance between development of iconic sites outside town centres and the protection of unique agricultural, social, cultural and environmental qualities needs to be met before re-zoning or development approval can proceed in rural or conservation areas.

The criteria below are intended to specify appropriate locations for tourism zones and larger development rather than establishing recommendations for when rezoning is required. This will determine whether the site is appropriately located in a context to warrant future tourism development of the site. In assessing development applications, the Shire will also consider the 'Design Guidelines' set out in Table 4.5 of the Strategy, and other criteria as relevant.

Table 4.1 – Location Criteria

General Description	Criteria
Accessibility	The site has adequate existing or proposed transport links (such as road access and where appropriate, pedestrian infrastructure). The location of the site should provide for ease of tourism access to the site and facilitate easy access to areas of high tourism amenity such as beaches, riverside areas and town sites without resulting in significant modification to the landscape or significant increases in traffic movement.
Uniqueness	The site contains, or is in the vicinity of attractions or a prominent and/or unique landmark of local, regional or State significance (i.e. has a proximity relationship to areas of tourism interest). Sites should be located in close proximity to natural attractions such as caves, parks and recreation areas, coastal locations, waterways and/or built attractions, such as lighthouse precincts, heritage sites, surrounding urban/coastal settlements and recreational amenities such boat ramps.
Setting	The setting of the site has an aspect and outlook that supports recreational tourism activities and/or the creation of a tourism character and ambience. Preference will be given to sites that have a unique tourism setting, i.e. sites with outstanding views and/or sites located within an area which generates tourism interest such as Hamelin Bay, Cowaramup Bay Road/Caves Road intersection, Wallcliffe/Caves Road intersection and Osmington Road as examples.
Tourism activities/attractions and amenities	The site provides, has easy access to, or is capable of development of supporting activities and amenities such as tours, fishing, historic sites, walk trails, environmental interpretation, and other significant recreation infrastructure. This includes proximity to surrounding activities, attractions and amenities as referred to in the 'Uniqueness' criteria.
Supply of land	The site has an element of scarcity in that it may be the only opportunity to achieve a bona-fide tourism development in a unique tourism area without detracting from on-site and adjacent land use.
Infrastructure	The site can accommodate the proposed level of development without the need for significant infrastructure upgrades that would

	compromise the amenity and character of the area, or place an unreasonable burden on the Shire to bring forward or introduce new capital works.
Site specific criteria	**Description**
Suitability in a land use context	The site is located in a land use context that will not limit the extent of activities available to guests due to amenity impacts on adjoining residents or where the adjoining uses potentially detract from the tourism character of the site. Proposals will only be supported in areas of high tourism amenity and in proximity to relevant services, whilst also maintaining the primacy, affordability and use of the purpose of surrounding zones and land use intention specified in the LPS.
Capability	The site has the capacity to be developed for tourism purposes and accommodate the associated services in a manner that does not detract from the natural attributes of the site or result in environmental degradation. Proposals will not be supported where they may result in adverse impacts upon the environment, or where unplanned and otherwise unnecessary upgrading of deep sewer, water supply, road improvements and rubbish disposal is required.
Size	The size of the site should be adequate to accommodate a sustainable tourism facility with respect to its design, operation and function, and its site specific and wider impacts and consideration of future growth/expansion. This will require a site to be able to be developed without compromising the sustainable use of natural and cultural resources or existing social structures. Development of the site should also contribute to the delivery of diversified and balanced tourism opportunities.
Function	The use of the site meets a particular accommodation, market need and/or ensures a range of tourism accommodation within the locality. Examples are caravan parks in areas of significant amenity, school holiday camps and Crown tourism leases.
Land Use Conflict	The site is able to provide for a sustainable tourism enterprise without introducing expectations of amenity that could compromise the primary purpose and use of surrounding land. Tourism proposals will not be supported where they result in adverse impacts upon prime agricultural land, surrounding residential settlements or any other sensitive land uses.
Conservation land	Where land may have potential to accommodate tourism development as either an incentive under State Planning Policy 2.6 – Leeuwin Naturaliste Ridge, or within the Southern Ocean Foreshore Protection or Bushland Conservation Zones, due regard shall be had to relevant State Government Policy and the previous applications of any relevant subdivision or development incentives.
Accommodation types	**Land use specific criteria**
Caravan Parks	Caravan parks should be located in close proximity to beach side and riverside locations within the Shire and other areas that exhibit significant tourism value in terms of amenity and location. Where caravan parks are located in or around urban settlements specific consideration should be given to the objectives for settlement outlined in the LPS.
Resorts, serviced apartments and motels/hotels	This form of development will generally only be permitted within or adjacent to urban areas or coastal settlements.

Chalets and cabins Conservation zones.	An ancillary level of chalet and cabin development is able to be accommodated within rural or conservations zones, where otherwise consistent with these location criteria. Larger scale proposals will need to meet the general and site specific location criteria.
Holiday houses	Holiday houses are to be located in accordance with Council's Local Planning Policy for this use.
Bed and Breakfast and Guesthouses	Bed and breakfast and guesthouse development should be adjacent to, or within, reasonable proximity to a main access road. Where the proposed Bed and Breakfast/Guesthouse is not located within a town it should be within close proximity to a main road which is easily accessible from the local road network. Proposals in remote locations, away from main traffic routes, which require a series of directional signs and/or are located on poorer quality local roads which would require road upgrading to accommodate the proposed use, as determined by the local government, are unlikely to be supported.
Attractions and activities	Attractions and activities should be located in close proximity to urban areas or areas of natural tourist attraction and activities such as walking trails, beaches, rivers or sites with a unique tourism outlook (i.e. Margaret River, Rails to Trails, Caves Road, Surfers Point/Rivermouth, national park). Tourism attractions/activities will only be permitted in rural areas where the use does not exceed the carrying capacity of the site, i.e. scale of development and number of envisaged visitors will minimise social and environmental impacts upon the site and surrounding areas.

4.3 Zoning requirements

4.3.2 Application of specific tourism zones

Local planning schemes should include a range of tourism and mixed use zonings allowing for tourism developments and the permissibility of land uses within each zone, to provide for a diverse tourism industry[29]. Zoning for specific forms of tourism use, particularly in strategic locations, is a key tool to manage development potential and address pressure for redevelopment of tourism sites.

The approach within LPS1 is consistent with the Model Scheme Text and sets out three distinct tourism zones that are intended to have distinct functions. An alternative approach is that found within the Viticulture and Tourism zone of the City of Busselton District Planning Scheme No. 20. This dedicated tourism zone provides for a greater level of tourism development than within other agricultural zones in a defined area predominantly west of Bussell Highway. While there is some merit in achieving a consistent approach between the two Shire's, the location criteria identified above is considered a preferable approach rather than focusing development through a dedicated zone. There is however, scope for more consistency between the two planning schemes for the City of Busselton and Shire of Augusta-Margaret River. Following a process of analysis between the two Council's, a series of modifications are proposed to LPS1 to achieve greater consistency.

Rezoning land for tourism purposes will be subject to rezoning to one of the tourism zones including the Tourism Zone, Caravan Park Zone or the Chalet and Camping Zone, or potentially the Town Centre or Future Development zones in an urban context. Where only a portion of the site is required to be rezoned the preferred approach will be to utilise an Additional Use Right provision over such areas. The development controls of LPS1 and 'key

[29] Western Australian Planning Commission 2011, *Planning Bulletin 83/2011 – Planning for Tourism,* Western Australian Planning Commission, Perth

tourism sites' of this Strategy will assist in determining the most appropriate tourism zone for each proposal, as set out below.

Table 4.2 – Application of Tourism Zoning

Zone	Application of zoning
Caravan Park Zone	The Caravan Park zone will be applied to caravan parks and camping grounds that may occur in conjunction with limited chalet development. This form of use will be retained within the zone to ensure the use is protected.
Chalet and camping zone	Rezoning to the chalet and camping zone will be considered where a proposal is sympathetic to and integrated within the rural and/or natural areas of the Shire and limited tourism potential is provided for in accordance with the definition of 'low impact tourist development' under LPS1.
Tourism Zone	The tourism zone provides for larger resort style developments, including motels, hotels, serviced apartments and significant forms of tourist accommodation and their associated facilities. In general this zone should only be applied in urban areas of the Shire or key areas of tourist attraction as described in the location criteria.
Additional Use Rights	Additional use rights will be applied when a predominant or substantial use remains on a particular site, such as agriculture or conservation.
Town Centre Zone	Where tourism development is of a mixed use nature with commercial development and within or adjacent to the centre areas of the Margaret River and Augusta townsites.
Future Development Zone Note: A structure plan does not 'zone' land and further statutory zoning and land use control will be required to formalise the zoning of the land for tourism purposes.	To be utilised when a tourism development is within part of a broader undeveloped urban growth area and flexibility as to exact location and requirements for implementation are guided by Structure Planning.
Application of zoning – no zoning is required other than the underlying zone	The zone will accommodate the uses proposed through existing development control and land use provisions in the Scheme which allows flexibility for development in accordance with the Location Criteria.

4.3.3 **Rezoning land for tourism purposes**

A principle guiding zoning for tourism under LPS1 has been an objective to provide discretion in the Scheme to consider a reasonable degree of 'ancillary' tourism use in rural and conservation areas without requiring rezoning. There is some discretion to provide greater density of tourism development without rezoning through application of clause 5.5 of LPS1. It is considered appropriate to deal with discretionary land uses through development approval where appropriate. As the considerations for tourism development through either the rezoning or development application processes are essentially the same but the process of Scheme Amendment more cumbersome, there is efficiency in providing this discretion.

There is however a benefit in the application of specific zoning for tourism developments that require specific controls over future development. Rezoning of a site for tourism purposes is required in situations where:

- the nature of the proposed use cannot otherwise be considered in the zone (i.e. maximum of 6 chalets, cabins, guesthouses) in the rural and conservation zones;
- the proposed tourism use is otherwise inconsistent with the existing zoning by either being of a scale or character, or having potential impacts, that are at odds with the purpose and objectives of the existing zoning;
- subdivision resulting in creation of an additional tourism lot is proposed and this is appropriate in the context of the locality (meets Location Criteria) and is supported by the WA Planning Commission and the local government;
- the site clearly meets the Location Criteria set out in Table 4.1; and
- the tourism zoning sought is applicable to the purpose and intent of the zone (as described in Table 4.2 – Application of tourism zoning).

4.3.4 Re-zoning from tourism to an alternative zone

While there is a significant supply of tourism accommodation capacity within the Shire careful consideration needs to be given to any proposal to remove sites from tourism supply, particularly where this may collectively lead to lost opportunities for quality development in the most appropriate locations. Where there are a significant number of tourism sites of equal value in a general locality, or where other equal-value sites with potential for development or rezoning for tourism purposes are available, then the loss of tourism value is unlikely to be significant. There is a need to consider sites on an individual basis taking into account particular location issues, in addition to their potential strategic tourism value. Rezoning from tourism to other land uses will only be supported where it is consistent with the criteria set out in Table 4.3 below:

Table 4.3 – Rezoning from tourism to an alternative zone

Rezoning from tourism to an alternative zone will only be supported where: 1. It can be demonstrated that the site no longer has an existing or potential tourism function, and where rezoning of the whole or part of the site for an alternative use is therefore considered appropriate; 2. The proponent undertakes an independent supply/demand study to determine whether the site is surplus to demand and appropriate for rezoning; 3. Development of surrounding land uses is no longer compatible with tourism development; 4. The site has not been identified as a key tourism site; 5. Regardless of whether the site is a key tourism site, whether experiential values of a particular site that are important to the local tourism market are able to be provided elsewhere; 6. The site isn’t one of a limited number of opportunities to provide for an important component of the tourism market, such as large tourism sites in urban areas; 7. Rezoning will not result in adverse impacts upon surrounding amenity and land uses; 8. Rezoning will not result in a significant loss to the tourism market (such as rezoning of a caravan park where it may be the only one within an area of tourism interest); 9. The alternative use proposed is otherwise consistent with the LPS, in particular the planned settlement hierarchy

4.4 Policy guidance for the assessment of development proposals

This section sets out objectives and policy guidance to be used by proponents and the Shire when assessing development applications for tourism purposes. This policy is particularly relevant where development is proposed:

- adjacent to the coast;
- adjacent to watercourses, wetlands and areas subject to inundation;
- in or adjacent to areas of native vegetation; and
- other areas of environmental or landscape significance.

Table 4.1 addresses the appropriateness of the site for tourism purposes where as the criteria in Table 4.4 below provides policy guidance on the form and layout of new tourism developments. The following guidelines must be addressed during preparation of any development application for tourism purposes. This policy guidance has been prepared to guide all forms of tourism development. In reality some guidelines may not be relevant, particularly for some sites within an urban context where there are limited or no significant environmental issues present. The level of information required to be prepared as part of a tourism proposal will depend upon factors such as the scale and density of the development being proposed and location of development.

In assessing development applications, the Shire will consider the following policy guidelines against the proposed tourism development.

Table 4.4 – Tourism Development Policy Guidelines

Policy Objectives
1. *Support a range of tourism developments in different locations incorporating best practice environmental sustainability principles.* 2. *Ensure tourist accommodation, associated infrastructure and attractions are provided in a manner that maintains the areas environmental integrity, and to ensure cultural and historical values are conserved, managed, protected and used sustainably for future generations.*
General Tourism Policy guidelines
1. A site analysis plan should be provided as a component of an application for planning approval for any tourism related development that identifies the responses to the following policy provisions. ***Environment*** 2. Development should, where possible, contribute to conserving biological diversity and natural resources. Significant flora and fauna should be protected and improvement to habitat value encouraged. 3. Watercourses should be protected from pollution discharges and effluent systems must be appropriate not only to the protection of human health but to the environmental context. 4. Any clearing of native vegetation should provide appropriate mitigation offset by vegetation conservation initiatives consistent with the principles of the WA State Government Environmental Offset Policy; such as replanting with locally indigenous species, to ensure the overall result is at a minimum neutral in terms of effects on flora and habitat values. 5. Identify and protect important fauna habitat and threatened species that may be impacted by development, recreation, access or fire management regimes. 6. Buildings should be designed so as to sit above sloping ground and avoid or minimise impacts on the natural landform, e.g. by minimising the extent of cut and fill.

Bushfire protection

7. Applications should be assessed for bushfire risk and where necessary be supported by an appropriate fire management plan consistent with the Planning for Bushfire Prone Area Guidelines and SPP 3.7.
8. Design to comply with requirements of Building Code of Australia and Australian Standard 3959.

Visual impacts

9. Areas of high landscape and visual significance should be avoided unless the scale of development and activity contained therein enables the development to proceed without causing detrimental impacts.
10. Development should be consistent with the surrounding landscape character and reflect the Visual Management guidelines as outlined in the Local Planning Strategy and State Planning Policy 6.1 – Leeuwin Naturaliste Ridge.

Servicing and infrastructure

11. Where road upgrading is required and provided at the proponent's expense, impacts on roadside vegetation should not compromise the amenity and character of the area.
12. Where reticulated services are not already in place, alternative renewable energy sources, alternative effluent treatment units, rain water tanks and reuse of grey water systems should be investigated.
13. Investigate use of renewable energy sources appropriate to the site such as photovoltaic or wind energy.
14. Reduce the expanse of car parking areas by using natural barriers such as vegetation to define or segregate, and include natural elements.
15. Incorporate the principles of water sensitive urban design into water treatment.

Built form

19. Maintain and enhance identifiable built harmony or character particularly in terms of orientation, built form, bulk and composition of buildings within town centres.
20. Utilise or incorporate existing buildings where appropriate in preference to developing new sites to assist in revitalisation and maintaining the character of town centres.
21. Orient buildings towards the north as much as possible so that solar access can be easily controlled by simple fixed shading systems (roof and awnings).
22. Development should be integrated with the natural environment and should reflect local architectural values.
23. Tourism development, where proposed in a rural landscape, should be clustered to avoid impacting upon agricultural potential or conservation protection.

Social/cultural impacts

24. Ensure that the development (both buildings and landscape) is accessible to people of all ages and abilities.
25. Local indigenous communities and registered heritage sites should be considered as part of the proposal.
26. Address social and cultural impacts resulting from the proposed development, including the use of shared community and tourist facilities.

Land use planning

27. Development of tourist accommodation must not exceed a cumulative three month stay for any one individual in a twelve month period.
28. Development should be consistent with the carrying capacity of the site and surrounding environment, in particular regard should be given to:
    - fragility or resilience of the surrounding environment;

- availability of water, deep sewerage, access and power resources relevant to the scale of the proposal;
- type of development being proposed; and
- number of visitors envisaged.

4.5 Unrestricted Length of Stay on tourism zoned land

Criteria set out in Table 4.5 below is consistent with PB83 (2011) and will be used as a basis for determining any proposals for mixed use development. A key outcome of PB83 was the need for a more strategic and flexible approach to tourism planning to encourage and support investment in the industry. The criteria below reflect the outcomes of PB83 and deal with Unrestricted Length of Stay (ULS) component through a performance based assessment rather than the rigid 25% residential threshold previously set out under the older version of PB83 and currently included in LPS1.

The size of a ULS component and its location in a tourism development are important to the level of conflict and detrimental impact on the tourism experience that can result. There is potential for a limited ULS component to be included in the development of some tourism zoned sites, conditional on the tourism dominance and experience being retained. Introduction of a ULS component on some sites may provide the necessary capital required for new tourism development and/or reinvestment of existing tourist accommodation.

Alternatively, ULS development may not be considered appropriate on some tourism sites where it impacts on the inherent nature of the tourism site to provide bonafide tourism experiences and attractions, or where the consequence of ULS development will reduce the viability of providing a full range of tourism services due to limited supply of tourist accommodation.

Where a ULS component is proposed, preference is given to Tourist - Unrestricted Length of Stay (ULS). The purpose of ULS is to provide an opportunity for units/portion of a tourism site to be used for either permanent residential or short stay purposes. It is important that ULS is not developed prior to tourism units as this may have an impact upon the potential of the site to deliver an authentic tourist experience.

Consideration of a portion of a tourism zoned site for ULS will be assessed on a case by case basis, and will only be supported where it meets all of the following criteria:

Table 4.5 – **ULS** Development on Tourism Zoned Land

Planning regulation
Consideration of proposals for mixed use ULS and short stay uses on key and non-key tourism sites will only be supported where it can be demonstrated to the satisfaction of the WAPC that: • It is specifically provided for in the LTPS; • the proposal meets all of the relevant assessment criteria of the applicable Planning Bulletin of State Planning Bulletin of State Planning Policy dealing with ULS; • an assessment of and demonstration that the proposal will not be in conflict with the intended principal land use outcome for the site as provided in the LTPS; • the proposal has the support of Tourism WA; • a maximum percentage limitation on the number of ULS sites /units as a component of the total number of units/sites on the site has been specified and this has the support of Tourism WA; • the percentage limit reflects the strategic and/or regional tourism importance of the site; and • control of the unrestricted length of stay or non-tourist uses is enforceable through a statutory planning scheme.

Sustainability and suitability
• In determining whether ULS uses should be permitted on a site, the Shire will take into consideration the potential devaluation of the character of a site's attractions and/or setting in accordance with the Location Criteria. The Shire will take in to account such matters as the size of the site to accommodate ULS uses and the quality of the expected resultant tourism product. • ULS uses will not be supported on tourism sites where such development would result in a loss of ability to accommodate existing or staged development to meet tourism demand and growth in the long term, including the retention of key forms of tourist accommodation. • ULS uses will only be considered on the basis that site is suitable for ULS development (i.e. proximity to residential infrastructure and amenities), and where surrounding land uses support mixed use type development. • A ULS component will only be supported where it can be demonstrated that it will enhance the tourism component of the site and ameliorate potential conflicts that may arise; such as noise between tourist accommodation and permanent residents, impacts on surrounding residents, traffic and other social and environmental impacts.
Design
• Areas of the site providing the highest tourism amenity, e.g. the beachfront shall be retained for short stay purposes only, and not designated for ULS uses. • Any individual ULS unit, and as a whole any ULS restriction component of such a development shall be of a design and scale that is clearly subsidiary to the tourism component of the development such that the tourism component remains dominant in all aspects. • Proposed ULS keys should be integrated in to the tourism facility and must be available to the short stay letting pool when not occupied by the landowner. • Proposed ULS development should be uniform in design and consistent with the size, scale, building heights and character of existing tourism development on site and in the surrounding area. • For existing tourism development a detailed schedule of reinvestment works will be required for any development application and completion of these works prior to occupation of the ULS component.
Access
• The location of accommodation on the site shall provide for ease of tourism access throughout the site and facilitate easy access of areas of high amenity within or adjoining the site.
Development requirements
• Appropriate staging shall be put in place to ensure that the tourism development and provision of facilities occurs concurrently to the ULS component of a mixed use development. • Where strata titling is proposed, appropriate management arrangements in a management statement should be put in place to ensure accommodation identified for tourism will be let out for tourism purposes, preferably by an on-site letting agent (manager). • Conversion of an existing tourism development or new construction to facilitate a ULS component should not be supported without a resultant tourism benefit; such as an increase in the number, or significant upgrade of, tourism units and facilities.
Alignment with settlement strategy
• No ULS will be permitted where a tourism site is either not aligned with the settlement strategy of the Local Planning Strategy (i.e. rural or conservation areas), or consideration of ULS has not been identified through the analysis of key tourism sites.

4.6 Strata title development

Strata-titled product is most commonly in the form of serviced apartments. Permitting strata title development has provided stimulation to finance accommodation developments in Western Australia and has become the dominant financing tool for accommodation in Australia over the last decade.[30] Strata-titling tourist development seeks to de-risk projects, helps to get finance from banks and allows developers to under-write costs.[31]

The concern from a tourism perspective is that incorrect management and operation of strata title developments can lead to permanent stay situations rather than providing visitors with a bona fide tourism experience. The Taskforce identified concerns in respect to the use of strata subdivision within tourism zonings that provide for relatively low-density forms of development, such as chalet/cabin type zones, due to the potential for such schemes to promote real estate driven development, and facilitate residential holiday home use rather than tourism use. A further issue arises with significant strata titled developments and long term maintenance and renewal programmes, which over time often require significant reinvestment into tourism developments which can be difficult to achieve with many separate interests and levels of capacity for funding improvements.

Common means to restrict inappropriate alternative use of chalet development is through the restriction on use imposed by development conditions, restrictions on use under section 6 of the *Strata Titles Act 1985,* and by limiting the area of strata lots to the immediate curtilage of the building. The latter prevents use of tourist buildings from evolving into other uses through establishment of significant private areas such as yards, gardens etc., which should be common integrated features of these types of developments. Collective management and consistent amenity within sites where a ULS is included will also require the restriction of lot size to the immediate curtilage of buildings accommodating such a use. In addition, vacant strata lots for ULS will not be supported due to the need to coordinate development as an integrated facility.

Survey strata and vacant strata schemes should be approved only where it can be demonstrated that the development is consistent with the intent and objectives of the particular tourism zone, be part of a mandatory integrated-common management arrangement and provide for a bona fide tourism experience, inclusive of the following requirements as outlined in Table 4.6 below. Strata titling of tourism developments will not be supported for the level of 'ancillary' tourism development that is anticipated by being specifically provided for outside of dedicated Tourism Zones under LPS1.

It should be noted that strata subdivision of Caravan Parks is prohibited under the *Strata Titles Act 1985.*

Table 4.6 – Strata Titled Tourist Development

Strata titled tourist development will only be supported where: 1. Proposals for strata-title development shall include a construction and staging program that demonstrates that common facilities and viable management arrangements are provided for at each stage. 2. Development is designed as an integrated tourism facility with common facilities located on common property. 3. Inclusion of a management statement for the strata scheme to provide for integrated common management of the units as a tourism facility. 4. The strata management statement shall establish a Schedule 1 by-law that requires as a minimum the establishment of a unit management agreement, lease or alternative arrangement between each owner of a tourism use strata unit, or the owners collectively, and a common facility manager/operator to provide for common on-site

[30] Jones Lang LaSalle Hotels 2009, *Review of Accommodation Development,* Tourism Western Australia, Perth

[31] Tourism WA 2006, *Tourism Planning Taskforce Report,* Department for Planning and Infrastructure, Perth

management of all such units as a tourism facility.

5. The management agreement, lease or alternative arrangement shall cover but not be limited to letting agent (manager) arrangements, reception, access, security, maintenance, caretaking, refurbishment, marketing and other services reasonably required for the development to operate as a tourism facility.
6. The strata management statement shall be approved by the relevant local government and the WAPC.
7. Strata titling is not permitted within a caravan parks and camping grounds as outlined in the Caravan and Camping Act 1995.
8. Strata plans are to be specified with a Section 6 restriction of use limiting occupation to tourism purposes with an occupation restriction of a maximum of three months in any 12-month period, unless determined otherwise by the Shire.
9. Strata titling of what is considered an 'ancillary' level of tourism development by virtue of being provided for by LPS1 outside of dedicated Tourism Zones will not be supported.
10. The area of strata lots (both ULS and tourism components) shall be the minimum of land required to accommodate the building and immediate curtilage, generally not greater than one metre from the external walls of the building.
11. Strata titling within dedicated tourism zones in accordance with a development approval or endorsed Development Guide Plan and appropriate management.
12. Creation of strata lots on tourism sites will not be supported unless development has first been completed.

4.7 Green title subdivision of tourism zoned land

In assessing a subdivision application for land zoned for tourism purposes, the WAPC and local government will consider whether proposed subdivision will have any impact on surrounding land uses, quality of existing and future tourism developments on the land, social, economic and environmental impacts, consistency with the Scheme, and the broader land use planning context.

Green title subdivision of tourism zoned land can occur in a variety of situations. Land zoned for tourist development may be subject to development approval or specific guiding plans that

identify the creation of separate lots from a total parent landholding. These guiding plans are often introduced through the rezoning process. While in some circumstances the creation of separate tenure may be appropriate to facilitate investment in tourism enterprises this approach also introduces the potential to undermine the subdivision provisions of LPS1. This is particularly relevant in the agricultural zones where rezoning for tourist development is often associated with guiding structure plans indicating a form of subdivision. Subdivision is then facilitated on lots in agricultural areas to a potentially greater density, or in a circumstance, where subdivision of agricultural land would not otherwise be provided for based on theoretical tourist development. Where subdivision is provided for by tourism zoning and a Structure Plan then rezoning and subdivision of green title land will only be supported where development of the tourism component is firstly completed.

In light of the above, the support for the rezoning of agricultural land to a tourism zone and the consequential subdivision of the land to facilitate and underpin the ultimate development of the land for tourism purposes will not be supported unless the proposed subdivision meets the *'Site Location criteria'* of this Strategy and will limit impacts upon agricultural or conservation areas. Subdivision proposals in a rural context should only occur in conjunction with a rezoning proposal and be consistent with the *'Design Criteria',* i.e. development in rural areas should be clustered to avoid impacts upon agricultural potential and conservation protection, and subdivision should therefore reflect the portion of the site proposed for tourist development.

The potential for mixed ULS and short stay tourism use has been established through specific zoning for some tourism sites, and may be considered further in accordance with the criteria set out in this Strategy. As a ULS development component is only to be entertained where this component provides for establishment or reinvestment in tourism projects, green title subdivision of potential residential areas from tourism sites will not be supported. Clearly the support of such proposals would result in separate tenure with no certainty over establishment of, or reinvestment within, the tourism facility, which is a key component of the mixed use provisions of this Strategy. The following criteria used to determine subdivision have been adapted from the TPTR and Planning Bulletin 83:

Table 4.7 – Green Title Subdivision Requirements

Green title subdivision will only be supported where: 1. The proposal facilitates the development of a quality, sustainable tourism facility. 2. For tourism proposals located in agricultural areas of the Shire the proposed additional lot/s do not create dwelling or development entitlements that are above what would be provided for in the surrounding agricultural area. 3. Subdivision of agricultural/conservation land will only be supported where an Additional Use Right or rezoning of the land is proposed. Subdivision will only be considered in these areas where the proposed tourist development is of a substantial size, will result in a bonafide tourism development and is operational prior to subdivision of the land. 4. The site and proposed tourism development associated with the subdivision must comply with the *'Location Criteria' (Table 4.1)* and *'Design Criteria' (Table 4.4)* set out in this Strategy. 5. Incorporate those facilities associated with tourist accommodation developments such as recreation, entertainment facilities and integrated management facilities. 6. Provide for current and future tourism demand. 7. Have the capacity to accommodate the necessary services, management and support facilities without compromising the character, development flexibility or tourism amenity of the site. 8. Provide the flexibility necessary to facilitate development of a quality tourism facility; 9. Provide for the retention or enhancement of the strategic value of the site for tourism purposes, including the relationship between individual lots and areas of high tourism amenity (such as the beachfront) and the potential to accommodate current and future tourism demand. 10. The proposal does not provide the wholesale subdivision of a large tourism lot where the ULS component is located on separate lot(s) to the tourism component, resulting in tourism lots remaining undeveloped and the potential for future pressure to approve ULS components on these tourism lots to finance development. 11. The proposal is not for the creation of lots through rezoning of land in an agricultural or conservation zone that would provide for the creation of lots prior to the establishment of a viable tourism enterprise or be inconsistent with the minimum lot size of the most appropriate alternative zoning.

4.8 Proposed amendments to the Scheme

A number of consequential amendments will be required to Local Planning Scheme No. 1 as a result of implementation of this Strategy. These will include:

- Modification to clauses 4.18.6, 4.18.7 and 4.18.8 to define the nature and circumstances under which mixed use ULS and short stay tourism development will be permitted;
- Reclassification of strategic and non-strategic tourism sites;
- Modification to clause 4.15.4 relating to restaurants in agricultural areas;
- Removal of the park home park use from agricultural areas and the Caravan Park zone; and
- Identification of caravan parks and camping grounds as discretionary uses in agricultural areas.

PART 5

KEY TOURISM SITES

5.1 Determination of key tourism sites

Recommendations set out in the Taskforce provide guidance in determining strategic and non-strategic sites for local government areas. The Taskforce identified strategic tourism sites as those sites that are critical to the future growth and community benefit of tourism in an area and the State, and where development shall be for tourism purposes only. Non-strategic tourism sites were identified as those sites that have an important tourism function but where their retention for tourism only purposes is not as critical, permitting a permanent resident component.[32]

In 2009 the Board of Tourism Western Australia commissioned a review of tourism accommodation development on behalf of the tourism industry, including the recommendations of the Taskforce. A key outcome of the review including consultation of stakeholders was the need for a more strategic and flexible approach to tourism planning to encourage and support investment in the industry. Planning Bulletin 83 consequently adopted a more flexible approach to mixed use ULS/tourism development than the strategic and non-strategic provisions of the Taskforce. The following policy objectives as outlined in PB83 provide high level guidance in determining tourism sites and ULS mixed use within tourism sites:

- Provide guidance on the development of ULS uses on tourism sites; and
- Provide for flexibility in the design and assessment of short stay tourism and ULS mixed use development.

A key objective of this Strategy is to provide for the sustainable growth of tourism by identifying and retaining key tourism sites for a range of tourist accommodation. The Strategy does not recommend the identification of new sites for tourism development, rather the protection and retention of those tourism zoned sites which have particular value to the Shire's tourism industry. Key tourism sites are those that are, or are expected to become, iconic in the tourism industry and which provide one of the platforms on which to increase the wider industry.

An analysis of tourist accommodation sites was undertaken as part of the Strategy to determine which sites represent the highest tourism value and are vital for retention for a particular tourism use. These sites are identified as Key Tourism Sites. Key tourism sites are generally in close proximity to the 5 A's of tourism and/or located in areas where there is focus on current and future tourism infrastructure development. Key tourism sites are predominantly sites zoned for tourism purposes although in some cases land zoned for other purposes has been identified due to their inherent value from a tourism perspective. These sites include the Margaret River golf course, Hamelin Bay Caravan Park and the Augusta hotel. The Strategy recognises the importance of retaining a portion of these sites for existing and/or future tourism development.

The view of the Strategy is to provide for the long term protection of key tourism sites and to ensure that land uses are developed primarily for tourism purposes. Developers have sought additional residential opportunities and other uses on key tourism sites on the basis that in today's economic market it is difficult to achieve a substantial tourism development without a significant residential or ULS component. Residential flexibility is also sought on the basis that it would provide the opportunity for development of these sites to occur sooner and provide a more secure return to a developer.

While it may be challenging to develop some of these sites in today's market it is also acknowledged that there will become a time when the market is less volatile and development of these sites will become economically viable. While the development of higher quality

[32] Tourism WA 2006, *Tourism Planning Taskforce Report,* Department for Planning and Infrastructure, Perth

facilities is desirable in terms of industry growth, it is not necessary that for all sites the development potential is modified to a point that makes them viable in the current economic

conditions. It is not considered appropriate to modify planning mechanisms of the Strategy by permitting additional ULS and/or commercial development at levels contrary to the intended use of the site for tourism purposes. Support for ULS and other land uses not incidental to the primary use of the land for tourism purposes has the potential to impact upon the long term viability of these sites to provide a bonafide tourism experience, and ability to provide necessary accommodation supply to the wider tourism industry.

It is important that key tourism sites are not impeded upon by excessive mixed use developments that would result in detrimental impacts on the tourism experience of each site and the ability to supply authentic tourist accommodation. Key tourism sites are to be retained for short stay purposes only unless it has been specified under the *'Site Recommendations'* that a portion of the site developed for an ULS is acceptable. A portion of some sites to be developed for ULS is supported on the basis that it will provide the necessary capital expenditure to develop new tourism development or reinvestment and upgrading of existing tourism development.

Assessment Criterion
The following criterion is consistent with that set out in Planning Bulletin 83 (2011). Key tourism sites have been determined on the basis that they meet the majority of the following criteria:

Table 5.1 – Key Tourism Site Criteria

General criteria	**Description**
Accessibility	The site has adequate existing or proposed transport links (such as major road or airport access).
Uniqueness	The site contains, or is in the vicinity of, an attraction or prominent and/or unique landmark of local, regional or State significance
Setting	The setting of the site has an aspect and outlook that supports recreational tourism activities and/or the creation of a tourism character and ambience (e.g. immediately adjacent to a beach).
Tourism activities/attractions and amenities	The site provides, has easy access to, or is capable of development of supporting activities and amenities such as tours, fishing, historic sites, walk trails, environmental interpretation, cafes, restaurants, shops and the like.
Supply of land	The site has an element of scarcity in that it may be the only opportunity, or one of a limited number of opportunities, to achieve a significant tourism development in an area.
Site specific criteria	**Description**
Suitability in a land use context	The site is located in a land use context that will not limit the extent of activities available to guests due to amenity impacts on adjoining residents or where the adjoining uses potentially detract from the tourism character of the site (e.g. located within a residential area).
Capability	The site has the capacity to be developed for tourism purposes and accommodate the associated services in a manner that does not detract from the natural attributes of the site or result in environmental degradation. Examples include: clearing for bushfire protection, sewerage capacity, water supply and rubbish disposal.
Size	The size of the site should be adequate to accommodate a sustainable tourism facility with respect to its design, operation and function, and its site specific and wider impacts and consideration of future growth/expansion. This will require a site to be able to be developed without compromising the sustainable use of natural and cultural resources or existing social structures. Development of the

	site should also contribute to the delivery of diversified and balanced tourism opportunities.
Function	The use of the site meets a particular accommodation, market need and/or ensures a range of tourism accommodation within the locality. Examples are beachfront caravan parks, school holiday camps and Crown tourism leases.

Key Tourism Site 1:	Prevelly Park Beach Resort, 23 Mitchell Drive
Key Tourism Site 2	Lots 501, 502 & 504 Reef Drive & Lot 503 Seagrass Place, Gnarabup
Key Tourism Site 3	Hamelin Bay Caravan Park, Hamelin Bay Rd West (Reserve)
Key Tourism Site 4	78 Fisher Rd, Kudardup, Molloy Island Caravan Park
Key Tourism Site 5	Riverview Caravan Park, Lot 100 Willmott Avenue, Margaret River
Key Tourism Site 6	Lot 200 Cowaramup Bay Road, Cowaramup
Key Tourism Site 7	Basildene Manor, Lot 100 Wallcliffe Rd, Margaret River
Key Tourism Site 8	Margaret River Resort, Lot 90 Wallcliffe Rd, Margaret River
Key Tourism Site 9	Margaret River Hotel, 125 Bussell Highway & 55 Willmott Avenue
Key Tourism Site 10	Turners Caravan Park, 71 Blackwood Avenue, Augusta,
Key Tourism Site 11	Flinders Bay Caravan Park, Lot 485 Leeuwin Rd, Augusta,
Key Tourism Site 12	Proposed Abalone farm development, Lot 3 Leeuwin Rd, Augusta
Key Tourism Site 13	Augusta hotel, Lot 4 Blackwood Avenue, Augusta
Key Tourism Site 14	Margaret's Beach Resort, 4 Resort Place, Gnarabup
Key Tourism Site 15	Lot 703 Ocean View/Wallcliffe Road, Gnarabup
Key Tourism Site 16	Lot 4 Wallcliffe Road, Wilderness

Note: See appendix 5 for map of key, non-key and other tourism sites.

5.1.1 Prevelly Park Beach Resort

Site details	
Address: 23 Mitchell Drive, Prevelly Site Area: 5.3ha Zoning: Caravan Park	
Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

The site is located in the heart of Prevelly, located in close proximity to Gnarabup Beach and Surfers Point. The site is comprised of approximately 119 accommodation keys consisting of powered and un-powered sites, holiday cabins and caravans, and can accommodate up to 500 people. A shop is located to the north of the site which operates as a liquor/cellar door and general store. There is a restaurant directly north of the site.

Qualitative assessment

- *Accessibility* - The site is located along the main coastal road linking the coastal town sites of Prevelly and Gnarabup.
- *Uniqueness* - The site is located in close proximity to Gnarabup Beach and Surfers Point, recognised for their local and State significance.
- *Setting* - The caravan park is nestled in between peppermint trees and has large flat areas suitable for caravan and camping. Steeper topography may be better suited to a wider range of tourism uses.
- *Activities/Attractions* - The site is in close proximity to restaurants, shops, coastal walk ways and swimming and fishing areas.
- *Supply of land* - The site is the only existing caravan park in Prevelly and Ganarabup. Removal of the caravan park would be a significant loss to the tourism industry.
- *Suitability* - The site and current development does not pose any adverse impacts to surrounding land uses.
- *Capability* - Although the site is not connected to deep sewerage, it has been developed in a sustainable manner without impacting upon the environment. The site is capable of being further developed, should the site be serviced by appropriate waste water systems.
- *Size* - The southern portion of the property has recently been zoned to provide for residential development to R15/R30 density through a Structure Plan process. The residential zoned area is capable of being developed without compromising the integrity of the existing caravan park.
- *Function* - The caravan park appeals to a wide range of visitors and provides affordable coastal accommodation capable of supporting large numbers of guests.

Site Analysis

The site is valuable from a tourism perspective as it is the only caravan park in Prevelly and Gnarabup and shares close proximity to Surfer's Point, the Rivermouth, recreation reserves and coastline. It is noted that some areas of the site have a steep topography considered unsuitable for caravan and camping uses. Some level of design flexibility and consideration of other tourism land uses are considered appropriate within these areas. Redevelopment of the site should be addressed through appropriate re-zoning and a structure plan which outlines future development opportunities.

<u>Site recommendations</u>

Land use - statement of intent

The principal land use outcome for the site shall be the retention of the site for caravan and camping purposes, providing for affordable levels of accommodation.

Land use permissibility/criteria

- Consider a component of higher density tourism uses on more constrained areas of the site, where it can be demonstrated that it is incidental to existing caravan and camping areas.
- An allocation of ULS may be considered for a portion of higher density tourism development, providing it is integrated within the development and does not compromise the primary use for caravan and camping purposes. Consideration of ULS development will only be considered in confined areas of steeper topography unsuitable for caravan and camping sites through strata title mechanisms.
- Proposed ULS units must be constructed prior to subdivision clearance and developed in a uniform manner.
- Commercial development will be considered where it is a permitted or discretionary land use in the Zoning Table, and is designed as an integrated component of the tourist site to service guests and local community.
- Deep sewer is to be provided to the balance residential R15/30 area and areas proposed for high density tourism.
- Consider including the site within an appropriate zone to provide for a wider range of tourism land uses.
- Preparation of a structure plan is required for the site following re-zoning, identifying areas of the site to be used for specific land uses.

Site details
Address: Lots 501, 502 & 504 Reef Drive & Lot 503 Seagrass Place, Gnarabup Site Area: 4.2ha (approx.) Zoning: Future development

Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	✔
Size	✔
Function	✔

5.1.2 Lots 501, 502 & 504 Reef Drive & Lot 503 Seagrass Place, Gnarabup

Description

The four sites are situated in close proximity to Shire Class A nature reserves, the Indian Ocean, National Park and established residential and tourism developments. The Gnarabup Structure Plan was endorsed in 2006, with a key purpose of establishing tourism opportunities. This was followed by development approval for the four sites in 2008. Current development approval permits 73 short stay modules/keys, a swimming pool and a mixed use (village centre) consisting of:

- 12 retail/offices tenancies and one gallery
- One office/reception
- One café
- 15 residential apartments
- One caretakers dwelling

Qualitative Assessment

- *Accessibility* - The sites adjoin one of the main tourist routes in the Shire and have direct access to the foreshore reserve and existing access tracks to the beach.
- *Uniqueness* - The subject land represents four uniquely located properties, West of Wallcliffe Road and the Gnarabup townsite.
- *Setting* - The site is in close proximity to coastal amenities, reserves, national park and a village centre offering a unique setting for visitors.
- *Activities and Amenities* - Nearby activities and amenities include restaurants and cafes, village centre, coastal recreational activities such as surfing, swimming, fishing, and walking tracks.
- *Supply of land* - The subject land is the largest site designated for tourism purposes in the Gnarabup town site and the largest tourism designated site this close to the Indian Ocean in the Shire.
- *Suitability* - The boundaries of the subject land are surrounded by Shire reserves and would not result in land use conflict. The adjacent residential area to the east is considered to be mixed use in the sense that a large proportion of dwellings are rented out intermittently as holiday houses.
- *Capability* - The site can be connected to sewer from the east. Appropriate servicing details will need to be provided to the satisfaction of Shire and relevant government agencies prior to development.

- *Size* - The subject land covers four different sites, which provide some development flexibility to occur providing the predominant use of the site for tourism is not impacted. The site allows for retention of large areas of native vegetation through areas set aside for Public Open Space.

- *Function* - The site, when developed, will provide visitors with high quality tourist accommodation in close proximity to the Indian Ocean and National Park. A range of different accommodation styles are proposed, which will accommodate a range of travellers (from singles, couples to families and groups of friends) with varying budgets.

Site Analysis

The Gnarabup Beach Estate Structure Plan was endorsed in 2006 and identifies future development for the site and the surrounding Gnarabup residential areas. The unique development potential of the Site is expected to further enhance and invigorate the Gnarabup and Prevelly Park region and the growing needs of local and visitor population to the area.

The subject land represents four uniquely located properties to the west of Wallcliffe Road and the Gnarabup townsite. The site is valuable from a tourism perspective due to its inherent landscape values, proximity to the Indian Ocean, size and direct access to foreshore reserves. Economic analysis indicates potential short term issues of viability in the current market. Due to the uniqueness of the site retention of tourism function is a primary consideration and one of the drivers of the initial Gnarabup development.

It is considered appropriate to allow a component of units to be used for ULS as a means of generating revenue return and investment for the overall development. The component of ULS permitted needs to be balanced against ensuring long term bona fide tourism development, and ensuring the form and layout of ULS does not compromise the primary use of the site for tourism.

Site Recommendations

- The principal land use outcome for the site shall be the retention of the site for short stay tourism purposes.
- Consider a limited area within each of the four sites to be developed for ULS purposes providing it is incidental to the short stay only component, and is not located in areas of highest tourism value and are integrated as part of site/strata management.
- Proposed ULS units must be constructed prior to subdivision clearance and developed in a uniform manner.
- Freehold titles are limited to the village centre (refers to existing approved 16 units) as approved through the Gnarabup Structure Plan and original development application dated June 2009.
- Any ULS units which are approved must be managed through a strata title company and be available for short stay use when not occupied by the landowner.
- Detailed foreshore management planning and implementation will be required.

5.1.3 Hamelin Bay Holiday Park

Site details	
Address: Hamelin Bay Rd West Site Area: 4ha Zoning: National Park	
Key Tourism Site Criteria	
Accessibility	-
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

The site is located on the coast directly adjacent to Hamelin Bay. The site consists of approximately 140 accommodation keys, ranging from low key chalets and cabins through to tent sites, caravan and RV bays. The site can accommodate 800 people during busy periods. The holiday park is run under a lease with DEC and managed by Hamelin Bay Resort Pty Ltd.

Qualitative assessment

- *Accessibility* - The site is located a significant distance from major settlements but only a short distance to Caves Road, a major tourist route.
- *Uniqueness* - The holiday park is located right on the foreshore of Hamelin Bay, closer to the coastline than any other DEC vested caravan/camping site in the Shire.
- *Setting* - The holiday park is nestled amongst remnant vegetation and is part of the Leeuwin Naturaliste Ridge National Park. The park is approximately 100 metres from the beach and is sheltered from the prevailing winds.
- *Activities and Amenities* - The site supports a number of recreational activities including fishing, swimming, diving walk trails, stingray feeding and the Hamelin Bay pier. The site includes a shop and access to other water based and conservation activities.
- *Supply of land* - The site has been developed around existing natural tourist attractions, and is strategically designed around the road network.
- *Suitability* - Surrounding land uses do not present any implications to the development.
- *Capability* - The park is serviced by self sufficient water supply and treatment of waste water through effluent disposal ponds. Appropriate fire management mechanisms have been put in place to protect life and assets from a potential bushfire.
- *Size* - The large area and number of sites provide sufficient space for future tourism development should it be required.
- *Function* - The site appeals to a wide variety of holiday makers due to its coastal location and provides a low cost holiday option to a large numbers of tourists seeking a coastal getaway.

Site analysis

The site is considered valuable from a tourism perspective as it provides a unique opportunity for tourists to stay in a holiday park directly opposite the coastline. The topography is well suited to caravan/camping style accommodation. The site has a number of built amenities, including a boat ramp, car parking areas for boats, ablution facilities and an on-site shop. Loss of the site to other land uses would be a significant loss to the tourism industry.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for caravan and camping purposes, providing for affordable levels of accommodation.
- Ensure that any future redevelopment is developed in a manner which appropriately addresses fire management, retention of native vegetation and protection of amenity values.

5.1.4 Molloy Caravan Park

Site details	
Address: Lot 10 Fisher Rd, Kudardup Site Area: 8.26ha Zoning: Caravan Park	
Key Tourism Site Criteria	
Accessibility	-
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

The site is located adjacent to Molloy Island and Blackwood River. The site consists of approximately 40 holiday cabins and 60 caravan and camping areas accommodating between 200-250 visitors. The site has access to the Blackwood River and is surrounded by native vegetation in all directions. The site is located approximately 8km away from the nearest hamlet settlement, Kudardup.

Qualitative assessment

- *Accessibility* - The site is located away from major settlements and major tourist routes.
- *Uniqueness* - The site is located directly adjacent Blackwood River and Molloy Island, which are considered locally and regionally significant areas.
- *Setting* - The caravan park is set amongst a natural setting surrounded by remnant vegetation, state forest and river systems,
- *Activities and Amenities* - Blackwood River supports a range of recreational activities including fishing, jet skiing, kayaking and other conservation and water based activities.
- *Supply of land* - The park is the only tourism zoned site with direct foreshore access to Blackwood River unlike other land tenure in the Shire which is separated by reserves.
- Suitability - The site draws upon the natural attributes of the area. Surrounding land uses do not conflict with the existing development and vice a versa.
- *Capability* - Water supply and treatment of waste water are managed on site. Future development would not be supported unless issues such as waste water and water supply are provided to address additional development requirements.
- *Size* - The site has been developed in a sustainable manner. There may be some potential to further develop the site, providing environmental issues are appropriately managed and appropriate servicing is provided.
- *Function* - The site provides affordable holiday accommodation for tourists seeking a remote riverside get away.

Site analysis

The park has a license for 56 short stay sites and two long stay sites. The park is located a significant distance from major settlements, amenities and services and is therefore better suited to short stay land uses. Retention of the caravan park is considered important as it provides for affordable accommodation set amongst a picturesque environment.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for caravan and camping purposes, providing for affordable levels of accommodation.
- Considering the site's distance from major settlements and residential amenities, it is recommended that any additional accommodation is developed for short stay purposes only.
- Retain the landscape character of the area by supporting low impact re-development where proposed.
- Ensure new development is built to an appropriate fire rating to ensure retention of native vegetation.

5.1.5 Riverview Caravan Park

Site details	
Address: Lot 100 Willmott Avenue, Margaret River Site Area: 1.38ha Zoning: Caravan Park	
Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	-
Capability	✔
Size	-
Function	✔

Description

The site is located adjacent to Margaret River and walking distance from the town centre. The site consists of 58 holiday cabins and powered sites, accommodating up to 250 visitors.

Qualitative assessment

- *Accessibility* - The site is located in close proximity to Bussell Highway and other major transport links. With absolute river frontage, the park is one of two sites that prevent public access along the southern bank of the Margaret River.
- *Uniqueness* - The site is located in close proximity to Margaret River waterway and locally significant foreshore trails, the weir and a class A nature reserve.
- *Setting* - The site is predominantly cleared of vegetation with the exception of some isolated trees. The site has frontage to Margaret River.
- *Activities and Amenities* - The site supports a wide variety of activities including shopping and entertainment, bush walks, fishing, swimming and kayaking.
- *Supply of land* - The site is the only caravan park having direct frontage to the Margaret River foreshore in the Shire.
- *Suitability* - The site to the west is zoned for tourism purposes whilst land to the east and south is zoned residential. The site is located within a predominantly residential area which if further developed in the future could impact upon the current caravan park.
- *Capability* - The site is serviced by reticulated water, power and deep sewer.
- *Size* - Additional development would be difficult to achieve as the majority of the site has already been developed.
- *Function* - A progressive upgrading of facilities has seen a change from caravan sites to a predominance of cabin type accommodation. The site appeals to visitors seeking affordable caravan/cabin style accommodation within an urban context.

Site analysis

The Scheme seeks to retain caravan parks in riverside locations as they provide a unique experience for visitors. Having direct access to the foreshore provides a rare opportunity for visitors to take advantage of water based activities and surrounding conservation values. The caravan park is close to the town centre and nearby tourist amenities.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for caravan and camping purposes, providing for affordable levels of accommodation.

5.1.6 Lot 200 Cowaramup Bay Road

Site details	
Address: Lot 200 Cowaramup Bay Rd, Cowaramup Site Area: 12.7ha Zoning: Tourism	
Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	-
Activities and Amenities	-
Supply of land	✔
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

The site is located south of Cowaramup townsite and is currently undeveloped. A Development Guide plan was approved for the site to establish 161 accommodation keys in a range of accommodation styles, gymnasium, swimming pool, health spa and restaurant. The plan also proposes to establish two water bodies on the existing creek line and a small storage dam on the cleared ridge area to create a lake and supply water for irrigation of the resort grounds.

Qualitative assessment

- *Accessibility* - The site is situated along Cowaramup Bay Road which leads out to Gracetown. The site is located close proximity to Bussell Highway.
- *Uniqueness* - The site is located in close proximity to the Rails to Trails reserve.
- *Setting* - A major tributary to Wilyabrup Brook flows through the property. A future proposed dam will provide direct access for the tourist development. The proximity of the Cowaramup Transfer Station prevents realisation of '5 star' development potential.
- *Activities and Amenities* - Cowaramup townsite is in close proximity to the site, offering shopping and entertainment opportunities. Future development will need to consider on-site activities and amenities to cater for visitors.
- *Supply of land* - The property is unique in the sense that it is the largest tourism zoned site in Cowaramup.
- *Suitability* – The site needs to resolve local amenity issues associated with the Cowaramup Transfer Station to facilitate realisation of development potential.
- *Capability* - The site is capable of being connected to deep sewer from the north. Appropriate servicing will need to be provided to the site prior to development stage.
- *Size* - The site is one of the largest Tourism zoned sites in the Shire and has potential to be developed for mixed use opportunities.
- *Function* - The site is intended to be developed as a 5 star resort which is important to the region. The demand analysis highlighted a need for further accommodation in this sector of the tourism market.

Site analysis

The subject site is recognised as a key tourism site due to its seclusion from the local road system, close proximity to Cowaramup and the rails to trails path and the opportunity to be associated with a water feature of the adjoining dam. The proposed development is consistent with The Cowaramup Village Strategy as the accommodation and ancillary uses are largely clustered to enable significant areas of the site to be set aside for recreation, landscaping and retention of remnant vegetation. Sealed access is provided from Cowaramup Bay Road and the site is able to connect to reticulated water and sewerage services. The site is of sufficient size capable for a portion of the site to be developed for ULS purposes without impacting upon the integrity of the resort.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for short stay purposes and limited ULS development consistent with an approved Development Guide Plan.
- Limit the extent of clearing by ensuring development is built to sufficient design standard and in accordance with an applied bushfire attack level.
- Seek to resolve local amenity issues associated with the Cowaramup Transfer Station to facilitate realisation of development potential.

5.1.7 Grand Mercure Basildene Manor

Site details
Address: Lot 100 Wallcliffe Rd, Margaret River Site Area: 5.89ha Zoning: Tourism

Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	-
Activities and Amenities	✔
Supply of land	-
Suitability	-
Capability	✔
Size	✔
Function	✔

Description

The site is located 2km west of the Margaret River town centre on Wallcliffe Road, along a main tourist route to the coast. A historic manor constructed in 1912, Basildene is on the State Register of Heritage Places and classified by the National Trust. Basildene Manor has 17 rooms providing high end accommodation for up to 42 guests.

Qualitative assessment

- *Accessibility* - Margaret River town centre is walking distance from the site. Located along Wallcliffe Road, the site is only a short drive from the coast.
- *Uniqueness* - The site is a local attraction in itself, being one of the oldest listed heritage buildings in the Shire.
- *Setting* - The site is situated within a peri-urban setting town centre. A tributary to the Margaret River flows through the property adjacent to a large area of native vegetation.
- *Activities and Amenities* - Recreational activities such as swimming pools and tennis courts have been established to provide on-site recreational activities.
- *Supply of land - The* building is one of a limited number of heritage buildings approved for use as tourist accommodation and is important from that perspective.
- *Suitability* - The Margaret River speedway is located approximately 400m west of the site. Although the speedway only has seven meetings per year, it still has potential to impact on patrons due to high noise levels.
- *Capability* - The site is serviced by deep sewerage and scheme water. Future development would require planning approval from the Council and consideration by the Heritage Council of Western Australia.
- *Size* – Future tourism development is capable of being developed in cleared areas.
- *Function* - Heritage style accommodation draws particular clientele from couples and guests seeking a unique farm house tourist experience.

Site analysis

The site is the largest Tourism zoned property in and around the Margaret River township and represents significant heritage values. There are sufficient cleared areas capable of being developed for additional tourism uses.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site site for short stay tourism purposes consistent with provisions of the LPS1 identified for the site.

- Proposed development should seek to protect areas of existing native vegetation, particularly areas of riparian vegetation surrounding the watercourse.
- New development shall have regard to the historic status of Basildene Manor, shall be so sited and designed so as not to detract from the character and visual amenity of that building.

5.1.8 Margaret River Resort

Site details	
Address: Lot 90 Wallcliffe Rd, Margaret River Site Area: 2ha Zoning: Tourism	

Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

The site is located close to the Margaret River town centre. The site is one of the only resort type accommodation complexes in the Shire and consists of 49 serviced hotel rooms accommodating up to 150 guests. A liquor store, restaurant, tavern and complimentary recreational activities have also been developed on site. An approval for the resort was granted in 1994, followed by subsequent strata-titling of some of the short stay buildings.

Qualitative assessment

- *Accessibility* – The site is close to Wallcliffe Road and Tunbridge Street, both of which are considered major travel/tourist routes.
- *Uniqueness* – The resort has been established for a long period of time and is considered to be a landmark in itself.
- *Setting* – The site is close to Rails to Trails, sporting ovals and the Margaret River Recreation Centre.
- *Activities and Amenities* – A number of tourism activities/amenities have been developed on site such as a swimming pool, spa, tennis courts, restaurant, bar and liquor store.
- *Supply of land* – The subject land is the largest tourism zoned site in proximity to the town centre and is therefore considered worthy for retention.
- *Suitability* – The site is surrounded by a wide variety of land uses including tourism, residential, a school and recreational reserves. Considering the mixed use environment some level of development flexibility is considered acceptable.
- *Capability* – The site is serviced by deep sewer and scheme water. Redevelopment of the site can be accommodated without impacting upon services and the natural environment.
- *Size* – The site has sufficient area to support additional short stay development and limited ULS land uses.
- *Function* – The resort appeals to business clientele and weekend travelling parties and offers on site activities and amenities.

Site analysis

The site is one of a limited number of established resort style accommodations in the Shire. Other tourist accommodation complexes have been developed in and around the town centre (providing for uses beyond the tourism zone) but are considerably smaller in area. The site is worthy of retention due to it being the largest tourism zoned site in proximity to the town centre, its long establishment as a tourism resort, streetscape appeal and realised tourism value. Considering the location of the site in the town centre, the surrounding mixed use development, and to provide for reinvestment of current facilities, it is considered appropriate to allow for a limited component of the site to be developed for ULS purposes subject to reinvestment of the resort.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for short stay tourism purposes.
- Consider a limited number of ULS units, providing that it is integrated as part of the site and managed through a strata title arrangement. The ULS development entitlement should only apply to future units in order to ensure that current short stay facilities are not compromised.
- Any ULS development will be subject to a significant degree of upgrading and investment of the tourism amenity of the site being demonstrated.
- Any proposed ULS development must be constructed prior to subdivision clearance and developed in a uniform manner, and managed through a strata title arrangement.
- Recreational facilities must be retained or relocated elsewhere on the site as part of any future redevelopment of the site.
- Consider ancillary commercial development related to the tourism functions of the site where it is a permitted or a discretionary land use in the Zoning Table, and is designed as an integrated component of the tourist site to not only service guests but to also provide a commercial experience to the broader community.

5.1.9 Margaret River Hotel and Holiday Suites

Site details
Address: 125 Bussell Highway & 55 Willmott Avenue, Margaret River Site Area: 4,047 sqm Zoning: Tourism

Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

The heritage listed hotel is located along the main street of Margaret River. The hotel was built in 1936 by Mr Bernard McKeown. The Margaret River Hotel was the first public house in town and has since become a much enjoyed local icon. The hotel offers 12 guest bedrooms, a bistro, bar and entertainment.

Qualitative assessment

- *Accessibility* – The site is located in the heart of Margaret River town centre and has adequate car parking to cater for guests and patrons.
- Uniqueness – The site is a unique landmark in itself, built in 1936 it is one of the oldest buildings along the main street and is recognised as a tourist icon both locally and in the south west.
- *Setting* – Set in the main street of town, guests are able to experience an urban aspect of Margaret River close to amenities, shops and restaurants.
- *Activities and Amenities* – The site has direct access to shops, restaurants and amenities and is in close proximity to the Margaret River Tourism Association.
- *Supply of land* – The building is the only hotel located along the main street giving it historical appeal.
- *Suitability* – Adjoining land uses are zoned Town Centre which is not expected to generate amenity impacts as surrounding shops complement the existing land uses.
- *Capability* – The site is serviced by deep sewer and Scheme water.
- *Size* – Some redevelopment may be supported in accordance with permitted development on a heritage site.
- *Function* – Development appeals to overnight guests for a short stay period, seeking entertainment and direct access to activities and amenities.

Site analysis

The hotel has historical appeal and is recognised as one of the only hotel complexes in the Shire. Although the majority of the complex is designed for purposes other than tourist accommodation, the site is still considered worthy for retention for tourism purposes due to its appeal to visitors as a local attraction.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for tourism related land uses.
- Any proposed future development should retain the existing vernacular architectural style consistent with advice from the WA Heritage Council and the Shire.

5.1.10 Turner Caravan Park

Site details	
Address: 71 Blackwood Avenue, Augusta Site Area: 9ha Zoning: Caravan Park	
Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

Turners Caravan Park is located along the western bank of Blackwood River. The site consists of holiday cabins, powered and unpowered sites and camping areas. The site has approximately 140 sites capable of accommodating up to 400 guests. The site consists of mostly short stay sites although some long stay sites have been approved over the site historically.

Qualitative assessment

- *Accessibility* - The site is located along the main street of Augusta, close to the town centre and adjoins the foreshore to the Blackwood River.
- *Uniqueness* - The site is set along the banks of Blackwood River which is considered to be a significant local and state landmark. It also offers visitors a unique opportunity to access nearby boat ramps and Blackwood River.
- *Setting* - The site draws upon the natural attractions of the surrounding bushland and river. The site is in close proximity to a number of built tourist attractions and activities.
- *Activities and Amenities* - The site supports a number of activities and amenities including fishing, kayaking, walk trails, mini golf, Turner Springs, foreshore reserves, restaurants and cafes.
- *Supply of land* - The caravan park is one of a limited number of caravan parks located directly adjacent to Blackwood River.
- *Suitability* - Adjoining land uses are zoned predominantly for Parks and Recreation. There are small areas of residential zoned land to the north and east of the site however they are buffered by native vegetation and not expected to impact upon the amenity of the site.
- *Capability* - The site is serviced by deep sewer and scheme water.
- *Size* - The site has been developed in a low impact manner and has retained significant areas of native vegetation.
- *Function* - The site is set in close proximity to Blackwood River which appeals to domestic and international visitors seeking an eco-tourist experience.

Site analysis

The site is one of a limited number of caravan parks having direct access to Blackwood River and nearby bushland. The site presents a unique opportunity for the Shire to redevelop the site and make the most out of the surrounding natural and built environments. Use of the site for purposes other than tourism would be considered a significant loss to the local tourism industry and economy.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for caravan and camping purposes, providing for affordable levels of accommodation.
- Consider a component of higher density tourism uses in key locations, where it can be demonstrated that it is incidental to existing caravan and camping areas.
- Review the Turner Park Caravan Park Business Plan (2011-12) to determine how the concept can be achieved and adopt a revised timeframe for implementation.
- Review appropriate locations for long stay and short stay land uses across the site. Any sites provided for as long stay will be incorporated into the site through an Additional Use Right under the current Caravan Park zoning,
- Proposed redevelopment of the site should address fire protection and retention of native vegetation.

5.1.11 Flinders Bay Caravan Park

Site details	
Address: Lot 485 Leeuwin Rd, Augusta Site Area: 5.43ha Zoning: Caravan Park	
Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	-
Size	✔
Function	✔

Description

Flinders Bay Caravan Park is located along the foreshore of Flinders Bay. The complex consists of 130 sites and accommodates up to 300 guests. The site consists of holiday cabins, powered and unpowered sites and camping areas. On site accommodation is predominantly for short stay purposes.

Qualitative assessment

- *Accessibility* – The site is easily accessible from nearby Augusta town centre and is located along a main tourist road leading out to the Leeuwin lighthouse and Skippy's Rock precinct
- *Uniqueness* – The site is located in close proximity to the site of the Augusta boat harbour which provides a unique opportunity to access whale watching and scenic tours. The caravan park is one of only two tourism sites along Flinders Bay.
- *Setting* – The site is set amongst bushland to the west and coastline immediately east of the site. The site is close to Blackwood River and the Leeuwin lighthouse precinct.
- *Activities and Amenities* – The site supports a number of activities and amenities including fishing, kayaking, walk trails, Leeuwin lighthouse and whale watching.
- *Supply of land* – The caravan park is the only beach-side caravan park in Augusta.
- *Suitability* – Adjoining land uses are zoned Parks and Recreation with the exception of the northern boundary which is zoned Residential. The site is suitably buffered from residential areas by native vegetation.
- *Capability* – The site is serviced by Scheme water and septic tanks with leach drains. It is not expected that future development could occur without connecting to deep sewer or an alternative approved waste water system.
- *Size* – The development has been designed in a sustainable manner and provides a balance of nature and low impact development.
- *Function* – The site appeals to domestic and international visitors seeking an eco-tourist experience.

Site analysis

The site is valuable from a tourism perspective as it located in close proximity to the Augusta boat harbour site, Leeuwin lighthouse, Flinders Bay and Blackwood River. The site is heavily vegetated and suited to its current land use. It is expected that the site will benefit following completion of the boat harbour and upgrading of the Leeuwin lighthouse.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for caravan and camping purposes, providing for affordable levels of accommodation.
- Develop and implement a business plan and required improvements for the Flinders Bay Caravan Park to maintain a profitable and well utilised facility.
- Proposed redevelopment of the site should address fire protection and retention of native vegetation.

5.1.12 Lot 3 Leeuwin Road - Proposed Abalone farm development

Site details	
Address: Lot 3 Leeuwin Rd, Augusta Site Area: 5.62ha Zoning: Tourism	
Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	-
Size	✔
Function	✔

Description

A scheme amendment was approved in 2004 to enable rezoning of the site from Rural to Special Use. The site was subsequently rezoned to tourism following adoption of LPS1. A development approval was approved over the site in 2008. The approved Development Guide Plan identified a number of land uses including 100 accommodation units, a restaurant, aquaculture museum and education facility, function centre and an aquaculture commercial centre.

Qualitative assessment

- *Accessibility* – The site is located approximately 5km from Augusta's town centre and 2km from the Leeuwin lighthouse. Although the site is isolated from nearby settlements it is close to tourist attractions
- *Uniqueness* – The proposed development is the closest tourism zoned site to the Leeuwin lighthouse precinct and the Augusta boat harbour, which is currently being developed.
- *Setting* – The proposal will provide guests with a unique opportunity to become involved in the aquaculture industry through an on-site abalone farm and museum.
- *Activities and Amenities* – The site supports a number of activities and amenities including fishing, kayaking, Leeuwin lighthouse, whale watching, an on-site restaurant and educational experiences.
- *Supply of land* –The site is the closest tourism zoned site to the Leeuwin lighthouse precinct, Augusta boat harbour and other Shire and DEC reserves.
- *Suitability* – The proposed use of the site for eco-tourism purposes is fitting with the surrounding landscape, which is designated for parks and recreational purposes.
- *Capability* – The site is almost completely vegetated. Particular attention is required at development stage to ensure important environmental values are protected.
- *Size* – Specific pre-development conditions have been adopted by council to ensure that the site is developed in a sustainable manner.
- *Function* – The proposed development is a self-contained eco resort for clientele seeking an alternative accommodation experience.

Site analysis

The site displays several unique attributes that make it highly attractive from a tourism perspective. Importantly, the environmental attributes of the site are closely linked to its tourism value which implies that the long term sustainability of any recreation and tourism use in the locality relies on the protection of its environmental and visual qualities.

The location of the proposed development provides opportunities to develop synergies with other local tourist initiatives such as whale watching, diving and fishing charters and other passive recreational pursuits. The development will also contribute to the local economy and creation of jobs through demand for supplies needed to service the resort. The site is considered important in context to the surrounding natural and built environments and worthy of retention for tourism development.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for short stay purposes and eco-tourism uses.
- Consider a limited area to be developed for ULS purposes, providing that it is integrated as part of the tourist site and managed through a strata title arrangement.
- Development should seek to protect important environmental values and provide an opportunity for eco-tourism educational experiences.
- An emphasis should be placed on maintaining access and amenity to the coastal area and enhance the environmental aspect by ensuring access is controlled and managed.

5.1.13 Augusta Hotel

Site details	
Address: Lot 4 Blackwood Avenue, Augusta Site Area: 1.69ha Zoning: Town Centre	
Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

Built in 1912, the Augusta Hotel Motel boasts one of the best views of any hotel in Western Australia. The Augusta hotel consists of a number of different accommodation types including backpackers, motel rooms, apartments, and holiday suites, located across a number of lots. The complex is set in the heart of Augusta's township. The site is currently zoned town centre.

Qualitative assessment

- *Accessibility* – The site is located in the centre of Augusta town site and a short walk to Blackwood River.
- *Uniqueness* – The site has views over the Blackwood River and is close by to local attractions.
- *Setting* – The hotel was developed in 1912, and has historical appeal. The site also has arguably one of the best views of the Southern Ocean and Blackwood River.
- *Activities and Amenities* – The site supports a number of activities and amenities including restaurants, shops, nearby public jetties, walk trails and boat cruises.
- *Supply of land* – This is the only hotel in Augusta, situated on the largest parcel of land in the Town Centre zone.
- *Suitability* – The surrounding land uses are zoned town centre with the exception of Shire reserves which are located to the east of the site. The development is consistent with that anticipated within the town centre.
- *Capability* – The site is serviced by Scheme water and deep sewer. Future development of the site is not expected to cause adverse environmental impacts.
- *Size* – The size of the site allows for future development to occur in a sustainable manner capable of providing a variety of land uses.
- *Function* – The proposed development provides a variety of accommodation types including backpacker, luxury, hotel suites and cottages to meet the majority of clientele.

Site analysis

Built in 1912, the Augusta Hotel Motel boasts one of the best views of any hotel in Western Australia. Its river front location is high on the banks of the Hardy Inlet, where the Blackwood River meets the Southern Ocean. The site was previously zoned tourist accommodation under the previous Town Planning Scheme No.19, and was subsequently rezoned to the town centre zone in 2010 through adoption of LPS1 to provide greater land use flexibility in the town centre. Although the site is zoned town centre it is still considered important from a tourism perspective due to its size, proximity to Blackwood River and historic appeal.

Site recommendations

- Retain Town Centre zoning.
- Facilitate a mix of tourism and other town centre uses to be determined through a future Structure Plan to ensure that any proposed redevelopment on the site retains a reasonable component of the site for tourist accommodation.

5.1.14 Margaret's Beach Resort

Site details	
<u>Address:</u> 4 Resort Place, Gnarabup <u>Site Area:</u> 1.69ha <u>Zoning:</u> Tourism	
Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	✔
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

The site was granted planning approval for tourist accommodation in 1996. The site has since been developed as self-contained holiday apartments and can accommodate up to 188 guests. Accommodation ranges from townhouses, self-contained apartments, suites and cottages. Accommodation is managed by a strata-title company. A portion of the site is zoned for Village Centre for the benefit of guests.

Qualitative assessment

- *Accessibility* – Located just off a main tourist route (Wallcliffe Road), the site is easily accessible from Margaret River, Prevelly and Gnarabup. The foreshore and beach café can be easily accessed from the site.
- *Uniqueness* – The site is unique to the area as it has been designed to utilise existing services and amenities provided by the adjacent Village Centre complex.
- *Setting* – The site is close to famous surfing, swimming and fishing beaches. The site is in close proximity to National Park, the Indian Ocean and facilities along the foreshore.
- *Activities and Amenities* – The site is integrated as part of the Gnarabup village centre. The site also includes a swimming pool, gym, shops, restaurant and a nearby oval designated for recreation.
- *Supply of land* – There are a number of other tourism sites in this area however this site is considered valuable as it provides a unique opportunity for tourism and village centre uses to be integrated through a strata-title arrangement.
- *Suitability* – Adjoining land uses are consistent with tourism development land uses.
- *Capability* – The site is serviced by Scheme water and deep sewer. Redevelopment of the site is not expected to result in land use conflict given the short stay tourist nature of the area.
- *Size* – The area identified for tourism purposes is an irregular shape and as such there are some limitations to further develop the site.
- *Function* – The current development offers a wide range of options suitable for group stays, families and couples.

Site analysis

The site has been developed predominantly for short stay self-contained units, which is unique to the Gnarabup/Prevelly settlements. The site is slightly elevated and provides opportunities to take advantage of ocean views and surrounding bushland in some areas. The site is linked to village centre land uses which provide a unique tourism opportunity.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for short stay tourism purposes consistent with the Tourism zone.
- Ensure any redevelopment of the site is integrated as part of the village centre, and is consistent with the surrounding built form and character of the area.

5.1.15 Lot 783 Wallcliffe Road

Site details	
Address: Lot 783 Ocean View/Wallcliffe Road Gnarabup Site Area: 2.35ha Zoning: Tourism	
Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	-
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

Special provisions in the scheme relating to the site ensure that development does not exceed 28 villas comprising of 83 bedrooms in total. Additionally, these conditions do not permit any ULS development other than a caretakers/mangers dwelling.

Qualitative assessment

- *Accessibility* – Located just off Wallcliffe Road, the site is easily accessible from Margaret River, Prevelly and Gnarabup and nearby pedestrian infrastructure.
- *Uniqueness* – The site has direct access to the Gnarabup foreshore and coastal tracks to a sheltered area of the beach.
- *Setting* – The site is nestled above the Gnarabup beach and is bounded by recreational reserves, a village centre and a tourist site to the south.
- *Activities and Amenities* – The site supports a number of coastal activities and is close to village centre amenities and future commercial land uses to the south.
- *Supply of land* – The site is one of two tourist sites west of Wallcliffe Road and has direct access to sheltered swimming areas.
- *Suitability* – Adjoining land uses do not pose any threats on the ability of the site to develop tourism uses.
- *Capability* – The site is serviced by Scheme water and deep sewer. It will be important to retain important environmental and visual attributes during future development of the site.
- *Size* – The size is a regular shape and is capable of being developed in a sustainable manner.
- *Function* – Future development may include a variety of short stay accommodation uses consistent with the Tourism zone. It is anticipated that the site would cater for high end resort style accommodation.

Site analysis

The site is considered to be one of the most important sites in the Shire. The site looks over Gnarabup beach and has direct access to the foreshore. It is expected that future development of the site will provide opportunities to develop high end resort style accommodation and fulfil a gap in the tourism industry. Development of the site would also benefit Gnarabup and the local economy through creation of jobs and money spent within the region.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for short stay only purposes consistent with the Tourism zone and provided for under site specific recommendations set out in Schedule 16 – Special Conditions relating to Tourist Zones.

- An emphasis should be placed on maintaining access and amenity to the coastal area and enhance the environmental aspect by ensuring access is controlled and managed.

5.1.16 Lot 4 Wallcliffe Road, Wilderness

Site details	
Address: Lot 4 Wallcliffe Road Site Area: 2.35ha Zoning: Tourism	
Key Tourism Site Criteria	
Accessibility	✔
Uniqueness	✔
Setting	✔
Activities and Amenities	✔
Supply of land	-
Suitability	✔
Capability	✔
Size	✔
Function	✔

Description

Lot 4 Wallcliffe Road (the Golf Club) is within the Special Use Zone which provides for both a rural residential and tourism component (chalets and other ancillary golf club facilities) on the Site. While constrained by proximity to rural residential areas there is the potential for resort style development on this site.

Qualitative assessment

- *Accessibility* – Located just off Wallcliffe Road, the site is easily accessible from Margaret River, Prevelly and Gnarabup and connected by pedestrian infrastructure.
- *Uniqueness* – The site is immediately adjacent to the Margaret River golf course.
- *Setting* – Adjacent to the 18th hole of the golf course, the parkland cleared site provides views over the course and accommodates the clubhouse facilities.
- *Activities and Amenities* – The site supports the golf activities and ancillary services such as the bar and catering at the clubhouse.
- *Supply of land* – The site is the only freehold lot capable of development in association with the golf course.
- *Suitability* – The adjacent golf course is consistent with tourist development land uses. Detailed consideration of impacts on adjacent rural residential land would need to be given through any modification to development potential.
- *Capability* – The site is serviced by Scheme water. Future development is unlikely to result in social/cultural impacts.
- *Size* – The size is able to be developed for tourist development in a sustainable manner, however fire protection and proximity to rural residential use requires detailed consideration.
- *Function* – The proposed development includes chalets but may include a variety of other tourism land uses consistent with LPS1.

Site analysis

The site is important to the tourism industry as it provides a unique opportunity to develop a mix of short stay and residential dwellings directly adjacent to the golf course. The area proposed for development is the only free title area of the golf course capable of being developed for these purposes. Consideration of impacts to surrounding residences will need to be addressed prior to any future development, in addition to minimising clearing of native vegetation.

Site recommendations

- The principal land use outcome for the site shall be the retention of the site for a mix of rural residential, tourist accommodation and facilities associated with the golf course.
- Detailed consideration of impacts on adjacent rural residential land and environmental values would need to be addressed through any modification to development potential.

PART 6

IMPLEMENTATION AND REVIEW

6.1 Implementation

The Strategy forms part of the Shire of Augusta-Margaret River's planning framework under LPS1. It is recommended that relevant sections of the Strategy be incorporated in to the LPS when it is next reviewed.

The Strategy is more specifically a reference document to be used by the Shire of Augusta-Margaret River to guide the consideration of rezoning proposals, outline development plan proposals, subdivision applications development applications, assessment of mixed use developments and strata-titling.

Once the Strategy is endorsed, the Scheme Text will be reviewed to incorporate and implement the recommendations arising out of the Strategy, particularly in regard to changes to clauses of the "Tourism Zone" and tourist related land use definitions.

6.2 Monitoring and review

Consistent with appropriate review of the LPS, this Tourism Strategy will also need to be subject to monitoring and review, such as:

- The Strategy will need to respond to future changes in State Government policy or local priorities as well as changes within the tourism industry and tourist economy;
- A review of the Strategy every five years following endorsement, or at a time of scheme review/consolidation;
- Scope to amend the Strategy to respond to changes in the intervening period;
- The focus of monitoring and review should be on the extent to which the Strategy has been successful in:
  - Articulating and achieving the planning objectives for the local government; and
  - Guiding land use and development decisions to achieve the outcomes of the Strategy.

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Glossary of Terms

“Unrestricted Length of Stay (ULS)” is holiday accommodation with no maximum period of occupancy restriction, such that it may be occupied either permanently; or temporarily (up to 3 months in any 12 month period) for short-stay purposes.

“Mixed use” refers to a combination of ULS tourism keys and tourism keys which can only be used for short stay purposes.

“Incidental” refers to a portion of a tourism site which can be developed on a lesser scale to the principal land use applicable to the site. Incidental development refers to key tourism sites.

“Principal” refers to the majority tourism use applicable to the site.

“short stay” means tourist accommodation facilities (including motels, caravan and camping facilities, chalets, guest houses, holiday houses or any other form of tourist accommodation) set aside either continuously or from time to time for temporary living purposes but which are not occupied by the same person or group of persons for a period in excess of 3 months in any one 12-month period;

“Low impact tourism” is development predominantly of a tourist nature that has been designed in such a manner that it does not detract from the rural and natural amenity of the locality, and includes the following criteria:
a) development being located so as to avoid ridge lines, escarpments or visually exposed sites and situated where screening vegetation or landform can be utilised;
b) use and development being sensitively located and designed to minimise impact on vegetation, watercourses, soil quality and existing land uses;
c) development being of a scale and nature so as to be self-sustaining on the lot or demonstrating the ability to provide servicing without significant modifications to existing infrastructure;
d) development that by the nature of its scale, design, colours, materials, landscaping and use, has minimal impact on its site and surrounding areas; and
e) where the land use and any development has a minimal off-site consequence.

“Tourism keys” refers to a caravan site, camping site, apartment, chalet, guesthouse, bed and breakfast, motel/hotel room, serviced apartment or the like.

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PLANNING CONTEXT

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Part 1 - Regional context

1.1 South West Strategic Regional Plan 2004-2007

The strategic priorities for the region are the provision of basic infrastructure such as a reliable electricity supply, deep sewerage, water supplies (for urban, agriculture and industry uses), transport, light, medium and heavy industrial land, and social infrastructure for education, health and an ageing population. These are seen as the pre-requisites that will facilitate private sector investment in the region's major industry sectors including agriculture and aquaculture, timber and forest products, tourism, and mineral extraction, processing and manufacturing, leading to jobs and further population growth. The economic opportunity sectors are seen to be:

- Diversification and intensification of agriculture and aquaculture, including down-stream food processing for export markets;
- Value-adding to native hardwoods and plantation timbers, including development and marketing of new products;
- Tourism, especially further dispersal of visitors to non-traditional centres and significant growth in international visitor numbers to selected tourism "icons"; and,
- Expansion of mineral extraction, processing and manufacturing

1.2 South West Development Commission Strategic Plan 2005-2020

The South West Development Commission Strategic Plan 2005-2020 recognises:

- The unique natural environment and cultural assets in attracting investment. The direct relationship of the environment to agriculture, tourism, lifestyle, investment and industry is critical;
- As a region of excellence we value diversity within the population. Allowing people of all ages, genders, cultural backgrounds and of all abilities to participate and contribute to our community;
- Our population will be empowered to take full advantage of the opportunities here;
- The South West Development Commission will support jobs creation, and help remove barriers to employment (such as inadequate child care, public transport and skills deficits). We will also support community volunteerism and leadership to help build social inclusiveness;
- We will strive to ensure improved access and equity in the provision of Government services including advanced planning for educational and medical facilities;
- We will help communities become more self-reliant, encouraging the entrepreneurial spirit, community learning and the development of local community foundation funds;
- Our work to foster community spirit and a sense of place will encompass the whole region, to ensure opportunities are developed in all areas of the South West; and,
- By building social inclusiveness we will be able to develop a diverse and skilled employment pool, helping maximise opportunities for young people to pursue diverse careers within the region. Our communities will be safe and supportive environments for all people.

1.3 State Sustainability Strategy (September 2003)

The State Sustainability Strategy encourages the pursuit of sustainability at the regional scale through the development of Regional Sustainability Strategies. These strategies will provide an opportunity to apply the broad framework of the State Sustainability Strategy working with groups of local government as outlined above. Many other government processes can also feed into the strategies, for example the Regional Natural Resource Management Strategies being prepared by Regional Natural Resource Management Groups.

The Strategy acknowledges that the tourism industry plays an important role in supporting sustainability. Not all tourism needs to be nature-based to be sustainable. From the largest five-star hotel to the smallest nature- based tour operator, all participants in the industry can have an impact on the environment or the social fabric of a local community. Western Australia has a unique opportunity to champion sustainable tourism development.

1.4 Tourism Planning Taskforce Report

The report of the Taskforce, established by the Minister for Planning and Infrastructure, entitled Tourism Planning Taskforce Report (January 2006) (TPTR)recognised that greater emphasis on tourism issues in land-use planning was required to ensure that Western Australia retained its supply of world-class tourism destinations in the long-term in the context of growing development pressures for residential housing – particularly in the coastal areas of the State where the local planning framework has, and will continue to, come under the greatest pressure for tourism/residential development.

In this regard, a key recommendation of the report is for local governments to prepare local tourism planning strategies or incorporates specific tourism components within local planning strategies, as a framework for decision-making on tourism proposals. The strategy outcomes should then be reflected in the town planning scheme, with specific zones and provisions as appropriate. As recommended in the Report, the primary objectives for undertaking local tourism planning strategies will be to identify:

As recommended in the Taskforce Report, the primary objectives for undertaking local tourism planning strategies will be to identify:

- *Strategic tourism sites* – those sites that are critical to the future growth and community benefit of tourism in an area and the State, and where development shall be for tourism purposes only;
- *Strategic tourism locations* – those areas identified as having future tourism potential and where further planning is required for the identification of specific tourism sites and other uses;
- *Non-strategic tourism sites* – those sites that have an important tourism function but where their retention for tourism only purposes is not in all cases critical;
- Sites for the development of integrated tourist-resorts;
- Those sites that have a general zoning that provides for the development of tourist accommodation, such as town centre and some rural zones, and the role such zonings have in accommodating future tourism demand; and
- Those sites zoned for tourism purposes but no longer having an existing or potential tourism function, and where rezoning of the whole or part of the site for an alternative use is appropriate.

Land Use

With regards to definitions for tourism related use classes, the Report identifies that the Model Scheme Text contained a limited number of definitions for tourism related use classes. As a result the Report recommends that the following additional definitions be added to the Model Scheme Text, and subsequently to all town planning schemes: Chalet, Cabin, Eco-Tourism Facility, Farm Stay, Guesthouse, Holiday Home, Lodge, Tourist Resort, Serviced Apartment and Short-Stay Accommodation.

1.5 Caravan Parks/Camping Grounds Act 1995

The development of caravan parks must comply with the provisions of the Caravan Parks and Camping Grounds Act 1995 and the Caravan Parks and Camping Grounds Regulations 1997. The objectives of the Act are:

- to provide for the licensing of caravan parks and camping grounds;
- to regulate caravanning and camping;
- to improve and promote caravanning and camping;

- to ensure that the design and layout of land used for caravan parks and camping grounds and the provision and availability of amenities and services meet desirable standards; and,
- to ensure that the standards of caravans and annexes in caravan parks are adequate to protect the health and safety of the occupiers.

The reference to caravan parks for the purposes of the Act also pertains to park home parks, nature based parks and transit camps. As well as providing for the licensing of caravan parks, the legislation defines a caravan park (similarly defined in the Model Scheme Text), a short stay site (site occupied for no longer than three months) and long stay site (site occupied for any period of time) and sets out a range of matters for the construction and operation of caravan parks. These include design standards for:

- Internal road widths;
- Setbacks;
- Parking;
- Internal open space;
- Permitted on-site buildings and facilities;
- Fire fighting equipment; and,
- Supply of an electricity, water and telephone services

Significantly, the Act and Regulations do not allow Caravan Parks to be subject to a strata subdivision into individually owned sites.

1.6 Planning Bulletin 49 - Caravan Parks

The provisions of the Bulletin recognise that caravan parks have traditionally provided accommodation for tourists, however in recent years; there has been a trend for caravan parks to also provide permanent accommodation for residents. Taking this into account, the key planning objectives for the development of caravan parks are:

- To provide short-term accommodation for tourists in locations which complement existing tourist and recreation facilities;
- To provide long-term accommodation for permanent residents in locations with access to services normally available to conventional residential development; and,
- To encourage development of caravan parks in a manner which is compatible with existing land uses, and which does not have a detrimental impact on the environment or the amenity of the locality.

In terms of suitable sites for caravan parks, the Bulletin references a number of factors that should be taken into account, being:

1. *Tourist or Permanent Accommodation* –Caravan parks that are designed to cater primarily for tourists should be located with good access to key tourist attractions such as beaches, or areas of cultural, historical or landscape significance. For those caravan parks that are to be principally designed for permanent residents, they should be assessed in the same way as conventional residential development and located accordingly in areas that have access to employment, shops, schools, public transport and community and recreation facilities.
2. *Visual Impact and Amenity* – caravan parks can have a pronounced repetitive image, thus the use of vegetation buffers and landscaping is important to integrate the caravan park into its landscape.
3. *Topography, Drainage, Soils and Vegetation* – Caravan Park sites should generally:
    - Not be located on steep slopes due to potential drainage problems, potential increase in development costs, potential bushfire hazards;
    - Not be permitted in areas of potential risk from flooding or water logging;

- Not be located on soil types that are not suitable for development as they are susceptible to slipping and slumping; or
- Not require excessive removal of vegetation.

4. *Utility Services* – all utility services, including a suitable electricity supply, telephone service, a water supply and reticulated sewerage (or effluent disposal system) should be available.
5. *Pedestrian and Vehicular Access* – suitable access to and from caravan parks should be provided to ensure traffic, cyclist and pedestrian safety within the vicinity.
6. *Environment, Setting and Land Capability Considerations* – caravan parks should not be sited in areas where the development is likely to have an adverse impact on the environment, including impacts on regionally significant vegetation, locally significant vegetation, wetlands or other environmental values.

1.7 Holiday houses PB guidelines 99

The bulletin acknowledges that holiday houses have to date operated with minimal regulations, resulting in an uncertain legal environment, caused issues of inequity with other service providers and resulted in land use conflict. Social impacts with neighbouring residents are particular issues in the community. The bulletin recommends that holiday houses be formalised as a land use and dealt with through local planning strategies, schemes and policies.

The bulletin recommends that specific areas are identified for holiday houses which do not conflict with surrounding residential land uses. The bulletin recommends that holiday houses should be located in close proximity to areas supporting tourism, including rural sites, coastal areas and town centres.

1.8 Tourism Western Australia: Strategic Plan 2008-2013

Tourism WA is the state body addressing tourism in WA. In 2007, Tourism WA prepared a Strategic Plan (2008-2013). Tourism WA ensures that the state's tourism industry activities are planned and managed to meet community requirements now and in to the future. TWA seeks to develop, promote and protect WA's iconic tourism experiences. TWA's objectives over the life of the strategic plan include:

- Improving the quality of visitor experiences;
- Securing the future of regional tourism;
- Growing visitor expenditure faster than visitor nights (numbers)
- Accelerate the development of Aboriginal tourism
- Influence major infrastructure priorities and attract private investment;
- Build recognition that tourism and events enhances the unique WA lifestyle and supports the natural environment.

The plan recognises that aviation access needs to be improved within regional areas so that Perth is no longer the only gateway. TWA has placed a strong focus on developing easily accessible tourism products supported by quality visitor information in regional hubs, including Margaret River, Broome and Exmouth. It is expected that this will result in greater regional visitation, increased revenue and higher levels of investment.

1.9 Australia's South West Destination Development Strategy (2007-2017)

Destination Development Strategies have been developed for the five regions within Western Australia including the Margaret River Wine Region. The objective is to focus regional development resources on enhancing tourism product in iconic experience areas and partnering with key stakeholders to formulate and implement strategies that develop Western Australia's destinations, with specific goals to:

- Identify and prioritise iconic attractions and experiences;
- Develop strategies to address gaps in infrastructure, attractions, accommodation and other tourism facilities;
- Develop strategies to disperse visitors so that all parts of a region benefit from tourism activity associated with iconic attractions and experiences; and
- Provide the leadership which focuses on the development of tourism product and investment within iconic attraction and experience areas.

The Strategy identifies a number of project/strategies to be implemented throughout the Margaret River Wine Region based upon the area's accommodation, attractions, activities, amenities and access.

1.10 Australia's South West: Tourism Development Priorities (2010-2015)

In recognising the role that many agencies have in destination development, a set of Tourism Development Priorities (TDP) have been developed to help identify tourism product and infrastructure priorities in key destinations around the state. These documents both help guide government agencies in their planning and dissemination of grants as well as assisting the private sector in identifying potential development and investment opportunities.

The following priorities will assist in improving infrastructure and stimulating private investment in product development in the Australia's South West tourism region. It is important to remember that these priorities do not cover all areas of destination development, such as marketing and events. Tourism WA will monitor the progress of priorities and may assist in facilitation.

a. Develop an airport in the Margaret River wine region capable of managing direct air services
b. Improve Bussell Highway (including Margaret River Bypass)
c. Continue the improvements brought about by the Perth to Bunbury Highway
d. Secure the future of the Busselton Jetty
e. Investigate and facilitate the development of convention/conference facilities in the region
f. Improve safety on Margaret River's secondary roads
g. Ensure the preservation and development of affordable accommodation in the region
h. Ensure tourism related development is incorporated in the proposed Busselton Waterfront Precinct Development
i. Improve boat access and jetty infrastructure in the region
j. Ensure opportunities for attraction and activity rejuvenation and development
k. Review signage needs across the region
l. Improve the quality of visitor facilities in key tourism locations

1.11 Statement of Planning Policy No 2.6: State Coastal Planning Policy

This policy addresses land use planning and development issues specifically as they relate to the protection and management of the Western Australian coast. The objectives of this State Planning Policy are to:

- Protect, conserve and enhance coastal values, particularly in areas of landscape, nature conservation, indigenous and cultural significance;
- Ensure the identification of appropriate areas for the sustainable use of the coast for housing, tourism, recreation, ocean access, maritime industry, commercial and other activities; and,
- Ensure that the location of coastal facilities and development takes into account coastal processes including erosion, accretion, storm surge, tides, wave conditions, sea level change and biophysical criteria.

The general measures, which planning strategies, schemes and decision-making should account for and have regard to, that are provided for in this State Planning Policy that are relevant to the Strategy and tourism developments include, but not limited to:

- Maintain and enhance public enjoyment of the coast where this is consistent with the objectives of this Policy;
- Ensure that any structure plan, zoning, subdivision, strata subdivision or development proposal for public purposes, residential, industrial, commercial, tourist, special rural and similar uses on the coast is only approved based upon or in conjunction with a current detailed coastal planning strategy or foreshore management plan (whichever is appropriate for the stage and scale of development);
- Protect significant natural, indigenous and cultural features of the coast;
- Ensure that use of the coast, including the marine environment, for recreation, conservation, tourism, commerce, industry, housing, ocean access and other appropriate activities, is sustainable and located in suitable areas;
- Ensure that when identifying areas suitable for development, consideration is given to strategic sites for coastal access and commercial development that is demonstrably dependent on a foreshore location including ports, boat harbours and regional boat ramps;
- Ensure that land use and development, including roads, adjacent to the coast is sited and designed to complement and enhance the coastal environment in terms of its visual, amenity, social and ecological values;
- A restriction in building heights to 3 storeys within 300m of the coast, or in special circumstances, 8 storeys, with broad community support; and,
- Provide for public foreshore areas and access to these on the coast.

1.12 Leeuwin Naturaliste Ridge State Planning Policy 6.1

The policy provides the strategic planning framework for the policy area for the next 30 years by providing greater vision, guidance and certainty of land use. The policy recognises tourism as playing a vital role in the local economy. The policy provides a statement of intent for tourism across the subject area, as follows:

- Encouraging nature-based and cultural tourism opportunities
- Focusing coastal tourism in designated nodes
- Integrating large-scale tourist development into Principal Centre and other settlements
- Promoting low-scale tourist development that is consistent with local characteristics
- Encouraging innovative tourism development that responds to the local natural and cultural environment
- Assessing land use proposals for their impact on tourism and
- Conserving the landscape, cultural and environmental values that offer future tourism potential.

1.13 Tourism Bulletin 83

A key outcome of the revised TP83 review (2011) is to provide for a more strategic and flexible approach to tourism planning to encourage and support investment in the industry. The revised bulletin includes the following changes:

- A strategic focus of broader planning concepts such as locations and precincts to replace the existing “strategic” and “non-strategic” tourism sites.
- Greater emphasis on the local planning framework in addressing regional and local tourism issues and land use planning objectives.
- Review of the limits to residential development as part of tourism sites. The previous bulletin supported a maximum of 25% residential development for non-strategic sites.

The bulletin identifies criteria for preparing a tourism strategy including but not be limited to:

1. Identification of the value of sites based on their capacity to be developed for a quality, sustainable tourism outcome that addresses the current and future accommodation demand.
2. The process and scope of more detailed planning required;
3. Assessment criteria and principles to guide the development of tourism sites and tourism precincts; and tourism uses within a mixed-use development.
4. Identification of appropriate planning mechanisms to be incorporated within the local planning scheme.
5. A consideration of appropriate incentives such as plot ratio bonuses to encourage the provision of tourist accommodation or to improve the scale of the tourism component in a mixed use development.
6. A review of the planning framework including the local planning scheme and State and local planning policies and strategies.

Assessment for tourism precincts
The bulletin determines tourism precincts based upon the following principles:
- Proximity to tourist attractions and facilities.
- Existing compatible land uses and infrastructure.
- Existing and potential short stay accommodation opportunities.
- Character and amenity.
- Visitation statistics to the locality.
- Access including transport opportunities.
- Capacity to accommodate a mix of uses that complement tourism development.

Assessment for tourism sites
The bulletin sets out general location criteria and site specific criteria to determine the value of tourism sites. The criteria is based upon the sites accessibility, uniqueness, setting, and location of surrounding activities and amenities, supply of land, suitability in a land use context, capability, size and function.

Residential development, strata-titling and subdivision
The bulletin provides a set of assessment principles for the determination and suitability of tourism proposals with a residential component. The permissibility of residential development on tourism zoned land is assessed upon performance based criteria and objectives and allows for more development flexibility than the TPTR. The bulletin also provides guidance for determining strata title developments and subdivision on tourism zoned land.

1.14 State Planning Policy No. 3.1: Residential Design Codes

Through local government, the *Residential Design Codes* provide a comprehensive basis for the control of residential development throughout Western Australia. The objectives for residential development in the *Residential Design Codes* are:
- Provide for a full range of housing types and densities that meet the needs of all people;
- Provide for local variations in neighbourhood character;
- Ensure the provision of on-site facilities for all dwellings;
- Protect the amenity of adjoining residential properties;
- Encourage the conservation of buildings with heritage value; and
- Encourage environmentally sensitive design.

The objectives for the planning and development proposes are to:
- Provide local government with the full range of choices for housing type and design to meet the needs of their communities;

- Provide for uniformity of residential development standards, consistent with local needs;
- Provide clear and understandable siting and design standards;
- Minimise cost and delay in the process of preparing, assessing and determining development applications; and
- Provide for neighbour consultation and discretionary decisions by councils where acceptable development provisions are not met.

Although the *Residential Design Codes* primarily relate to residential development, they are applicable in 'Tourist' zones where the operative Town Planning Scheme No 1 applies a density coding and where dwellings are permissible in such a zone.

With regards to mixed-use developments, in this context referenced as dwellings that are provided in conjunction with commercial or other non-residential uses, the *Residential Design Codes* provide some development requirements to ensure a reasonable standard of residential amenity whilst encouraging mixed use development as espoused by *Liveable Neighbourhoods*.

1.15 Liveable Neighbourhoods

Although *Liveable Neighbourhoods* generally applies to residential development on green field and large urban infill sites there are a number of key aims, principles and design criteria referenced in the mixed-use development provisions that are appropriate for consideration of tourism developments, particularly in settings whereby the natural environment needs to be taken into consideration – as is the case with Margaret River. In this regard the following aims, principles and design criteria are relevant for consideration in relation to the Strategy:

- All new developments should provide for and facilitate a much more sustainable urban and environmental outcome;
- A need to provide improved social sustainability (social capital and community development) and better equity and choice;
- Greater emphasis on site-responsive design, enhancing local identity;
- Design a robust urban and neighbourhood structure that can accommodate a range of uses, and which is flexible enough to change over time;
- The quality of the public realm with the street should be the main organising element for activity centre design and not the land use;
- Activity centres should be detailed to create a high quality street environment with shade, shelter, trees, pavement treatment, street furniture and landscaping and urban art;
- Developments to be designed to facilitate and encourage alternative forms of transport (walking, cycling and public transport access) and not just car access;
- Building typologies to generate good street frontage. In order to achieve good streetscapes, appropriate typologies (especially at ground floor) are needed to support adaptability, economic change and amenity over time; and
- Detailed design of activity centres shall create a strong and unique sense of place and local identity and this should derive, wherever practical, from the local natural and cultural context.

Part 2 - Local context

There is an extensive range of strategic factors which influence this Strategy. A principal objective is to align the direction of this Strategy with this range of factors that include:

2.1 Leeuwin-Naturaliste Capes Area Parks & Reserves Management Plan (2010)

The process of preparing this management plan began as a response to changing community expectations, intensified land use within the region and the need to review the existing Leeuwin-Naturaliste National Park Management Plan 1989-1999.It comprises 34,942 hectares of reserves that extend about 120 kilometres from Cape Naturaliste to Cape Leeuwin along the Leeuwin-Naturaliste Ridge, and a further 36 kilometres east of Augusta along the Scott Coastal Plain. The reserves range from less than a hectare to more than 21,000 hectares in size. Major factors influencing management of the reserves are their linear shape, fragmented nature and geographic isolation, as well as external influences from semi-rural residential developments and intensified agricultural practices on adjoining lands.

Two main sections relating to tourism development includes and ‘Overnight stays’ (31.9) arrangements (Hamelin Bay Caravan Park).The objective is to provide appropriately designed built accommodation and camping opportunities while minimising environmental and other impacts and conflicts between users.

The plan seeks to achieve this by:

1. Retaining existing built accommodation, and considering more built accommodation where it is commercially viable, consistent with the visitor management setting (see Map 5 and Appendix 9),meets environmental, visual landscape and social objectives of this management plan and provides opportunities not already available on adjoining lands.
2. Permitting camping in the designated sites shown on Maps 7a and 7b and upgrade/redesign sites according to current visitor needs and to manage environmental impacts.
3. Reducing environmental impacts such as soil disturbance and tree decline by realigning Point Road to bypass the camp site.
4. Closing the Boranup Campground within five years of commencing the plan and relocating it within the Boranup Forest area.
5. Developing an additional walk-in camp site on the Cape to Cape Track in Boranup Forest.
6. Trialling a booking system for Conto Campground with a view to extending this to other sites if appropriate.
7. Allowing remote camping in Leeuwin-Naturaliste National Park by way of lawful authority under the CALM Regulations. Remote camping in other areas will be prohibited and sites rehabilitated where necessary.
8. Monitoring visitor impacts at all camping areas and adapting management as required.

2.2 Local Planning Strategy

The Local Planning Strategy provides the following in relation to tourism development in the Shire:

- The Tourism land use category provides for a range of tourist accommodation and tourist activities from camping areas/caravan parks through to resorts. Development proposals will be considered in line with the specific provisions of Local Planning Scheme No. 1.
- Where rezoning are proposed, consideration will be given to the Tourism Planning Taskforce Report and the appropriateness of the land use in the context of its

location and the demand for that particular tourist accommodation or activity type, in consultation with Tourism WA.
- There will be a general presumption against the rezoning of tourist zoned land, until the Local Government has completed its Local Tourism Strategy, after which time all proposals to rezone land will be assessed in accordance with the findings of the Tourism Strategy.

2.3 Local Planning Scheme No. 1

Tourism is made up of three different zones, including Tourism zone, Caravan Park Zone and Chalet and Camping zone. The purpose and objectives of each zone are as follows:

Tourism Zone
This zone provides for a variety of accommodation generally compatible with the surrounding area. A wide variety of tourism accommodation may be permitted within this zone, although there is a strong emphasis for development and retention of land suitable for hotels, motels and resort development. Development within this zone should not conflict with the natural or built environment and should provide for associated uses, infrastructure and services appropriate to the needs of the development.

Caravan Park Zone
This zone provides for development of caravan parks, including camping grounds and limited chalet development. The zone provides for low cost holiday accommodation, with a preference for development in beach-side and river-side locations. High order tourist accommodation such as motels and resorts will not be supported in these areas and should be retained for Caravan Park, camping ground and chalet purposes.

Chalet and Camping Zone
Only low impact tourist development having a minimal impact upon existing amenity and landscape areas will be supported. These zones are located within rural based areas comprising of large natural areas comprising of vegetation qualities. A particular preference is to not impact upon environmental qualities and to design developments sympathetic to the surrounding landscape and land uses.

2.4 Shire of Augusta-Margaret River Local Planning Policy 20 – Holiday Houses

The purpose of this policy is to provide guidance on the appropriate location, scale and use of single dwellings for ‘Holiday Houses’ and ‘Holiday Houses (large) in the Shire. The Scheme sets out development requirements and objectives for holiday house uses that include:

- The need for a holiday house activity to be appropriately managed to ensure that it will not cause nuisance or annoyance to the owners of adjoining or nearby properties.
- Additional parking areas to be provided onsite over and above those required for residential use.
- Limiting initial approval periods to one year, with this to be renewable for an extended period upon application.
- An indication that if the Shire has received complaints regarding the holiday house activity, a further approval may not be granted.

The policy therefore aims to provide guidance on the interpretation and implementation of the provisions of the Scheme and especially in relation to the location of Holiday Houses in the inland settlements of the Shire. The policy provides the following objectives:

1. To provide clear guidelines on the appropriate location of Holiday Houses and Holiday Houses (Large) in the Shire.

2. To encourage the development of holiday houses in areas of high tourist amenity and attraction and in proximity to relevant services.
3. To ensure that Holiday Houses and Holiday Houses (Large) are appropriately sited, sized and designed to be consistent with the character and amenity of surrounding land uses.
4. To ensure that the primacy, affordability and use of the broader residential areas of the Shire for residential purposes is maintained. To acknowledge the complimentary role that holiday houses play in the tourist accommodation sector in the Shire.

2.5 Shire of Augusta-Margaret River Local Planning Policy 25 – Short stay use of grouped dwellings

The policy recognises the need for alternative accommodation within the tourist sector and, at the same time, addresses issues that can potentially arise when grouped dwellings are used for short stay accommodation. Apart from car parking requirements, the Scheme does not provide specific criteria for the development of residential buildings. Accordingly, the policy aims to guide the assessment of this type of residential building. The objectives of the policy are:

- To ensure that residential buildings are appropriately sited and designed to be compatible with adjoining and surrounding grouped dwellings and other surrounding land uses.
- To ensure that the design and layout of the grouped dwelling development, in which the residential building is located, will mitigate adverse impacts on neighbouring properties.
- To ensure that residential buildings are managed appropriately to avoid conflict with surrounding grouped dwellings.
- To ensure that residential buildings are located in areas of high tourist amenity and attraction and in proximity to relevant services.
- To ensure that the broader residential areas of the Shire remain as affordable land used for residential purposes.

Approvals for short stay use of grouped dwellings are measured against performance criteria/acceptable development standards set out in elements of the policy including:

- Location
- Occupancy
- Car parking
- Design of the residential building
- Location of residential building within the grouped dwelling development and design of the grouped dwelling development
- Management

2.6 Strategic Community Plan 2011/12 to 2021/22

The Strategic Community Plan for 2011-2021 provides a strategic approach to the sustainable management of the Shire's resources over the next ten years. Five Key Result Areas (KRA's) forming the framework for this Strategic Community Plan for the Future are:

1. Sustainable Development
2. Environmental Protection
3. Stronger Communities
4. Vibrant Economies
5. Business Excellence

Key Result Area 4 is of particular importance to the tourism strategy as it provides reference to the Shire's tourism industry. The fundamentals of Key Result Area 4 include the following objective, scope and performance measures:

Objective
To foster economic prosperity in the Shire and region.

Scope
The scope of this key result area is commercial and economic development, employment creation, tourism development, the development of vital infrastructure to support economic growth including the Augusta Boat Harbour, Margaret River Perimeter Road and regional and local airport facilities.

Performance Measures
- Achievement of program and project milestones
- Government support for projects
- Economic indicators e.g. GDP, number visitors to Shire
- Customer and community satisfaction
- Financial indicators

APPENDIX 2

SUPPLY ANALYSIS

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Introduction

A successful tourism industry requires a particular combination of attractions, facilities and services to meet the needs of tourists. Tourism planning can be considered in terms of five groupings – accommodation, attractions, activities, amenities and access (5 A's of tourism). These 5 "As" of tourism have been used as a framework to identify and address the development needs of the tourism industry in Western Australia. [1]

The supply analysis undertaken includes an inventory of the 5 A's of tourism. Data was gathered by conducting phone surveys with accommodation providers, and included information sought from the Augusta-Margaret River Tourism Association (AMRTA) and tourism related planning approvals. A GIS spatial analysis was subsequently undertaken to identify the location of the 5 A's of tourism.

Using this data, an assessment can be undertaken on whether the current tourism product is adequately meeting the needs of the tourist and if there are any specific constraints or issues which are impeding the tourism experience. This may include for example, a lack of accommodation of a certain standard, a lack of quality amenities, or a failure to capitalise on a local attraction or potential tourism asset. The strategy makes specific recommendations on how to improve the Shire's tourism industry.

Table 1 below highlights the total number of tourism related accommodation, attractions, activities, amenities, access and sites zoned for tourism.

Table 1: Total Tourism Supply (5 A's)

Tourism Supply type	Total supply
Accommodation	209
Activities	50
Attractions	104
Access	30
Amenity	15
Zoned for future tourism	50
Total	**450**

1.1 Accommodation

Successful accommodation development depends upon building the right type of facility to suit the needs of an identified market segment. Tourists are generally interested in staying in accommodation that reflects the values and attractions of the surrounding area. [2] This is true in the case of the Shire, where the majority of accommodation is predominantly low impact development complementing the natural environment and surroundings.

A review of the Shire's current accommodation supply was undertaken to determine the following:

1. *Type of accommodation* – accommodation types were defined in accordance with the tourism land uses provided under Local Planning Scheme No. 1, which included *bed and breakfast, cabins, caravan parks, chalets, camping grounds, guest houses, holiday houses, hotels, motels, resorts and serviced apartments*.
2. *Locality of accommodation* – identified by postal locality.
3. *Number of lettable keys*– a lettable key is defined as an accommodation key leased out independently to one travelling party. This may be in the form of a holiday house, an apartment, a room within a hotel or a caravan or camping site.

[1] Tourism WA 2006, *Tourism Planning Taskforce Report,* Department for Planning and Infrastructure, Perth

[2] Tourism WA 2006, *Tourism Planning Taskforce Report,* Department for Planning and Infrastructure, Perth

4. *Total capacity* – total capacity refers to the total number of guests capable of being accommodated within an accommodation complex.
5. *Star rating* – star rating refers to the quality of accommodation being provided. Star ratings are measured against AAA Star Ratings Australia.

Table 2 below provides a breakdown of the total number of accommodation providers in the Shire by accommodation type.

Table 2: Total accommodation supply in AMRSC

Accommodation type	Number of accommodation	Number of lettable keys	Total capacity of accommodation	Star rating (average)
Bed and Breakfast	12	17	65	4
Cabin	24	101	504	3.5
Camping ground	5	159	596	-
Caravan Park	10	1058	3550	3.5
Chalet	23	107	410	3.8
Guesthouse	9	88	358	3.7
Holiday house	98	112	694	4
Hotel/Motel	6	165	385	3.5
Resort	5	150	540	4
Serviced Apartment	17	91	415	4
Total	**209**	**2048**	**7517**	**3.8**

Table 3 identifies the total guest capacity by location. Margaret River, Augusta, Prevelly, Gnarabaup, Gracetown and Hamelin Bay are capable of accommodating the majority of guests in the Shire. This is due to the development of large caravan parks and resorts in these areas capable of accommodating a significant number of guests.

Table 3: Accommodation capacity by locality

Accommodation capacity by locality			
ALEXANDRA BRIDGE	100	HAMELIN BAY	828
AUGUSTA	1276	KARRIDALE	32
BAUDIN	28	KILKARNUP	6
BORANUP	424	KUDARDUP	208
BRAMLEY	46	MARGARET RIVER	2306
BURNSIDE	114	MOLLOY	16
COWARAMUP	118	PREVELLY	620
DEEPDENE	8	REDGATE	24
FOREST GROVE	106	ROSA BROOK	14
GNARABUP	500	ROSA GLEN	104
GRACETOWN	589	SCHOEDDER	44
		WITCHCLIFFE	6

The following pie charts provide a representation of the total number of accommodation providers by accommodation type and by accommodation capacity. Figure 1 below identifies that the Shire is made up of 48% holiday houses yet only 5% cabins and chalets and 7% caravan and camping grounds.

Figure 1: Total number of accommodation providers by accommodation type

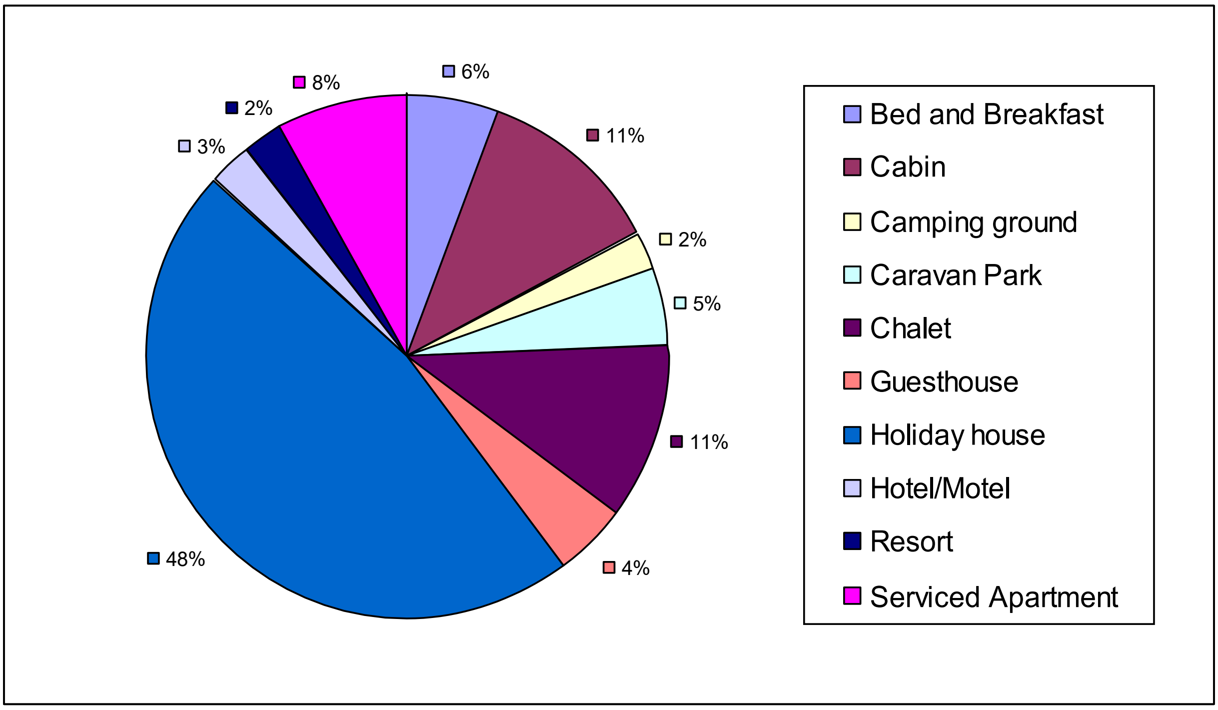


Figure 2: Total number of lettable keys by accommodation type

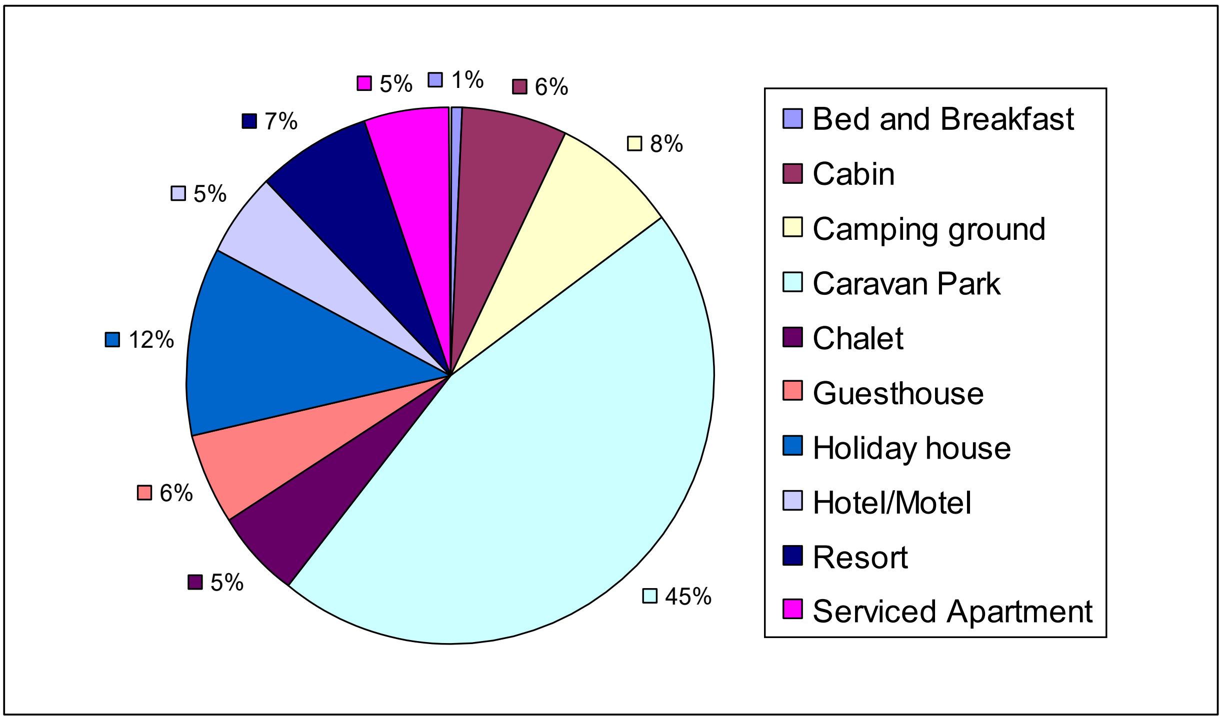


Figure 2 above indicates that 'Caravan Parks' (45%) and 'Camping Grounds' (8%) provide for approximately 53% of lettable keys in the Shire whilst 'Serviced Apartments' (5%) and Hotel/Motels (5%) only provide 10% of available accommodation keys.

Results stemming from the accommodation audit include the following:

- Holiday houses make up approximately 48% of accommodation providers yet only 5% of the available lettable keys and 9% of the total accommodation capacity.

- Caravan and camping grounds make up 7% of accommodation providers yet provide 53% of lettable keys and 55% of the total accommodation capacity.
- Cabins and chalets make up 22% of accommodation providers yet only provide 10% of lettable keys and 12% of the accommodation capacity;
- The hotel/motel/resort sector makes up 5% of accommodation providers and 16% of the lettable keys and 12% of accommodation capacity.
- Augusta, Margaret River, Prevelly and Gnarabup are close to services and natural attractions and accommodate the majority of visitors in the Shire.

1.2 Attractions

Tourists are motivated to visit a destination by its natural and built attractions. To be sustainable, attractions need to be unique, authentic and marketable. They also need to have sufficient controls in place so that the tourism volume is sustainable in the long term without damaging the quality of the attraction. The Shire consists of many natural attractions which draw visitors from other areas of the State, and both interstate and international visitors.[3]

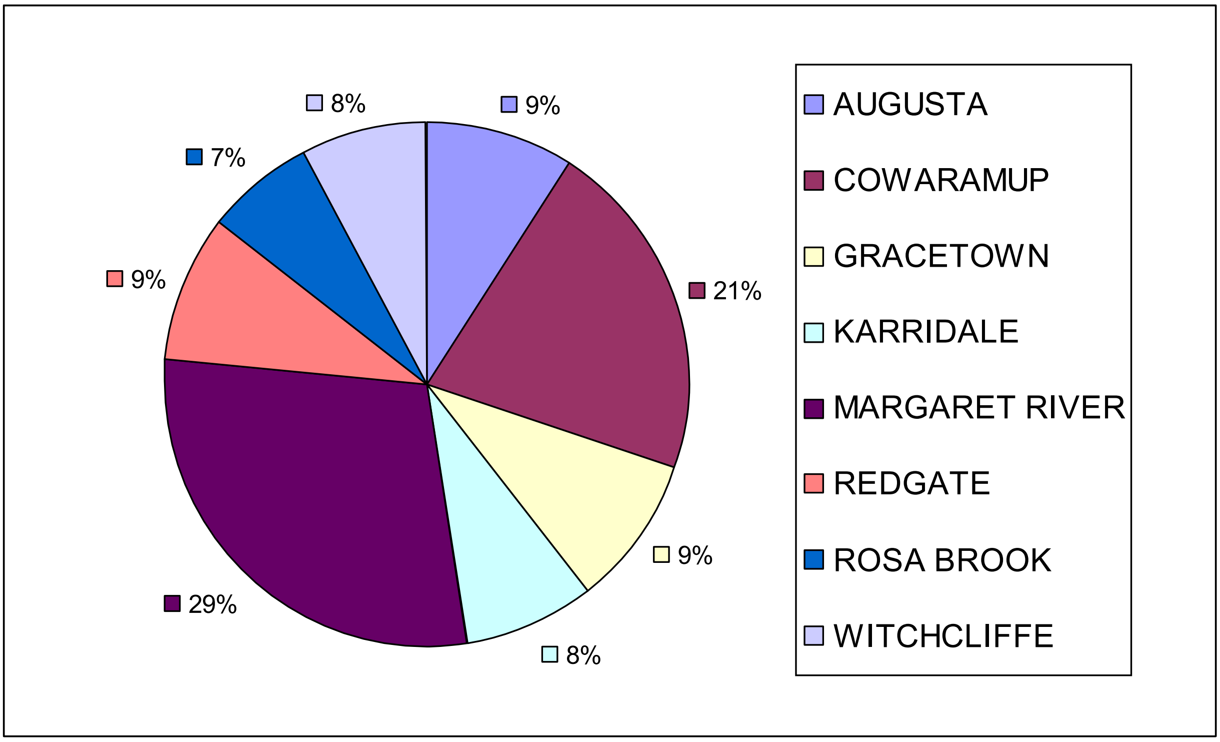
International and domestic visitors are drawn to the Shire for its pristine coastline, natural forests and wildflowers, caves, vine and food culture and its unique biodiversity. The future of tourism in this area relies heavily on the maintenance of the quality of the environment and the management of natural attractions and their associated cultural values.

Membership data provided by AMRTA was used to determine the number of tourist related attractions in the Shire. Tourist attractions refer to natural and built attractions or existing natural attractions appealing to visitors. The natural appeal of attractions rests upon a number of physical and natural attributes including beaches, forests, caves, flora and fauna and socio-cultural heritage such as whaling in Augusta and includes a number of annual events unique to the Shire.[4]

In addition to the natural and social endowments of the area, the tourism industry in the Shire has sought to develop built attractions including cellar doors, artisan galleries, golf courses, souvenir shops, walkways, look-outs and visitor parks.[5] As depicted in Figure 3, Cowaramup and Margaret River offer the majority of tourist attractions in the Shire consisting mostly of artisan galleries and cellar doors.

[3] Tourism WA 2006, *Tourism Planning Taskforce Report,* Department for Planning and Infrastructure, Perth
[4] Williams, S 1998, *Tourism Geography,* Routledge, London
[5] Williams, S 1998, *Tourism Geography,* Routledge, London

Figure 3: Number of attractions by locality



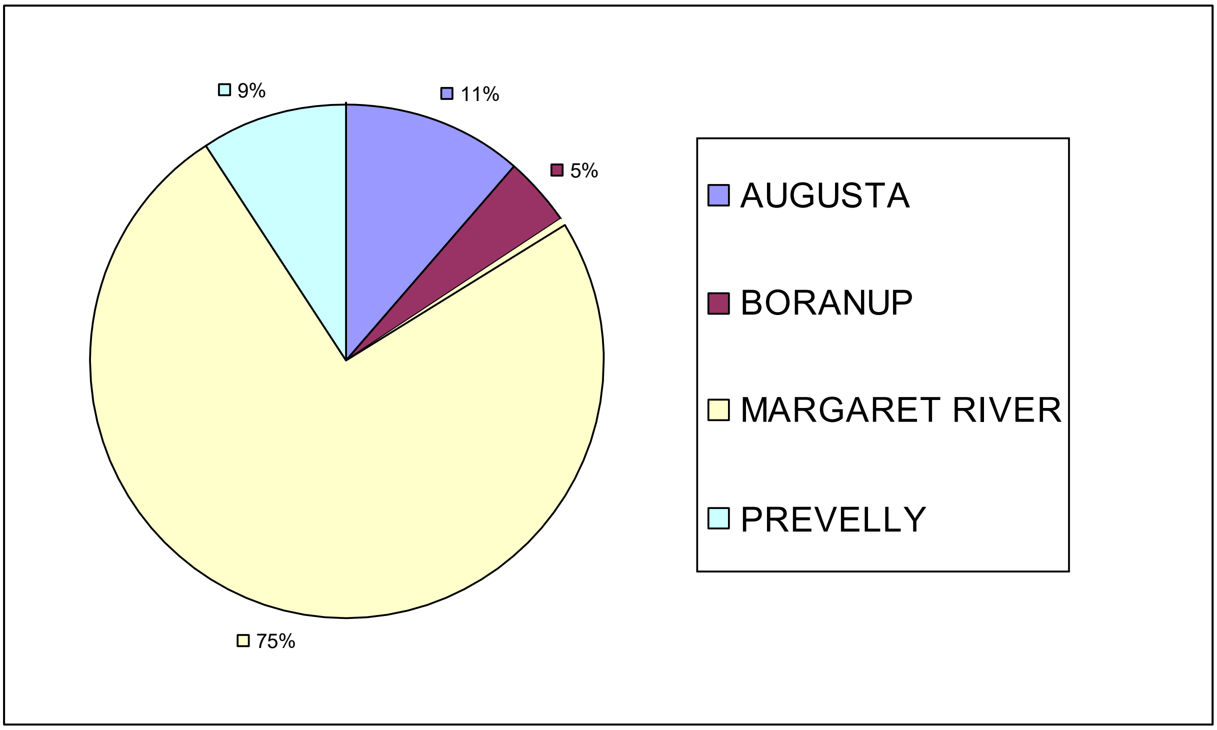
1.3 Activities

Visitors seek activities to take part in at destinations. These may include windsurfing, golf, tennis, swimming, boating and canoeing as well as passive activities such as sun bathing or reading in a park or by a pool. Some of these activities may themselves be attractions for some visitors.[6]

Tourist activities in the Shire are situated around natural and built attractions. These include activities such as cave tours, winery tours, rock climbing, canoeing, kite-boarding and surf schools, bush walks, bike tours, horse riding and golf courses. Tourist activities available in the Shire are considered to be mostly eco-based tourism built around the natural environment. Winery tourism is also a major drawcard. As shown in Figure 5 below, Margaret River, Prevelly and Augusta offer the majority of tourist activities.

[6] Tourism WA 2007, *Australia's South West Destination Development Strategy 'An Action Plan Approach' UPDATE, 2007-2017,* Tourism WA, Perth

Figure 4: Number of activities by location



1.4 Amenities

Amenities are basic services that provide for the needs of tourists at a destination, including information centres, interpretive signage, toilet facilities, car parks, boat ramps, dining and shopping opportunities and sporting facilities. A high degree of co-ordination is needed to ensure that tourism use of such facilities does not compromise the local community and the resentment of tourists is avoided.[7] The Shire has two information centres, one in Augusta and the other along the main street of Margaret River. Information centres are a starting point for tourists seeking different types of amenities and activities.

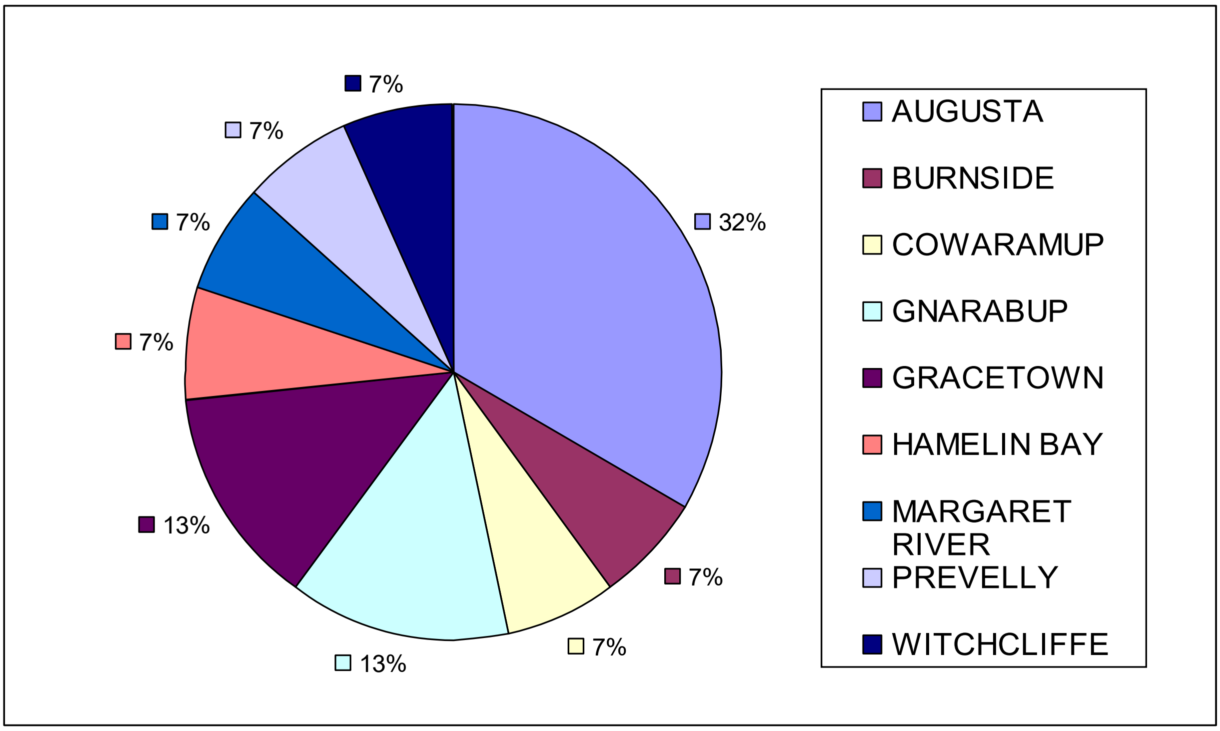
Other government agencies such as DEC provide amenities within the Leeuwin Naturaliste Ridge National Park and Bramley National Park. DEC generally provide walkways, ablution blocks, boat ramps and formalised car parks, especially in those areas within close proximity to designated DEC camp grounds. For the purposes of the supply analysis, the following amenities were recorded:

- Sporting facilities and grounds;
- Jetties and boat ramps; and
- Information centres;

Interestingly, the majority of these amenities were identified along coastal areas, outside major settlement areas.

[7] Tourism WA 2006, *Tourism Planning Taskforce Report,* Department for Planning and Infrastructure, Perth

Figure 5: Number of amenities by location



1.5 Access

Air

A key to increased international visitor numbers is to have more airlines with more seats flying from more countries and different parts of Australia to Western Australia.[8] Currently there are no regular commercial airlines servicing Margaret River.

Road

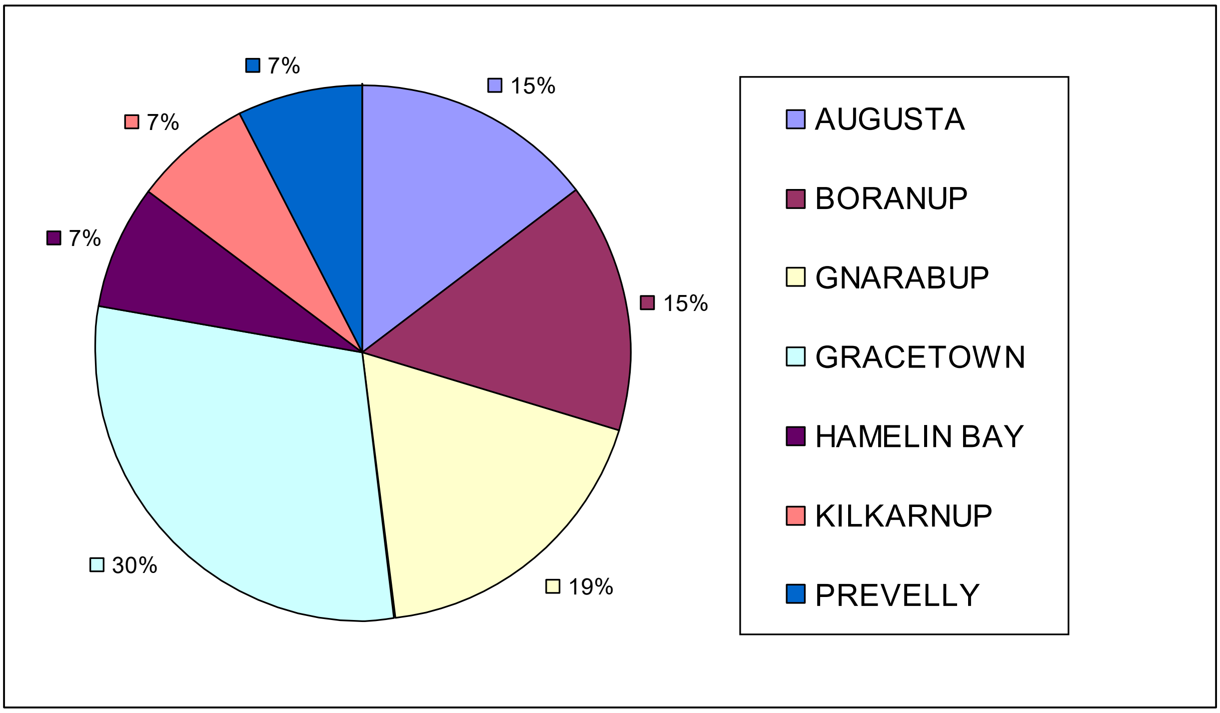
Western Australia relies heavily upon road transport as a mode of travel. Regular maintenance and upgrading of roads is required to encourage visitors to a destination. The Shire's main roads and travel routes are considered to be well maintained. DEC generally maintains coastal access roads leading to campgrounds, nature reserves, remote beaches and other reserves vested in the department. The majority of these roads are not sealed due to potential impacts upon the environment and amenity. A number of pedestrian access tracks have been developed throughout the Shire, including the Rails to Trails, Cape to Cape walking track, foreshore tracks along Blackwood River and connecting footpaths in and around key settlement areas.

Due to the large number of main roads and access points in the Shire, the supply analysis only identified key tourist access points, including:

- Car parks along the coast inclusive of walkways, toilets or nearby attractions;
- Air-strips; and
- Access adjacent to significant tourism attractions and activities.

[8] Tourism WA 2006, *Tourism Planning Taskforce Report,* Department for Planning and Infrastructure, Perth

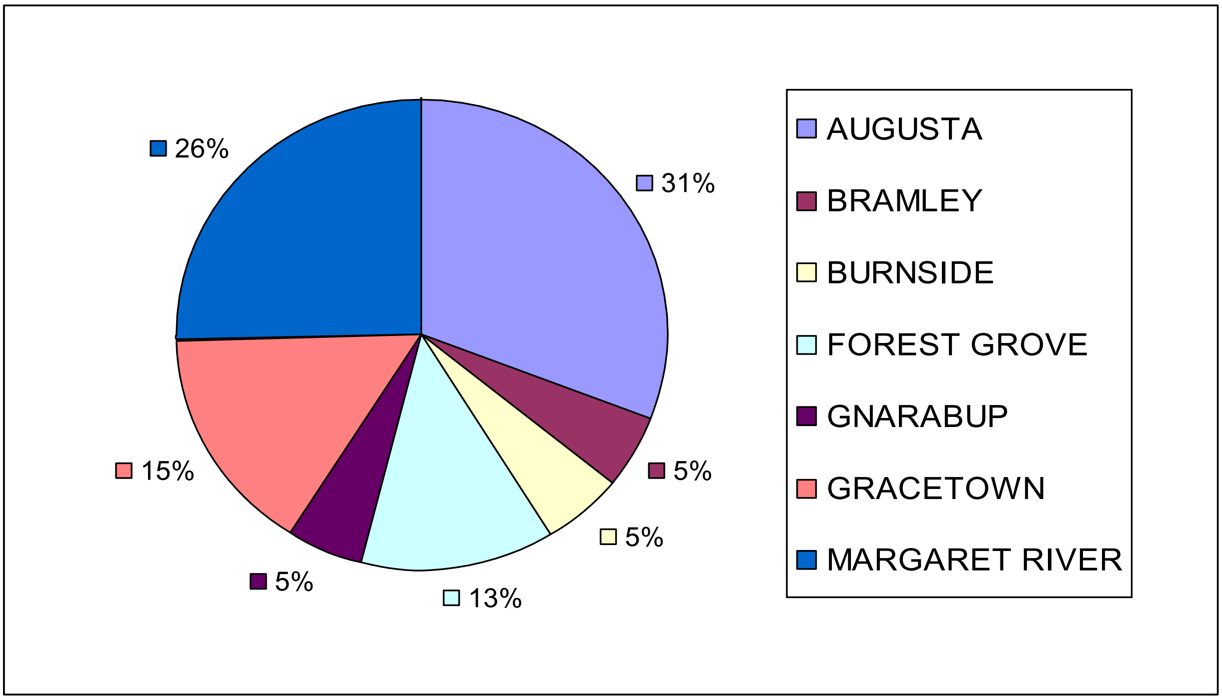
Figure 6: Number of activities by location



1.6 Undeveloped sites zoned for tourism purposes

A study of the LPS1 was undertaken to identify the total number of sites zoned for tourism purposes, but which had not yet been developed. There are 36 sites zoned for tourism purposes throughout the Shire which are currently undeveloped. The majority of these tourism sites are zoned for 'Caravan and Camping' purposes, in particular a number of sites directly north of Augusta township, along Sebbes Road and at the corner of Cowaramup Bay Road/Caves Road intersection. There are also a large number of sites zoned for 'Tourism' purposes within key settlement areas. These tourism sites play an important role in planning for future tourism development in the shire.

Figure 7: Number of zoned tourism sites by location



1.7 GIS mapping of 5 A's of tourism

Information gathered for Accommodation, Attractions, Activities, Amenities, Access and Undeveloped tourism sites as outlined in the above sections were then mapped using GIS software. The maps below have been developed to show areas of tourism concentration within each locality in the Shire. Of significant importance is the *'Accommodation capacity'* within each locality. The red circles on each map refers to the number of guests (6, 30, 60 guests) that each accommodation provider can host. For example a holiday house which generally accommodates six guests will be shown as a small red circle whilst a caravan park capable of accommodating a few hundred guests will be identified with a large red circle.

Figure 8: Cowaramup & Gracetown

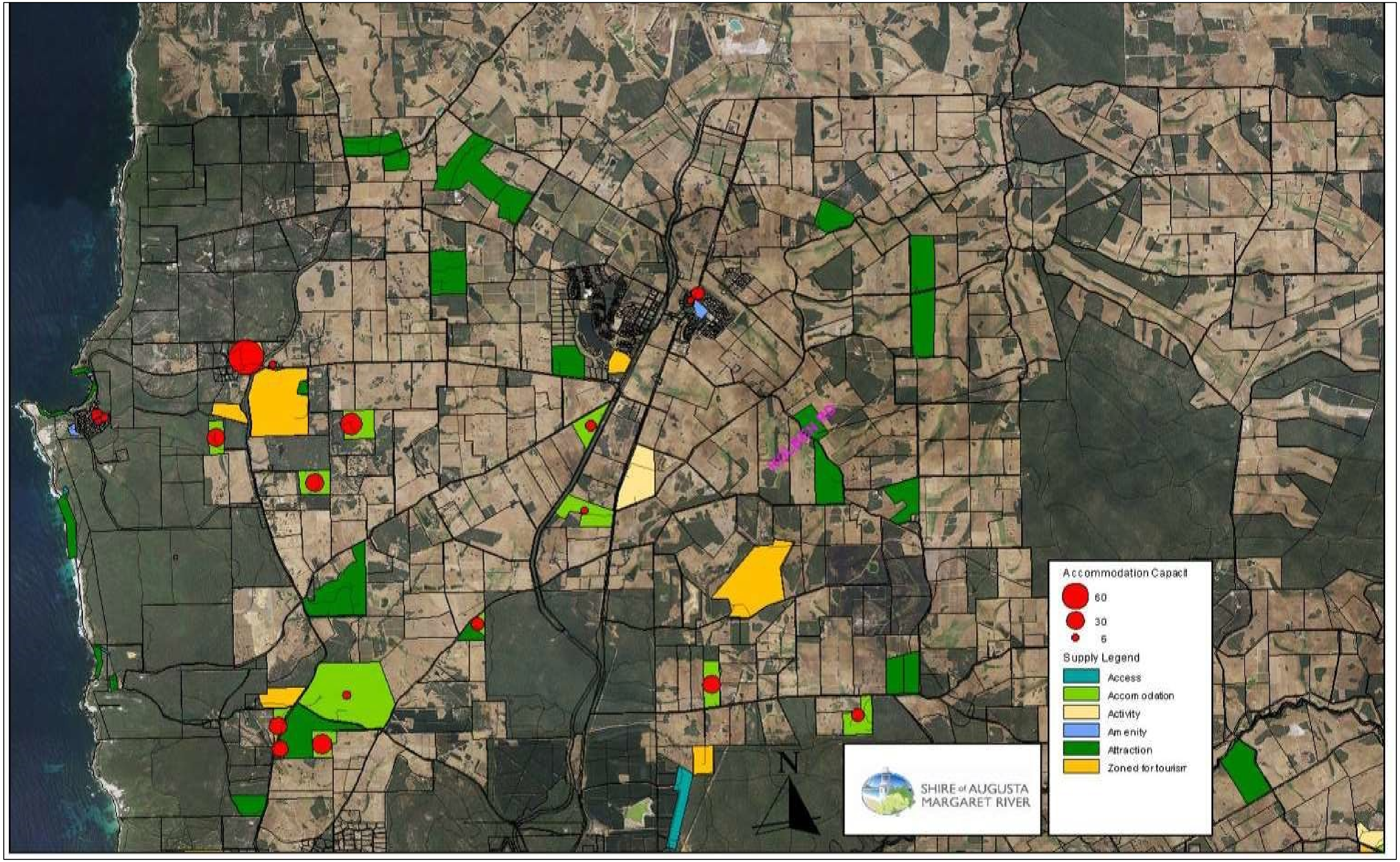


Figure 9: Margaret River, Prevelly, Gnarabup, Rosabrook & Witchcliffe

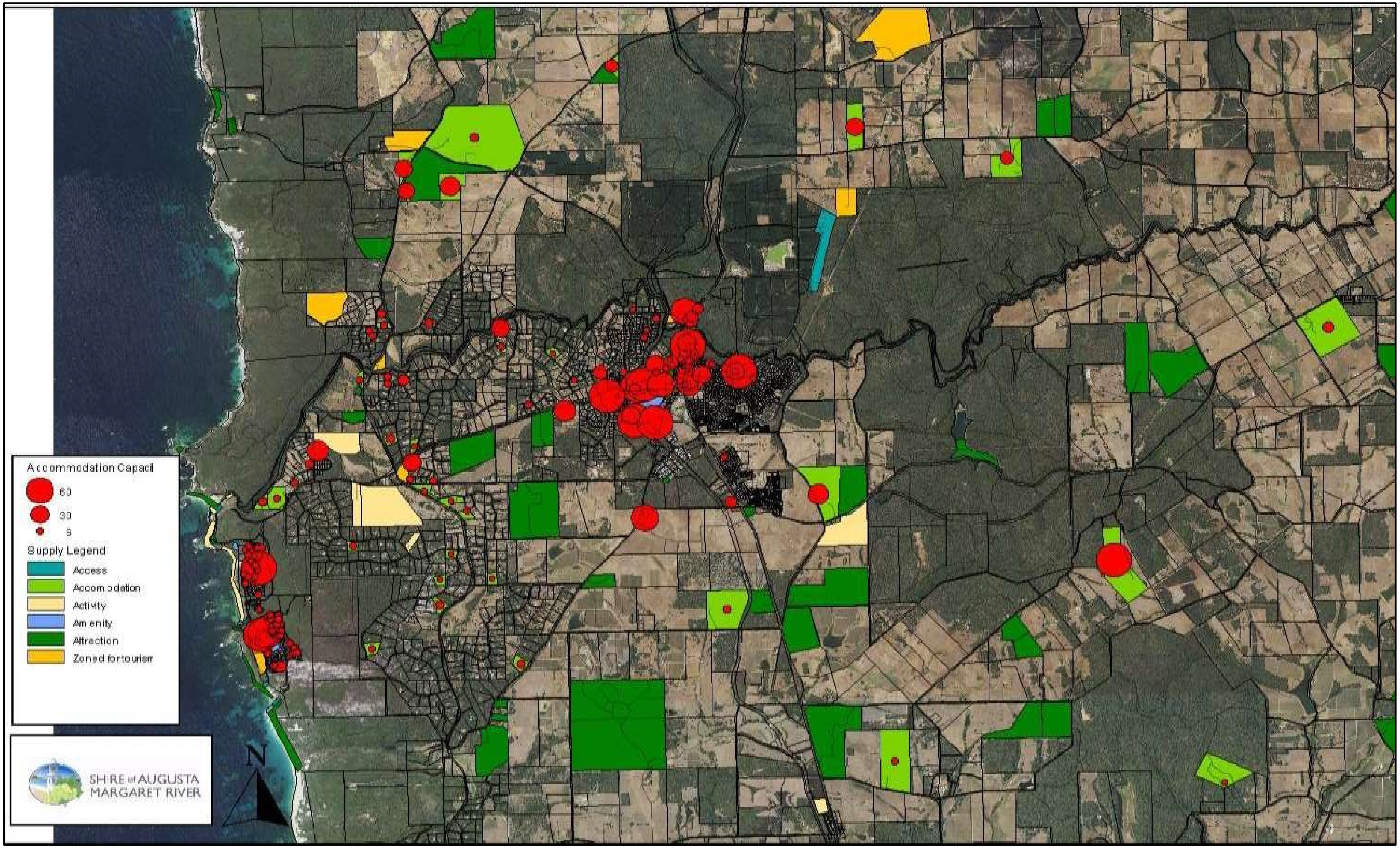


Figure 10: Hamelin Bay, Karridale & Boranup

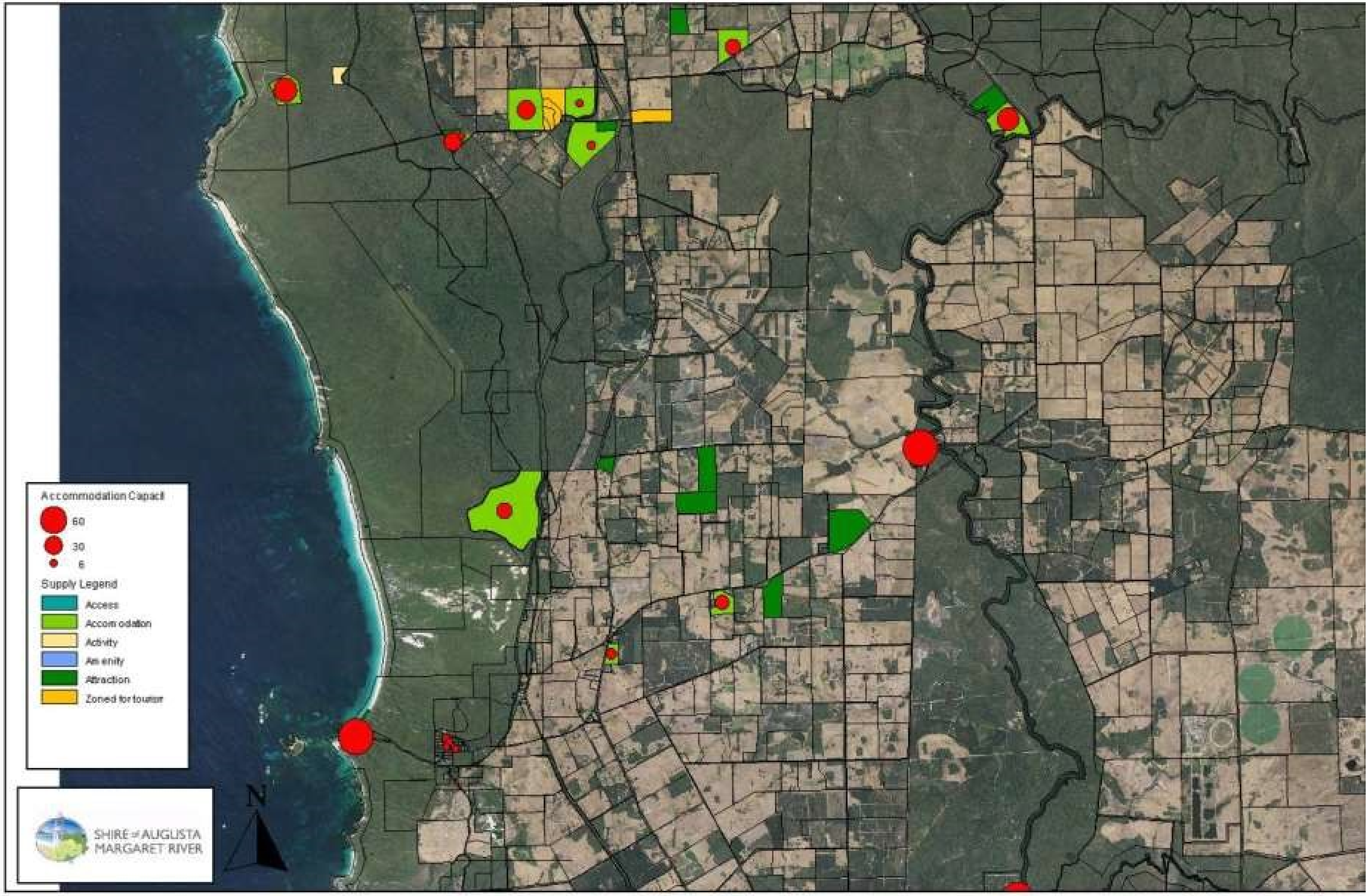
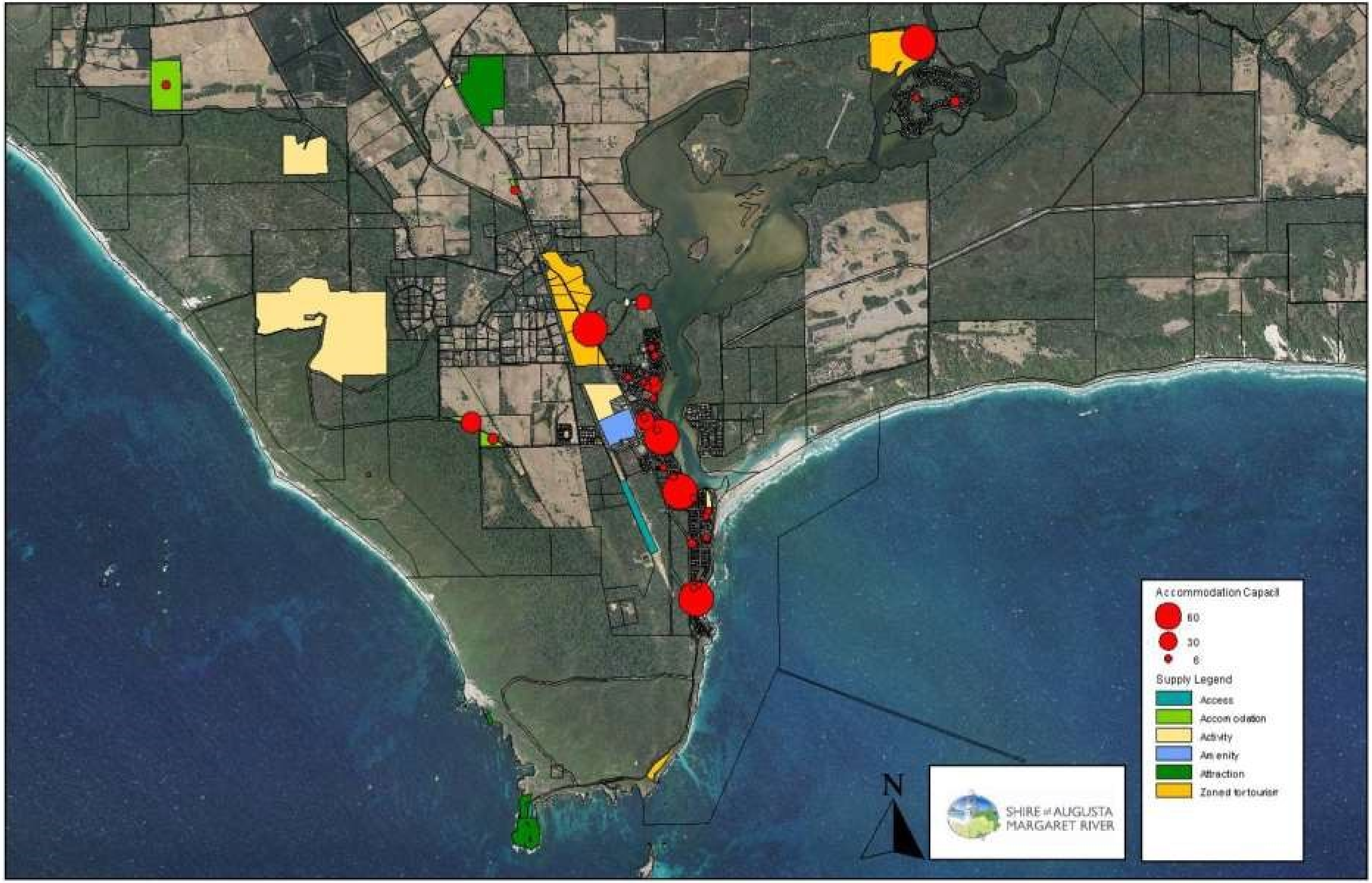


Figure 11: Kurdardup, Molloy, Leeuwin & Augusta



SHIRE OF AUGUSTA MARGARET RIVER

APPENDIX 3

DEMAND ANALYSIS

Augusta Margaret River Shire Council

Tourism Strategy Demand Analysis

Visitor Survey 2010-11

Written by
Sharon Batley
Events Manager
Augusta Margaret River Tourism Association

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Introduction

The Augusta Margaret River Tourism Association (AMRTA) was contracted by the Shire of Augusta Margret River (AMRSC) to conduct a three phase visitor survey in support of the AMRSC tourism planning strategy. A fourth phase was contracted by the AMRSC so they could analyse a full year of data. As part of the contract agreement, the AMRTA retains access to the raw data and final report for its own purposes.

The Shire of Augusta Margret River (AMRSC) tourism strategy demand analysis visitor survey aims to provide motivation for identifying and allocating appropriate land, applying suitable planning regulations and determining zonings and infrastructure needs for tourism. The purpose of the strategy is land use planning rather than marketing based. The survey has been designed to collect the type of information required from tourists and tourist providers through the demand analysis.

Market trends: This addresses number of visitors per month, occupancy trends per month per type of visitor, average nights stayed, when visitors stayed (weekend, midweek) and occupancy trends. Information about market trends has been supplied as a separate document direct from AMRTA BookEasy statistics.

Purpose of travel: This addresses not only reasons for travelling to the region but looks at experiences, types of accommodation and activities and amenities sought.

Source market: The source market will seek to understand what types of visitors are coming to this region, for example families, couples, surfers, workers, and domestic, interstate and international visitors, reasons for visit and number of visitors per party.

Survey Methodology

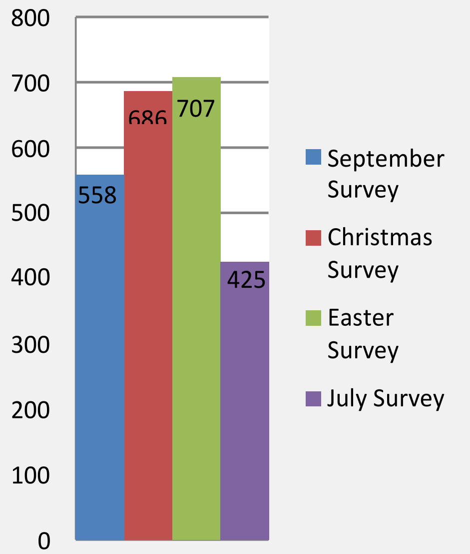
The survey was delivered across four phases to capture a broad indication of visitor type and the needs of such visitors. Each survey phase ran for a period of two weeks. The first survey was conducted in September 2010 and coincided with the September school holidays. The second survey was conducted during the peak Christmas period. This particular survey commenced on December 26th, Boxing Day for a period of two weeks. The third survey was conducted to include Easter 2011, and began in the week leading into the school holiday period with the final phase conducted for a two week period over the July school holidays.

For the most part surveys were conducted with the respondents by consultants face to face at the Margaret River Visitor Centre (MRVC). Of the 2376 respondents to the survey, 243 (10.22%) were conducted through outside operators including Cape Leeuwin Lighthouse, Augusta Visitor Centre, Jewel, Lake and Mammoth caves as well as AMRTA members including accommodation providers and tour operators within the region.

Twenty six (26) questions were designed to obtain information about the type of visitor, their perception of the region as it is currently and their ideas on how the region should look in the coming years.

The region has been defined as the Margaret River wine region, delineated by the Gladstone line, wine appellation.

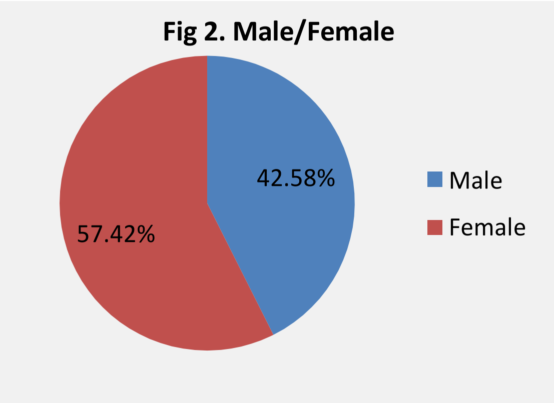
Fig 1. Survey participants per phase

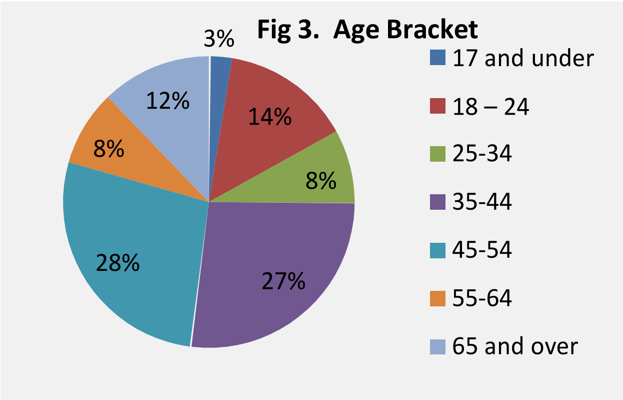


Tourism WA statistics indicate that for the period 2007/08/09 the annual average tourist visitation to the Augusta Margaret River Shire was 455,400. For the same period the average number of tourists to visit the Shire of Busselton was 560,800 which equates to 1,016,200 across both shires. The wine appellation excludes the town site of Busselton therefore the number of visitors to the defined wine region cannot be accurately ascertained. Survey respondents provided a sample size of less than 1% of visitors to both shires and therefore supportive data from additional sources including Tourism WA (TWA), Margaret River Visitor Centre (MRVC) BookEasy statistics and Tourism Research Australia was used to assess market trends and qualify the data obtained throughout this survey.

Participant Profile and Origin

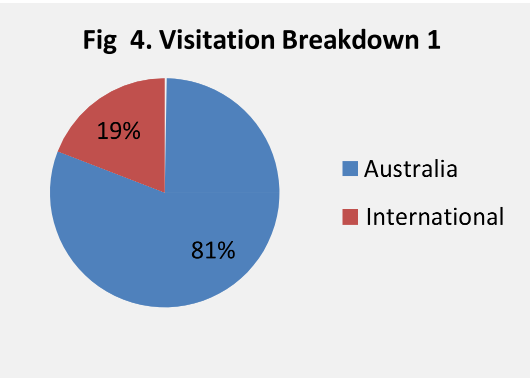
Results from the survey indicate there is slightly higher visitation from females at 57% than males at 43%, which is consistent with current Tourism WA research. The dominant age bracket of visitors is 35-44 and 45-54. These baby boomer and generation X markets are known traditional visitors and an upward trend in 18-24 year bracket showing as an emerging market.

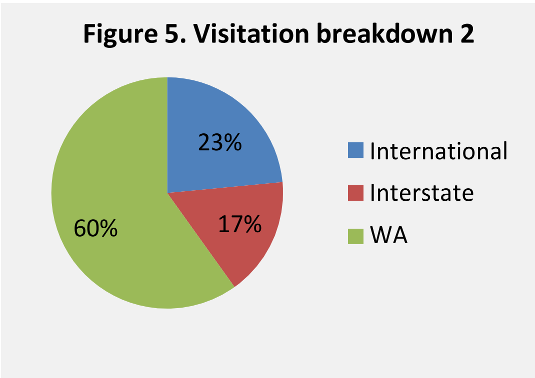




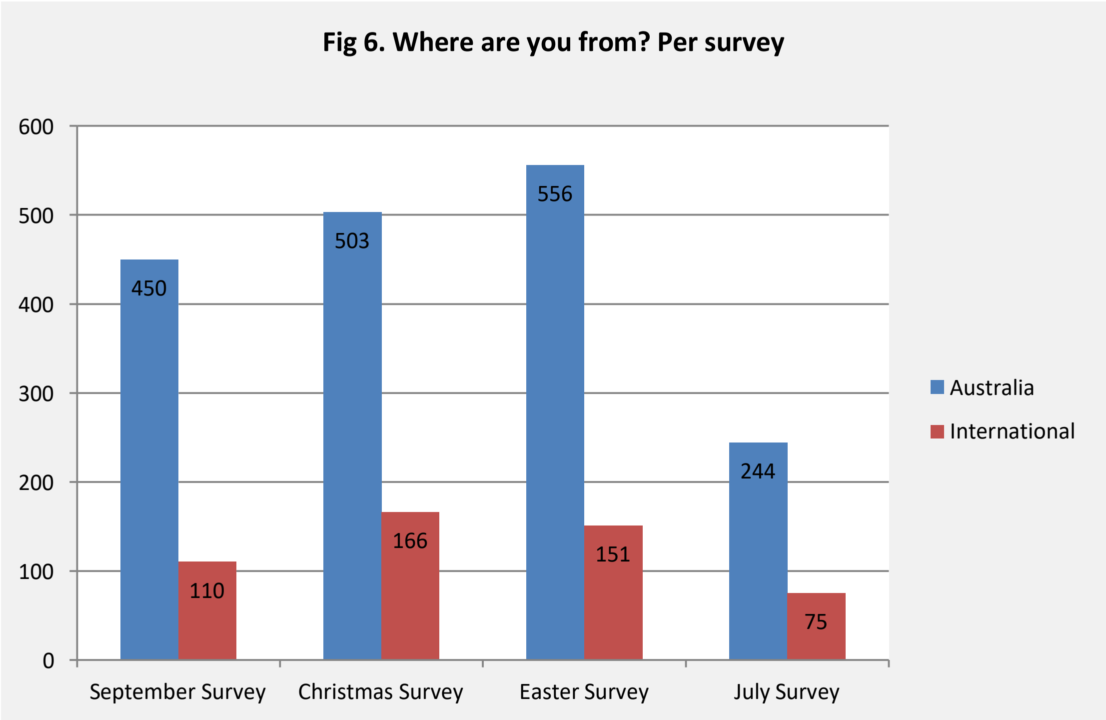
Tourism WA statistics show the breakdown in visitation to the Augusta Margaret River Shire as 69% intrastate, 18% interstate and 13% international, whilst the breakdown for Shire of Busselton is 86% intrastate, 8% interstate and 6% international. Regionally this is an average of approximately 77.5% intrastate, 13% interstate and 9.5% international.

The variation in visitor origin as shown in figure 4 can be attributed to the amount of visitor information required by interstate and international visitors when compared with return visitation or knowledge of the region from the domestic market. A cautious assumption would suggest that the breakdown of visitors by origin would be closer to an average from both sets of statistics, intrastate 59.75%, interstate 22.5% and international 17.5%. This assumption is also closer to the BookEasy booking statistics showing WA bookings at 64%.



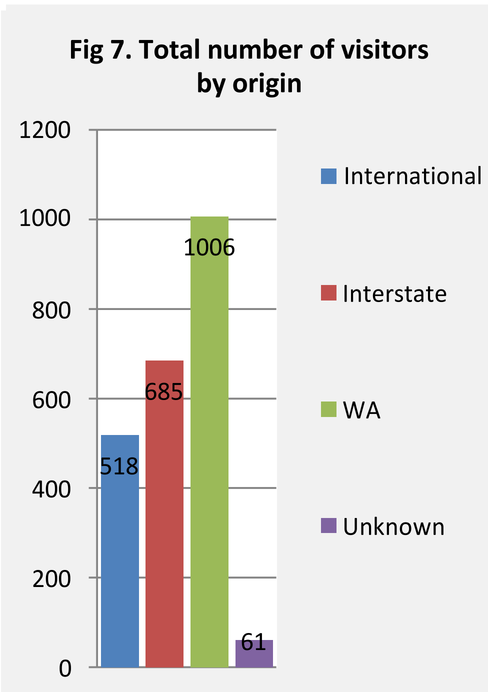


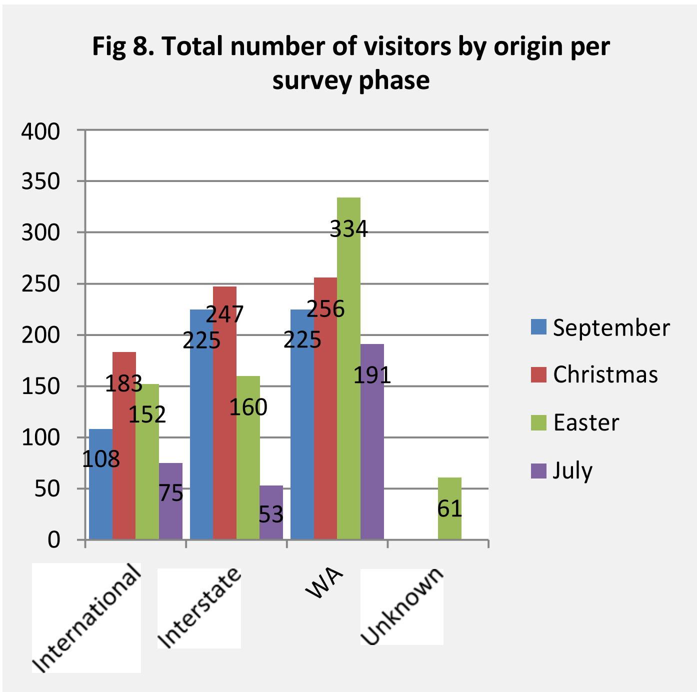
Further analysis was undertaken to determine whether the time of survey impacted on the number of international visitors. Figure 6, below suggests that the percentage of international visitors at any time of year ranges from 24%-33% when compared to visitors from within Australia.



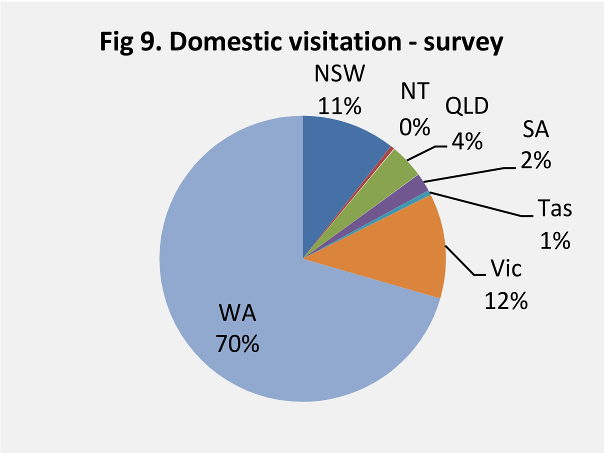
Whilst the percentage of international visitors remains balanced throughout the survey period, there are some clear distinctions between the survey periods that are indicative of traditional holiday periods.

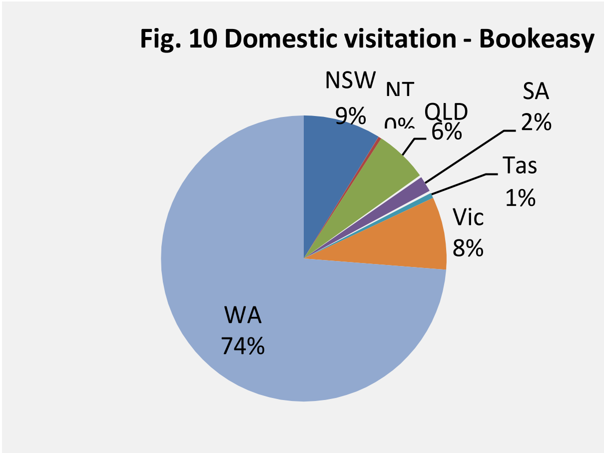
A clear spike occurs in the Easter survey for WA visitation which could be attributed to the specific Easter break and traditional family holidays.

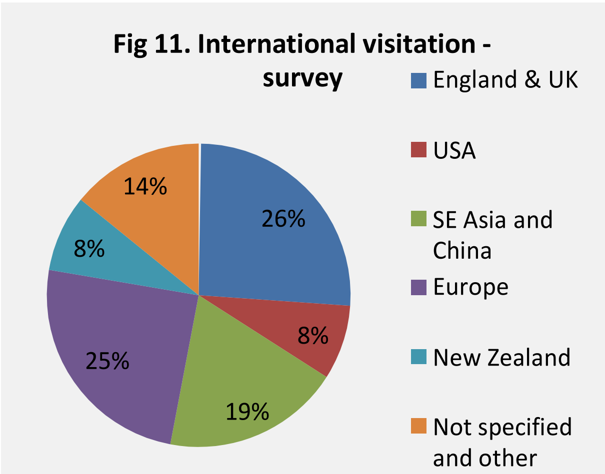


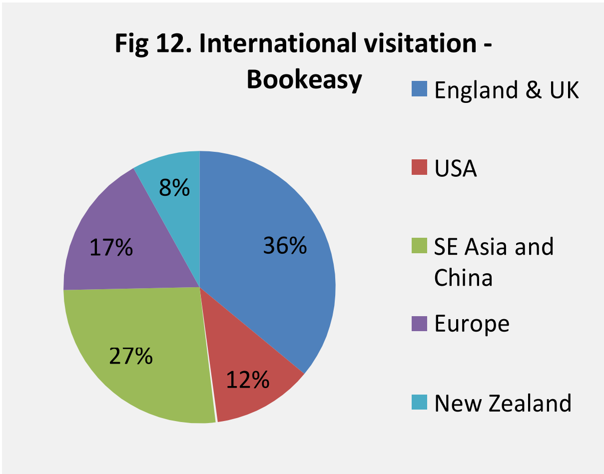


An analysis of domestic and international visitation shows strong similarities when comparing the survey data with booking statistics from the visitor centre BookEasy system.



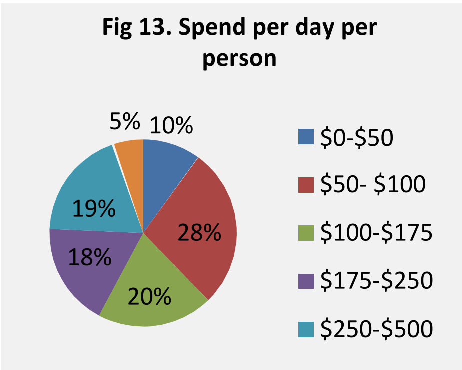






Survey results are consistent with recent Tourism WA research which indicates that the top international markets (as at March 2010) are;

- United Kingdom
- Singapore
- Malaysia
- New Zealand
- Indonesia
- USA
- China
- South Africa
- Japan
- Hong Kong



The average spend per person, per day remains consistent with Tourism WA statistics of approximately $128.00.

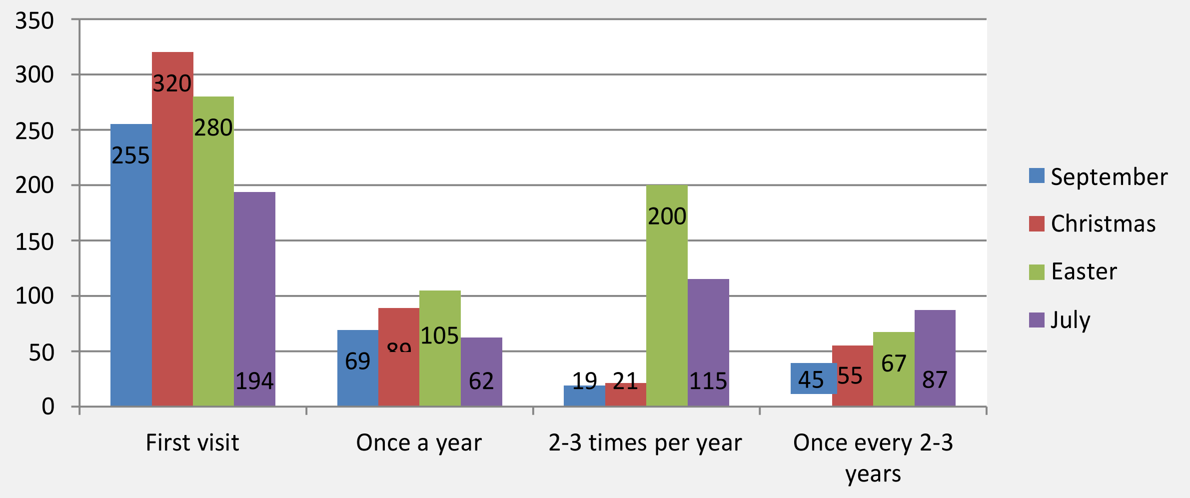
28% of respondents spent $50 - $100 per person per day through the survey period.

20% of respondents spent $100 - $175 per person per day through the survey period.

Duration of stay

Apart from an unexplained spike in visitors to the region (2-3 times per year) at the Easter survey, results are consistent with the quantity of information required by first time visitors to the region. The results are unlikely to reflect actual numbers of first time visitors when compared with other research. It is far more likely that repeat visitors are less likely to require visitor information services on repeat visits and therefore lower numbers are shown in the survey results.

Fig 14. How often do you visit the Margaret River region? - per survey

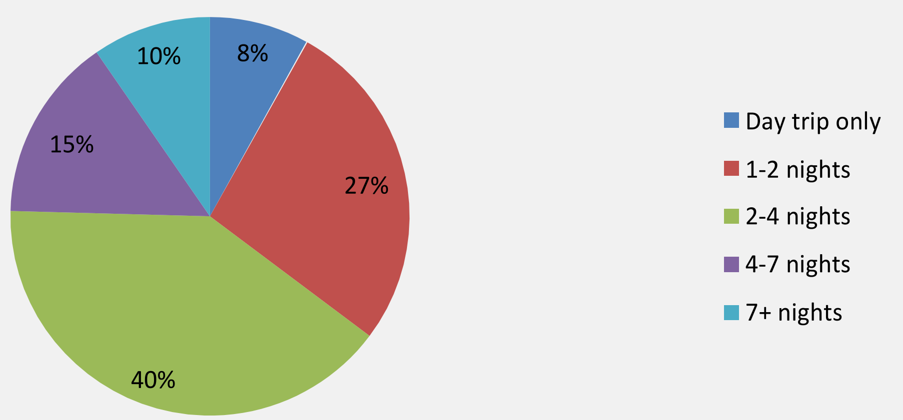


Current Tourism WA Research supports the survey results with the average length of stay across the region at 3.6 nights or Shire of Augusta Margaret River 3.4 nights and Shire of Busselton 3.8 nights. This can be further split out to, intrastate, interstate and international across the region.

Shire of Augusta Margaret River	Average length of stay	Shire of Busselton	Average length of stay
Intrastate	3.0	Intrastate	3.5
Interstate	3.3	Interstate	3.5
International	5.8	International	5.3

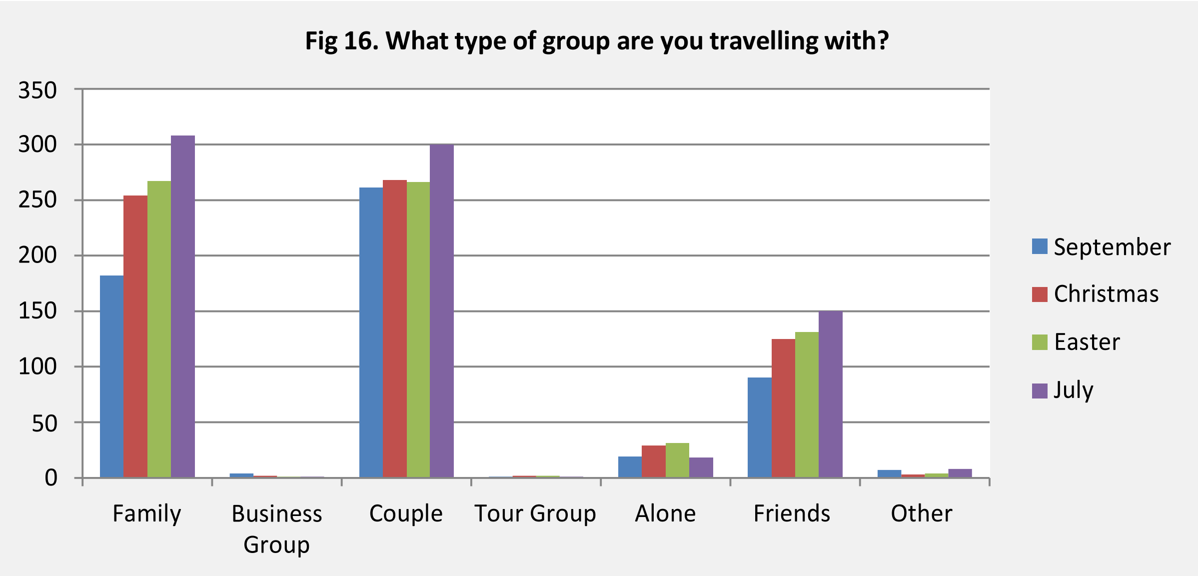
Source - Tourism WA

Fig 15. How many nights will you spend in the MargaretRiver region? - Total



Travel Party

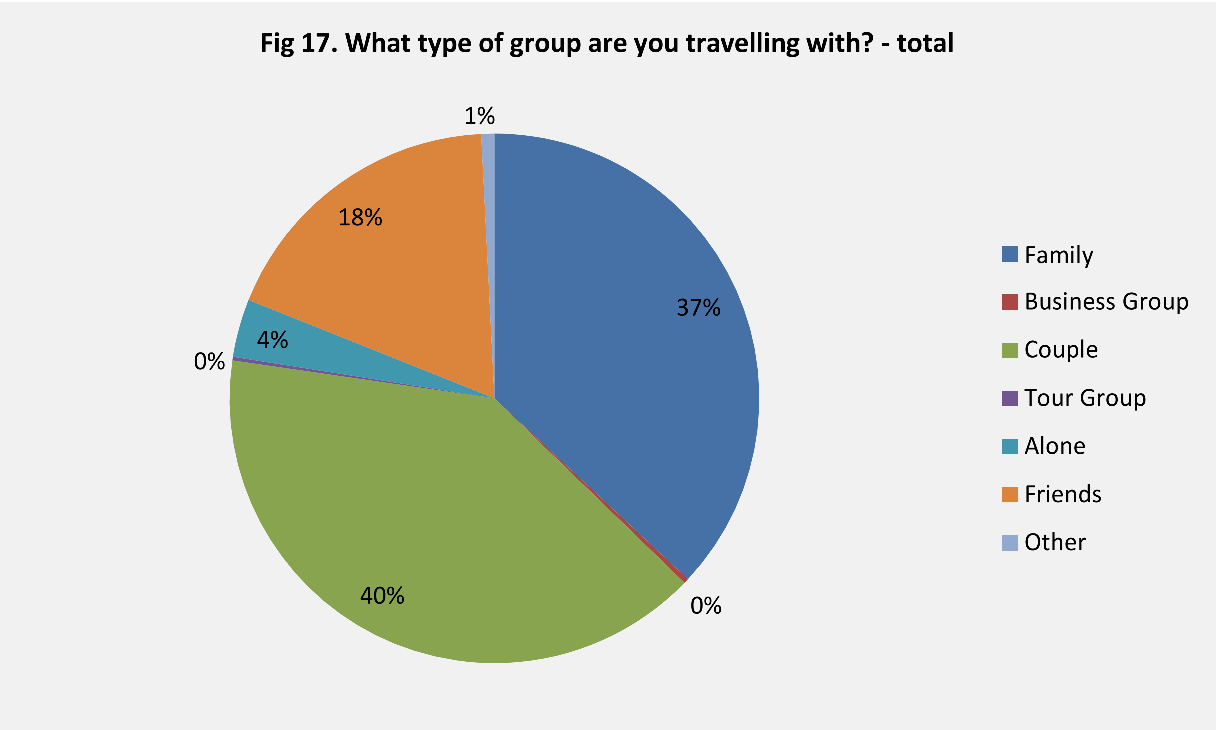
Consistent with Tourism WA research, the highest ranking travel party is adult couples, closely followed by Family Groups across all four phases of the survey.



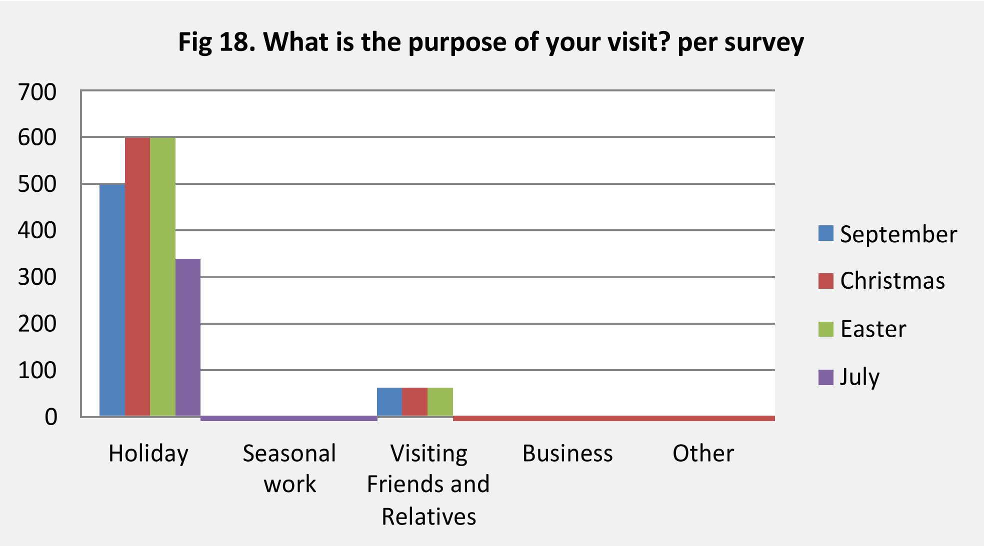
Further analysis of 'other' travelling parties includes;

Business and tour groups each contributed to less than 1% of the survey results; however this could be attributed to less requirement of visitor information from the visitor centre.

Other forms of travel parties were listed as sporting team, exchange student, parent and child, travelling as a carer and wedding travel party.



Purpose of Visit

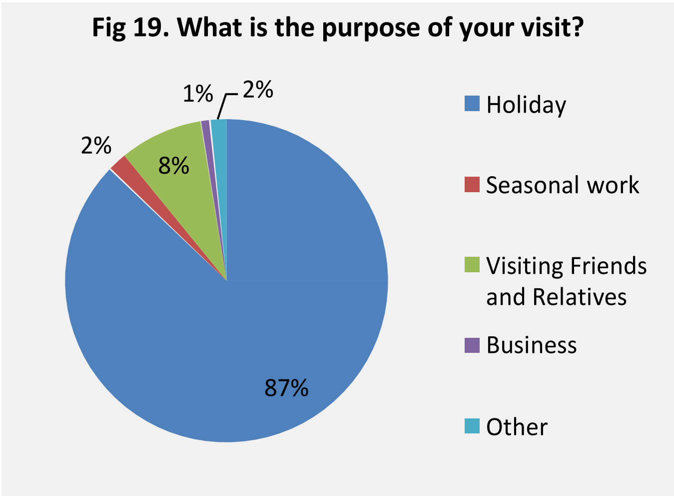


The highest rating reason for visiting the region across all four surveys is identified as holiday.

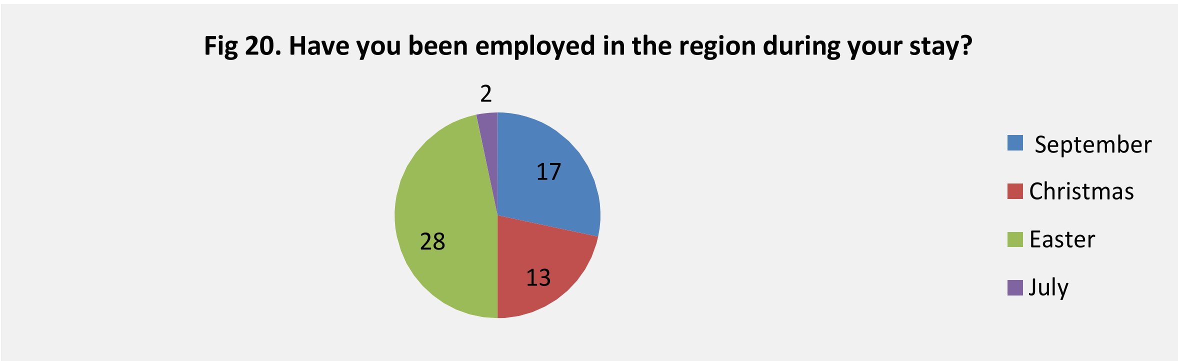
This remains consistant with research from Tourism WA and Tourism Research Australia.

Approximately 1% of all visitors to the region had other purposes for visiting the region. Additional purpose of visit included;

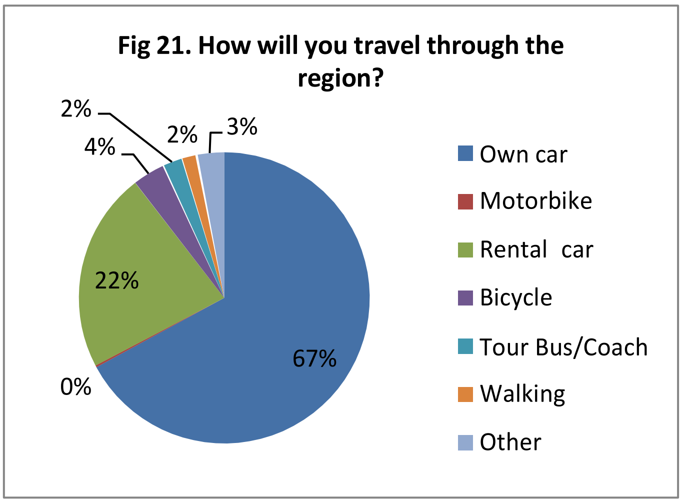
- Honeymoon
- Wedding
- Doing a workshop
- Sport
- Surf
- Cape to Cape walk
- Wine tasting
- Travelling
- Working holiday
- Volunteer
- Real Estate



Additionally this survey set to establish the impact of seasonal work and working holidays on increased visitation to the region. Unfortunately the minimal response answering ‘yes’ to the question; have you been employed in the region during your stay, is not a reliable sample size to make assumptions from. Only 60 respondents of the 2376 surveys conducted across all four surveys had been employed during their stay in the region.
*it should also be noted that surveys were left with local backpackers with minimal response.



Travel



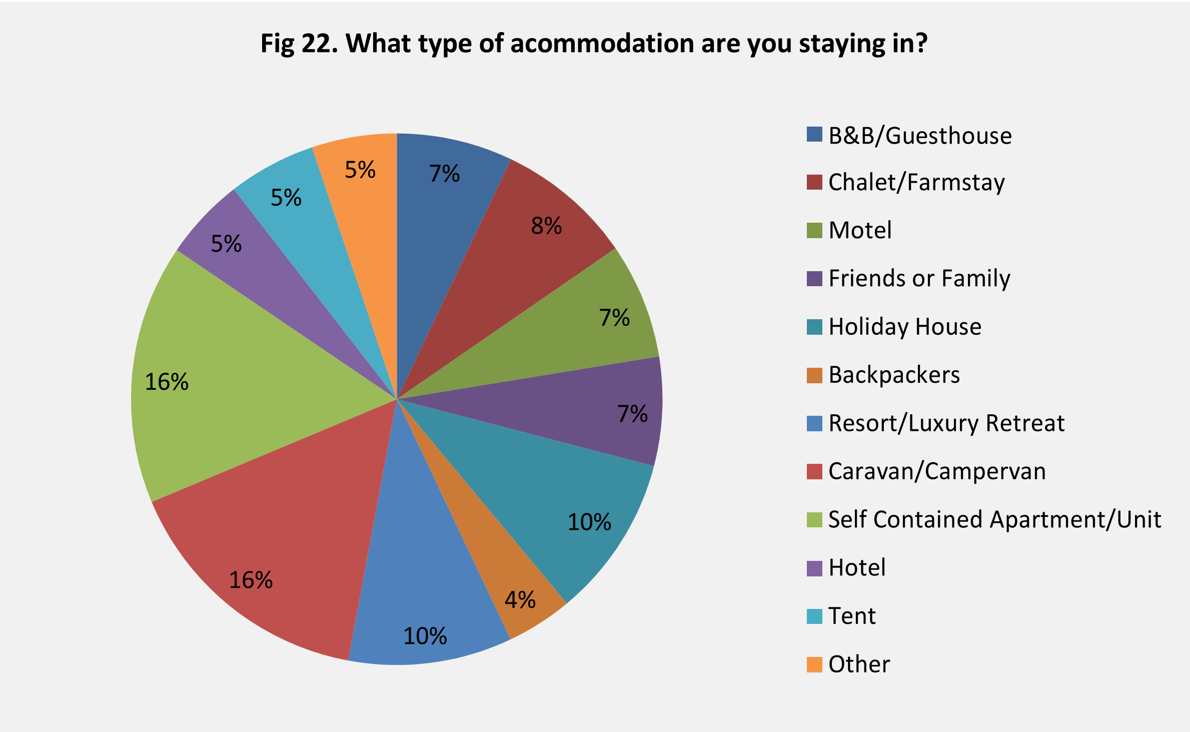
With limited access to the region by any other means than road, and the limitations of public transport within the region the results of the question; 'How will you travel through the region?' are consistent with the expected outcome.

89% of visitors travelled to the region either in their own car or hired a car to visit the region. For those respondents opting for other forms of transport not identified at the outset of the survey, responses included borrowed car, campervan/motor-home and helicopter.

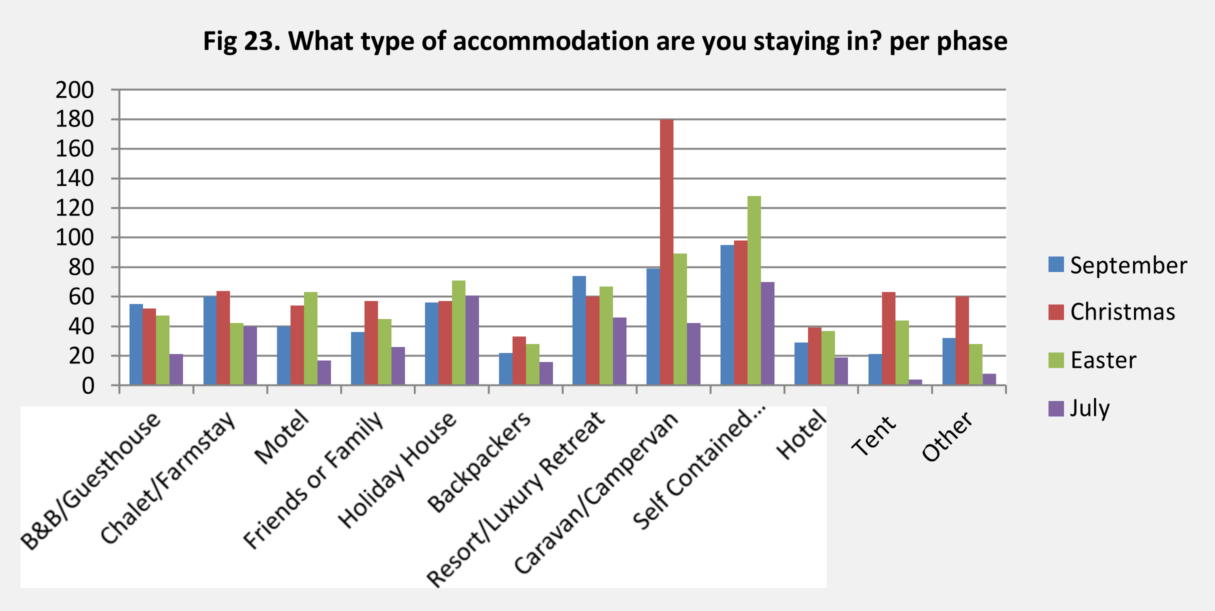
Accommodation

Across all four phases, the survey clearly shows a behavioural change in the type of accommodation that is being chosen by respondents to the survey. Tourism WA statistics have traditionally shown that the highest ranking style of accommodation choice by both domestic and international visitors as hotel, resort and/or motel. Survey results along with MRVC BookEasy statistics show a clear change towards lower priced accommodation, which could be attributed to the Global Finical Crisis of 2009, the rise in the value of the Australian dollar against the US dollar and the ongoing changes in attitude toward discretional spend.

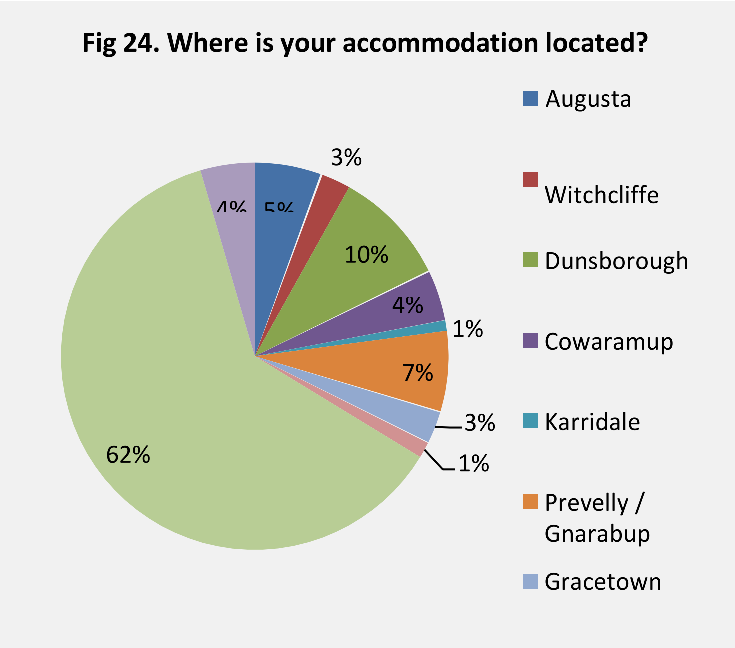
The survey highlights a significant shift towards self contained apartments and caravan/campervans which may also attribute to lower discretional spend through restaurants and eateries as visitors have facilities to cook at their chosen accommodation.



In the breakdown of accommodation per survey it can be seen that caravans and campervans peaked over the Christmas survey. Anecdotal evidence suggests that many backpacker/travellers fled from Queensland and the East Coast following the December flooding, to other parts of Australia with Western Australia ranking highly as a preferred destination. The peak in caravans and campervans could be attributed to both the East Coast disaster and subsequent influx of backpacker/traveller and the weather during the summer months being more appropriate to this particular style of accommodation. The warm summer weather also shows a spike in tent accommodation and other accommodation. Other forms of accommodation include people camping in cars, staying at their own property in the region, camping (no accommodation type stated) and day trip visitors.



In summarising the location of accommodation two additional aspects should be factored in;



1. The survey was largely conducted from the MRVC and as such a large proportion of visitors staying close to town will have sought additional visitor information from the MRVC which may have distorted the final result.

2. There is anecdotal evidence to support the perception that Margaret River is the entire region and as such respondents may have indicated Margaret River even when staying elsewhere across the region.

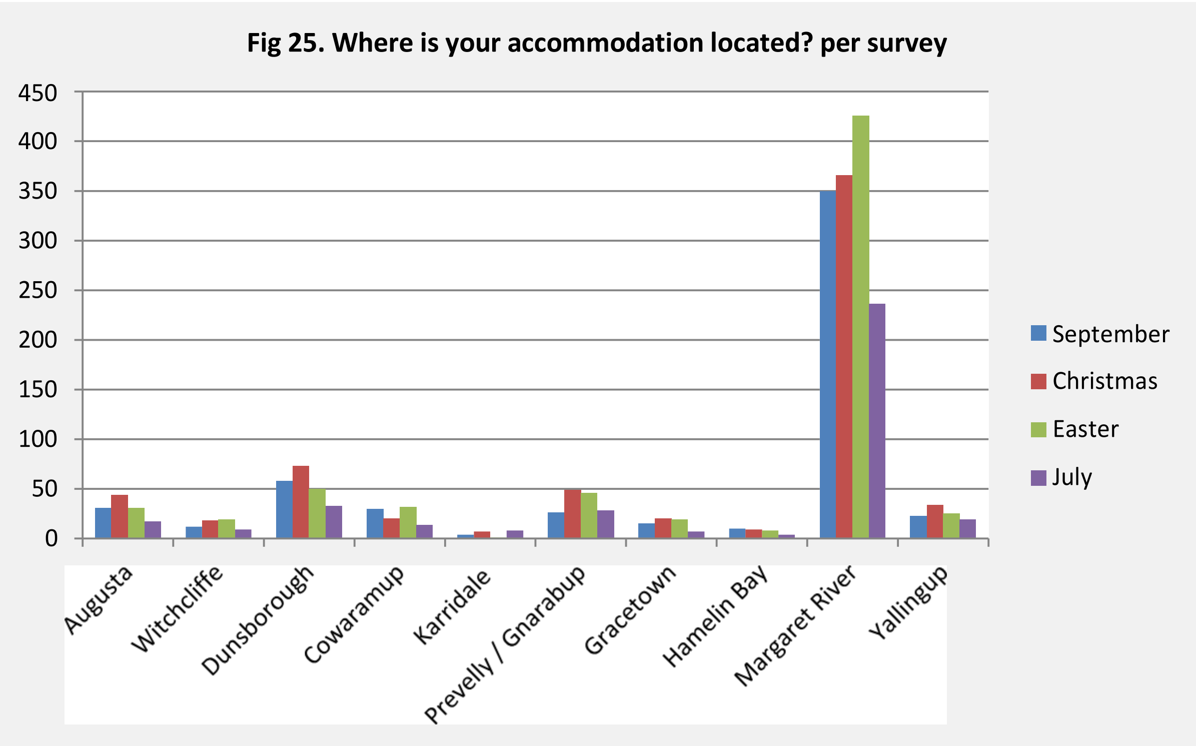
*note – all face to face surveys were completed with a map to show respondents the closest town.

Consistent with the overview, the survey breakdown also shows a high percentage of respondents staying close to the Margaret River town site. With a lower than expected rate of respondents marking

Prevelly/Gnarabup as the accommodation location it could also be viewed that the Prevelly/ Gnarabup location is also viewed directly as Margaret River.

Percentages of accommodation location choice through other town sites in the AMR shire such as Augusta, Witchcliffe, Cowaramup, Karridale, Gracetown and Hamelin Bay are likely to reflect the quantity of accommodation available in those areas. The northern town sites of Yallingup and Dunsborough show lower than expected results which is likely to be a result of distance rather than quantity of accommodation available within those northern locations.

Additionally Busselton was not listed as an option due to it being outside the wine region and with a large amount of accommodation available close to the Busselton town site it cannot be determined if any respondents chose the Margaret River location in lieu of the Busselton option.



Accommodation within the Margaret River wine region is considered to be well catered for, with a range options for visitors to the region. While there is seen to be ample accommodation in most categories in the region, some stakeholders feel there is an opportunity for additional caravan park sites, especially as many existing parks in the region have been converted to residential and short stay chalet style accommodation. In addition, there is also seen to be the opportunity for the development of additional 5 star or resort style accommodation in the region.
Source; Australia South West Tourism Development Priorities | 2010-2015

Experiences

Historically the Margaret River region developed its reputation as a tourism destination for its world class surf breaks, sensational beaches and the emergence of the wine industry in the 1960's. Wine (27%), surf and beaches (17%) remain the highest rated experiences across all four phases of the survey which is consistent with traditional reasons for visitation and recent marketing of the region through the Australian and Western Australian government marketing campaigns.

The Margaret River region is also gaining a greater reputation for its pristine environment which is evident through the level of attraction the natural environment (15%) also rates throughout the survey. Adventure events such as the Anaconda Adventure Race and Cape to Cape MTB over the past 2-5 years have assisted in raising the profile of the natural environment and the integration of adventure tourism.

Ingrained into the Margaret River experience, arts and culture (9%) and history and heritage (8%) have also rated well with survey respondents. Many local residents settling the region in the 1970's, 80's and 90' brought a style of creativity that is consistent with the lifestyle of the region and as such a strong culture in the arts has developed.

Additionally the history of farming from the period of group settlement, the settlement of Augusta with its integral place in maritime through the lighthouse and whaling and the aboriginal cultural experience across the region provides visitors with many unique and interesting historical focus points.

Fig 26. What experiences attract you to the Margaret River region?

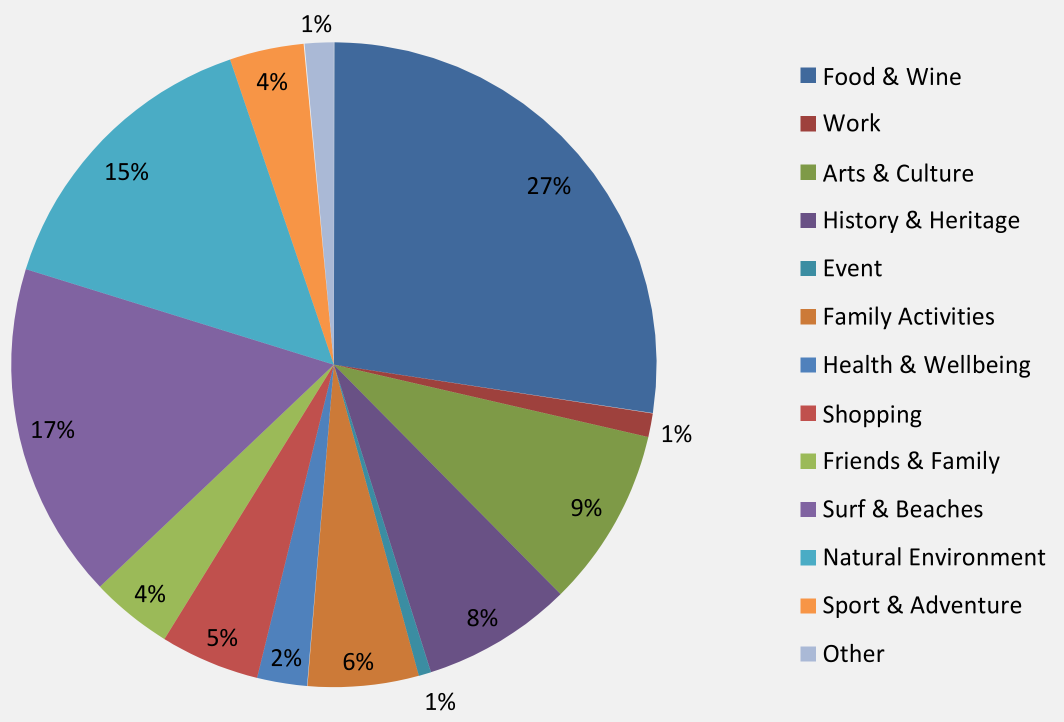
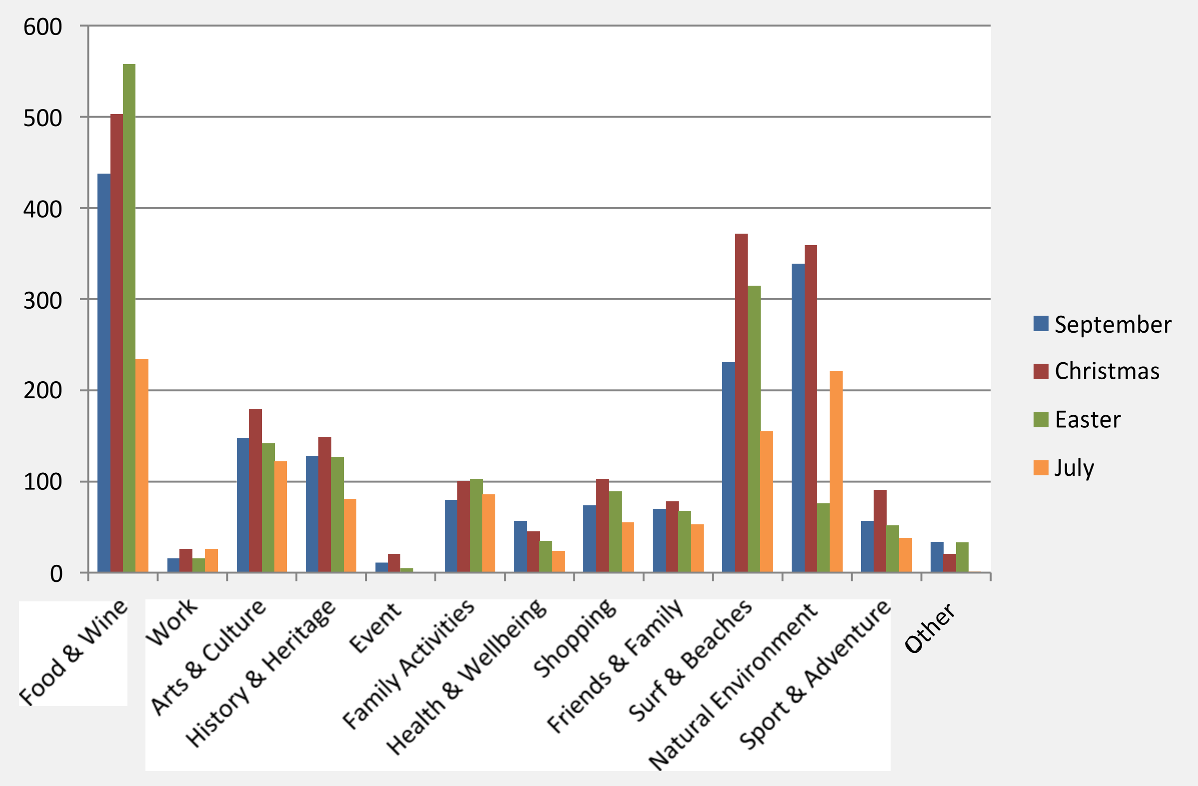


Fig 27. What experiences attract you to the Margaret River region? per survey



Analysis of the individual survey data shows that each category rated evenly across the survey period, with the exception of an unexplained decline in 'natural environment' throughout the Easter survey.

Approximately 1% of visitors noted other experiences attracting them to the region. These experiences typically fit into the categories noted although have been viewed as unique by respondents. Other experiences included

- Natural Environment
  - Camping
  - Cape to Cape / Bush walks
  - Caves
  - Fishing, kayaking
  - Picnics, etc.
  - Bird watching
  - Wildflowers
- Art/ Culture and Food/Wine
  - Wine Festival, Concerts
  - Saturday's farmers market organic food wine, biodynamic experience
  - Food, Breweries, chocolate
  - Markets
- Health and wellbeing
  - Relaxation
- Wedding
- Away from city life

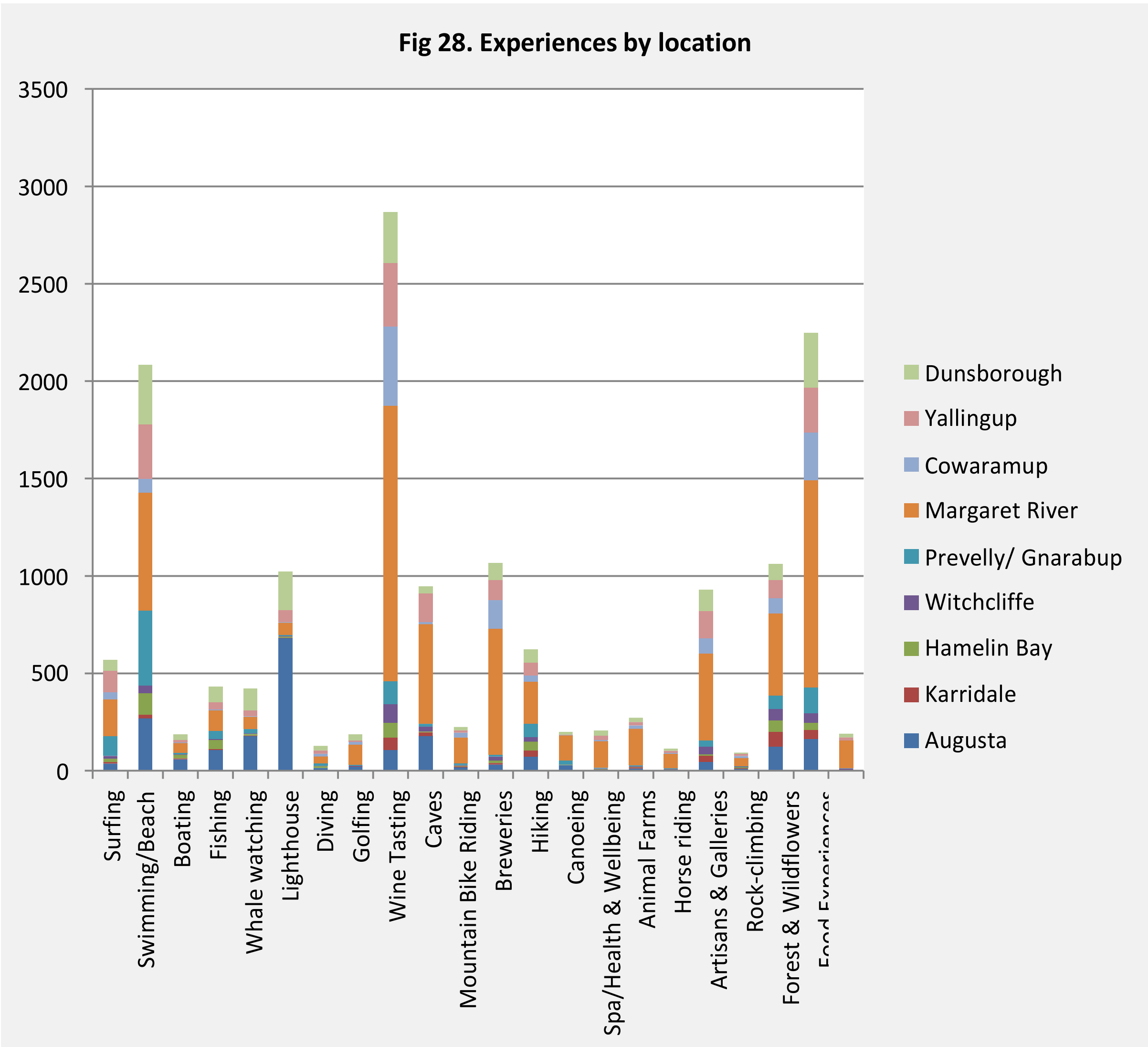
As with the questions on location of accommodation, respondents appear to be of the opinion that most experiences and attractions are located in or around the Margaret River town site. The same additional considerations should be viewed with experience location.

1. The survey was largely conducted from the MRVC and as such a large proportion of visitors staying close to town will have sought additional visitor information from the MRVC which may have distorted the final result.
2. There is anecdotal evidence to support the perception that Margaret River is the entire region and as such respondents may have indicated Margaret River even when staying elsewhere across the region.

*note – all face to face surveys were completed with a map to show respondents the closest town.

The location of experiences shows expected high activity in the following areas

- Margaret River displayed high activity across most activities, with the lowest attraction being golf
- Augusta displayed high activity for the lighthouse, swimming and caves
- Hamelin Bay displayed high activity for swimming
- Prevelly displayed high activity for swimming
- Cowaramup displayed high activity for wine tasting
- Yallingup and Dunsborough displayed high activity for swimming, wine and food



The top 8 experiences have been extracted from the full list. As can be seen in figure 29 below, wine food and swimming/beach continue to rate well above other experiences.

The remaining 5 experiences each rates relatively equal as attractions to the region.

Fig 29. Top 8 experiences

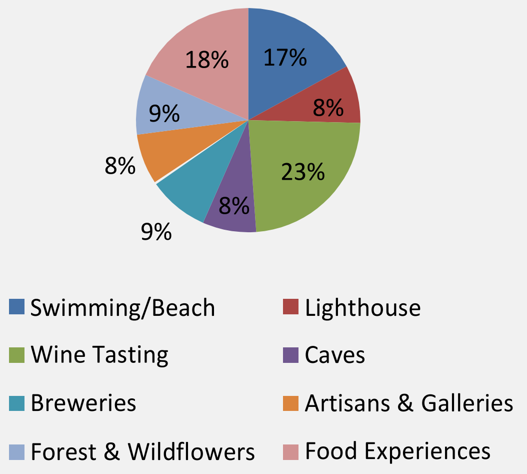
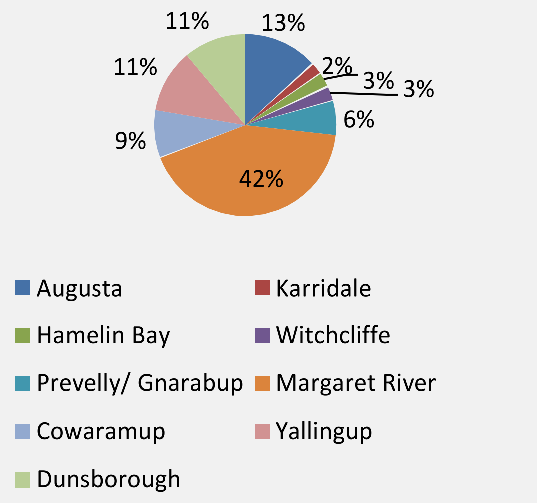


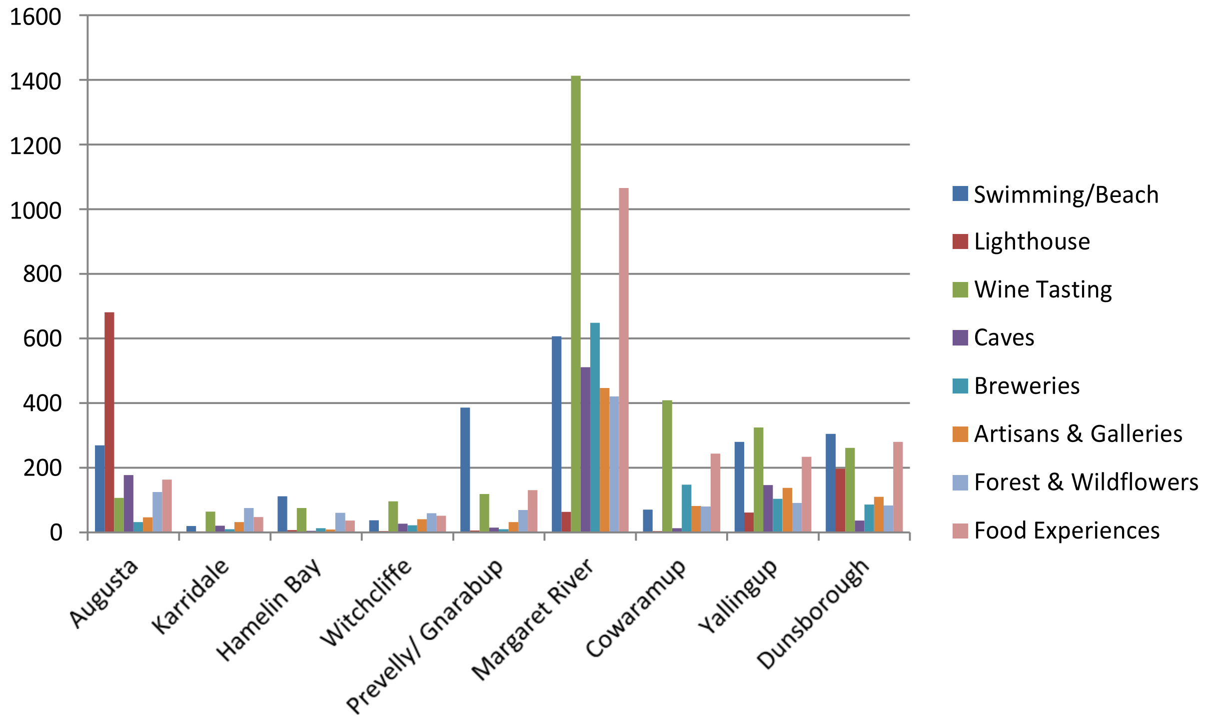
Fig 30. Top 8 experiences by region



By location, Margaret River continues to rate high across all experiences, closely followed by the Northern areas of Yallingup and Dunsborough in terms of consistency of product/experiences. Augusta also rates highly, however is not as consistent in experience offering.

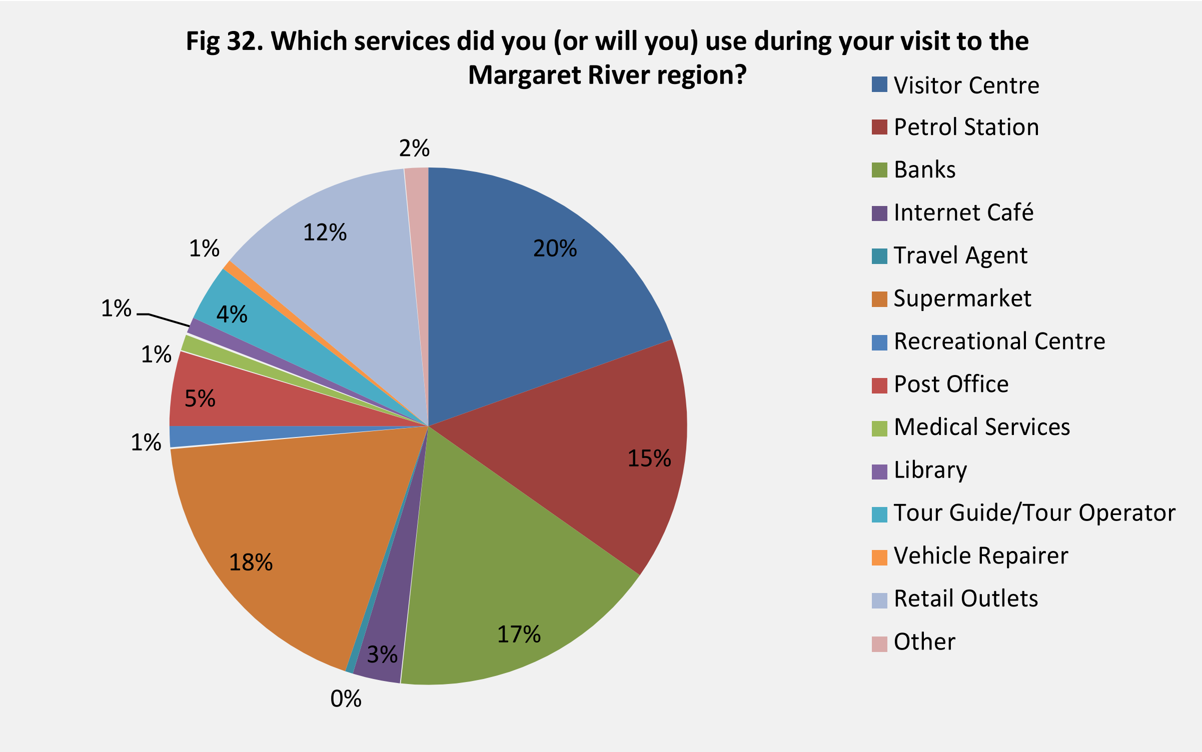
Figure 31 displays this data in detail whilst figure 30 displays a simpler format.

Fig 31. Top 8 experiences by region 2



Services

A number of other services and amenities are accessed by visitors to the region. Almost 90% of surveys have been conducted through the MRVC, therefore it is expected that a large proportion of respondents noted the use of visitor centres. Other high rating services included petrol stations, supermarkets, banks and retail outlets.



Approximately 2% of respondents noted the use of other services throughout the region. Other types of services and/or amenities included bakery, laundromat, bike hire, markets, yoga centre, council, real estate agent, hairdresser, pharmacy and none (self sufficient).

Rating of Facilities

Respondents were also asked to rate the quality of all services, activities and facilities across the region. Ratings of Excellent, above average and average were typical across all areas of the question.

Accommodation was very highly rated with 81% of respondents rating the regions accommodation facilities as excellent or above average.

Restaurants and food experiences also rated well with 79% of respondents rating this as excellent or above average.

The regions shopping experience fell slightly lower than accommodation and restaurants with 81% of respondents rating shopping experience as average or above average.

Customer service maintains a reasonably high rating with 70% of respondents rating excellent or above average. Contrary to this, customer service is highlighted as one way in which the region can become a world class destination. It could be surmised that whilst our customer service is clearly above standards elsewhere perhaps there is still substantial room for improvement on an international scale.

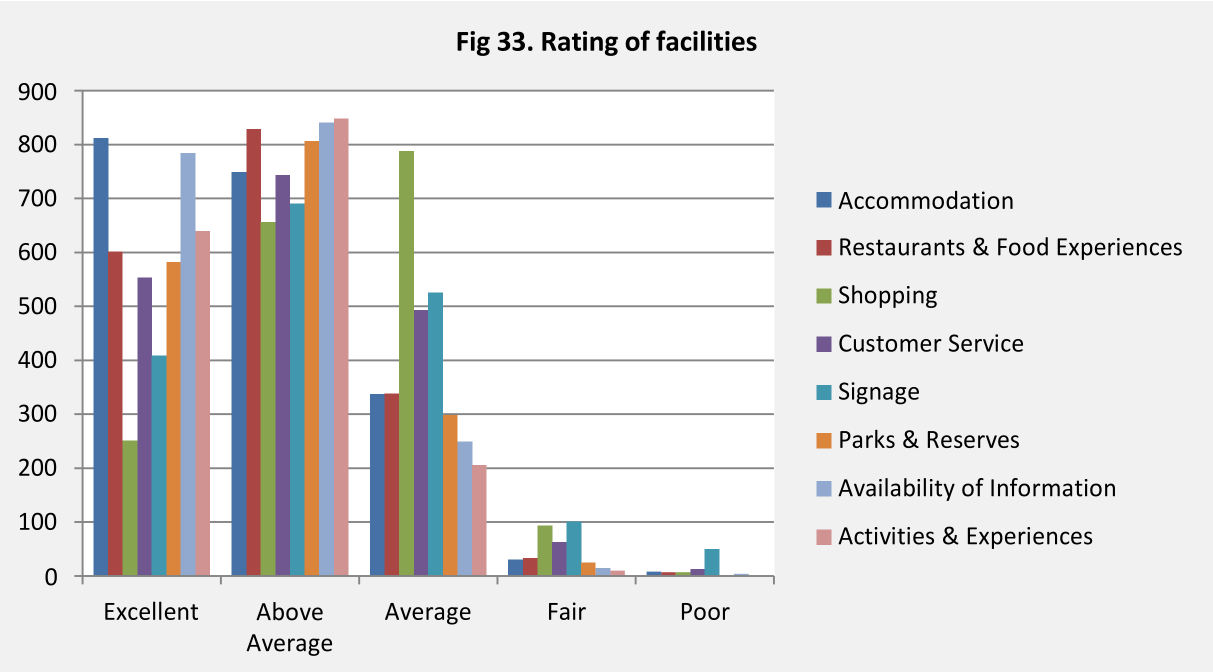
Similarly signage is reflected as excellent or above average by 62% of respondents yet when asked the question, ‘how could the region become a world class destination”, improved signage was noted considerably.

Parks and reserves also rated well with 81% of respondents rating excellent or above average.

86% of visitors rated excellent or above average for availability of information.

87% of visitors rated excellent or above average for the region activities and experiences.

A proportionally small percentage of respondents rated the services, activities and facilities across the region as fair or poor.



Although the Margaret River wine region does not contain many major regional centres, amenities for visitors are seen to be well served. There is a good spread of restaurants and cafes, well serviced visitor centres and plenty of basic amenities for visitors, however there are several proposed projects that could significantly enhance the amenities for visitors in the region.

Improved boat access, jetty facilities and associated infrastructure in the region is critical for charter operators supplying whale watching, cruising and diving tours and for the recreational boating sector in general. In particular, the development of appropriate jetty facilities in Augusta and Dunsborough is seen as essential or supporting the local whale watching industry. Without passenger berthing facilities, whale watching is currently only available to visitors who are prepared to board small runabouts and be ferried to the main boat. This restricts many groups of people (including young children, the elderly and disabled) from participating in these activities. The development of appropriate jetty facilities would alleviate the need to use runabouts and open up whale watching to a broader market.

Business signage within the Margaret River wine region and toilet facilities at key locations (such as beaches) are also seen as areas for improvement.
Source; Australia South West Tourism Development Priorities | 2010-2015

Respondents were also asked to comment on the quality of services, activities and facilities across the region. Visitors to the region responded with favourable comments such as ‘Margaret River is beautiful’, ‘very good’ and ‘has been a really good experience, people are friendly and service has been good’. Other feedback suggested that the region should have more options for families and young children, better road signage and longer opening hours for shopping.

Future investment into Margaret River services, attractions and other tourism product should take into consideration gaps within the current supply and/or the services and facilities that visitors believe would be valuable inclusion to the Margaret River region.

Survey respondents were provided with a list of (possible gaps) options including;

− Increased family facilities − Public transport − Improved boating facilities − Conference facilities − Improved walk trails − More picnic areas − Increased operating hours at attractions − Cultural and entertainment facilities − Improved access & facilities for caravan/campervans − Improved information services − Other	− Improved air access to the region More parking − Improved information signage − Improved road signage − More public restrooms − Cleaner public areas − Increased operating hours in retail outlets − Increased operating hours in restaurants/bars − Better customer service − Car hire

Responses were relatively consistent across the four phases although there were some variations that could be attributed to seasonality, weather and quantity of visitors in the region.

September survey – the variations from the September survey included higher ratings against opening times for restaurants bars, extended trading hours for retail outlets and improved signage for both directional and information. With less people in the region than peak periods of Christmas and Easter parking, picnic areas and public areas did not rate as high.

Christmas survey – with peak numbers in the region it is possible that all services and attractions will be under pressure from the additional people in the area. This can impact significantly on customer service. The longer days are likely to be a reflection on the desire to dine and shop later. Public areas also rated highly in this phase which could be attributed to the number of people utilising existing public spaces.

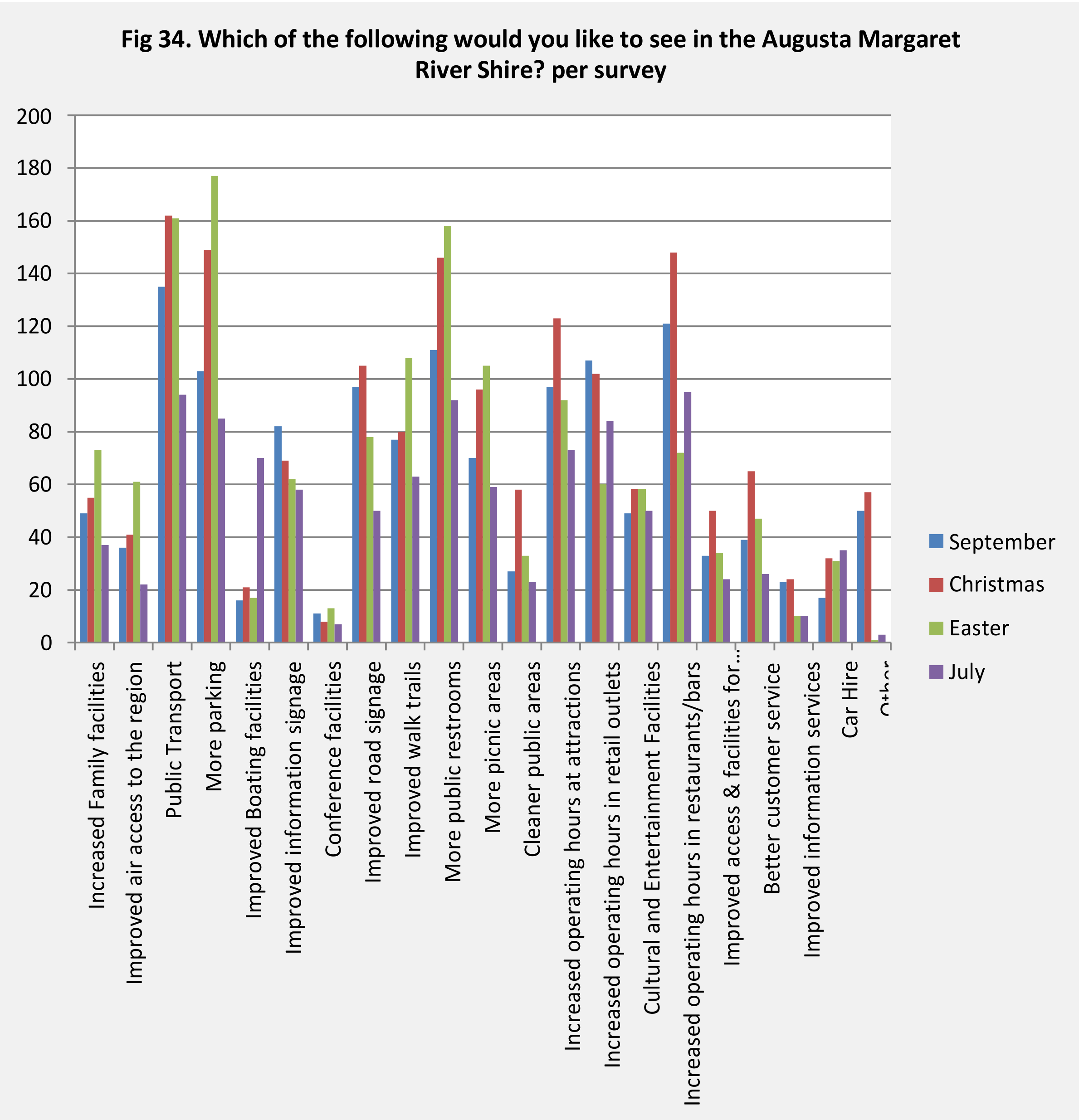
Easter survey – this survey shows the most variance than the previous two surveys. Parking and walk trails rating far higher than the previous surveys. Rating lower as this summer season comes to an end is the desire to dine and shop later.

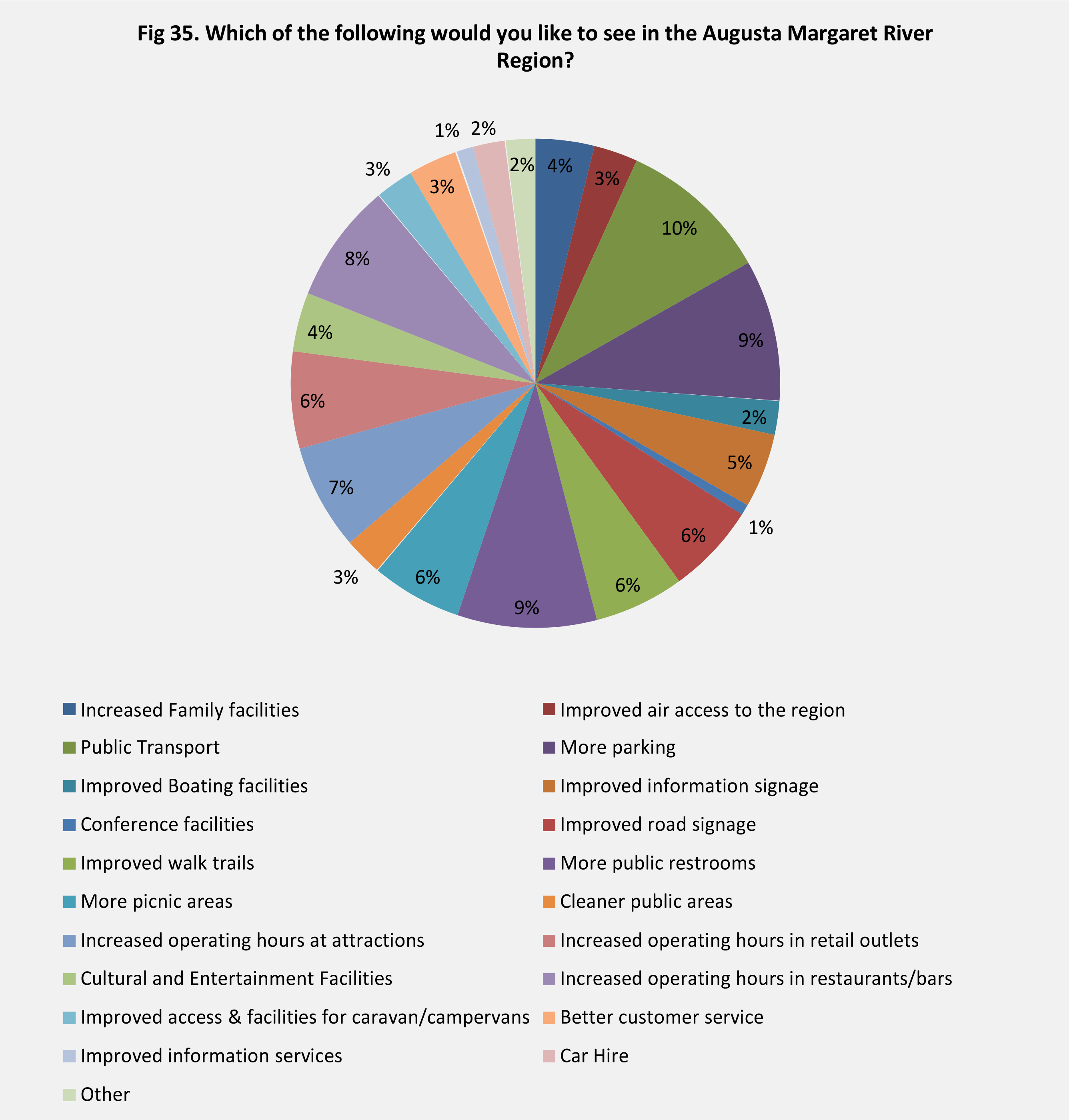
July Survey – variations in this phase included higher ratings against Improved boating facilities, improved walk trails, Increase operating hours in Bars and Restaurants and you could attribute this to the older population travelling at this time of year.

Across all four phases the highest rating services, facilities and attractions that visitors would like to see more of included public transport, parking, public restrooms and later trading hours for restaurants, bars and attractions as shown in figure 35.

When given an opportunity to contribute other services, facilities and/or attractions, respondents offered the following ideas;

- walk trails, river walk trails and cycle trails
- better mobile service
- more camping and free camping
- events
- more affordable - overall
- bypass for heavy vehicles
- train to region
- nightclub
- pedestrian footways on both sides of Margaret River bridge on Bussell Highway
- wheelchair accessibility to beach
- improved cinema

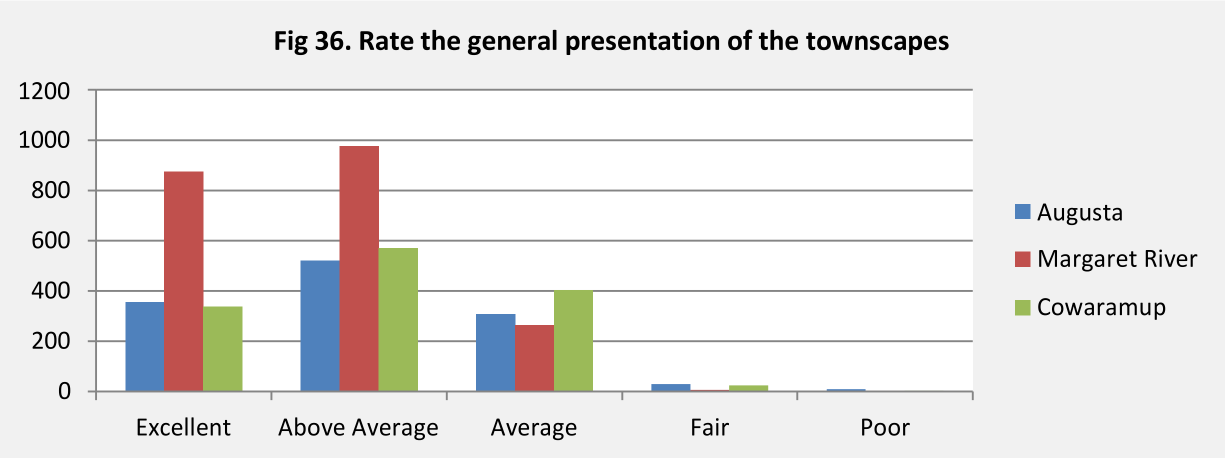




Townscapes

The overall perception of the shire townscapes was favourable with Margaret River rating highest of the three main town sites.

65% of respondents rated the three town sites collectively as excellent
86% of respondents rated the three town sites collectively as above average
41% of respondents rated the three town sites collectively as average
3% of respondents rated the three town sites collectively as either fair or poor.
*note that respondents were requested to rate all three town sites and as such percentages do not add up to 100%



Special needs visitors

31 respondents to the survey commented that they had special needs or were travelling with a party that included a person with special needs. Such a low sample size does not provide reliable feedback to comment on the region's ability to provide for people with special needs.

Comments provided included;

- *adequate parking, good footpaths*
- *smoother footpaths needed north end Bussell hwy before the river*
- *good but not great*
- *not great but ok*
- *more disabled parking bays*
- *I am a single father of six with one child with multiple health issues, being on a carer's pension our biggest issue is affordability.*
- *Handicap toilets are good*
- *Public toilet locked for wheelchairs*
- *Didn't find any beach with wheelchair access or ramp/path that could take onto beach*
- *Accommodation - required shower chair and/or toilets & rails. More disabled parking.*
- *Dietary needs met reasonably well*
- *Gluten free, adequate supplies for my needs, although GF FRESH bread would be great*
- *Gluten free, there was adequate supplies for my needs, especially "Margies Pizza" – Great*
- *Gluten, milk and sugar intolerant. Great to be able to eat well in spite of these*
- *Need hydro physio. Was able to access heat pool, chiropractors and physiotherapists, Great*
- *Small baby: Good pram access/baby change facilities*

How do visitors hear about Margaret River

The Margaret River region already enjoys the benefits of its well earned international reputation as an ideal tourism destination.

It is essential in the growth of tourism to the region to continue to collect statistical information about visitors to the region and their expectations so that we have the ability to direct resources towards existing and new markets in a method that provides results in nurturing and expanding the tourism reputation of the region.

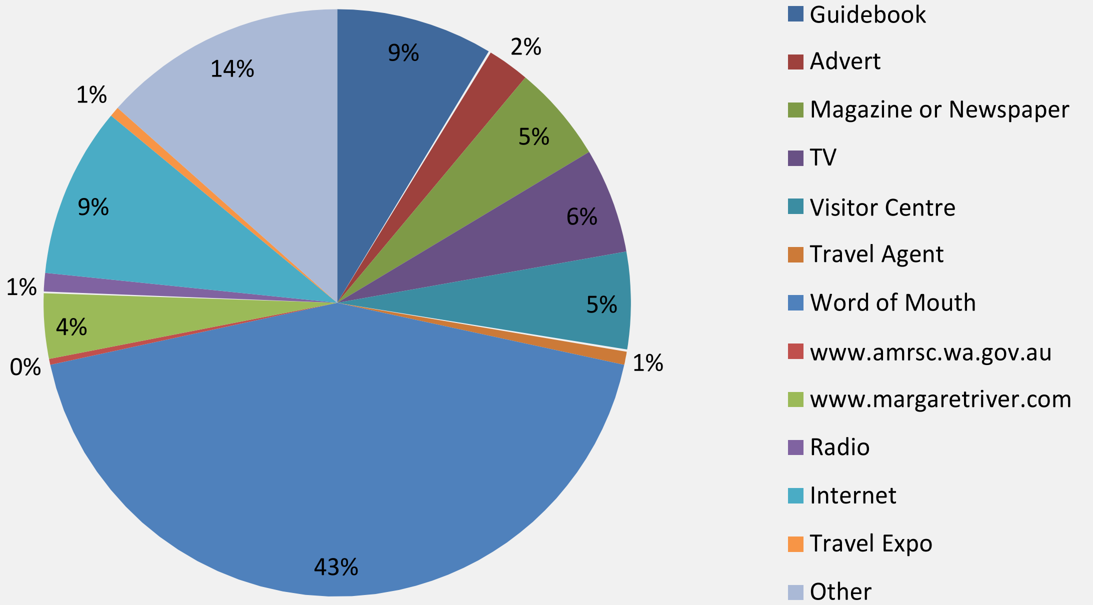
Currently the reputation of the region is primarily supported by wine and wine tourism, and it is fundamental in developing a stronger and more diverse reputation to value-add to the visitor experience. The Augusta Margaret River Tourism Association (AMRTA) has identified for some time the need to rejuvenate the Margaret River region in order to give visitors (particularly those from

Perth and domestic markets which makes up approximately 75% of our visitation) new reasons to visit the region and to maintain and build on its standing as a primary tourism destination.

Survey results highlight that visitor experience and subsequent 'word of mouth' advertising is by far the most effective marketing tool available to the region. Word of mouth marketing relies heavily on the expectation of the visitor and as such the outcome is determined by their experiences.
Following closely behind word of mouth were internet and associated Margret River websites. In a world where the trend is to 'Google' information, it makes practical sense that approximately 9% of visitor to the region utilised the internet to find out more information about the region.

Guidebooks also rated highly at 9% and this result is likely to be attributed to the free visitor guide available at the MRVC.

Fig 37. How did you hear about Margaret River?



Many respondents also noted other ways in which they had heard about Margaret River. Notably many of these commented that they had been visiting the region for some time and/or live in Western Australia. This is consistent with the question posed about how often a person will visit the region and the quantity of return visitors to the region.

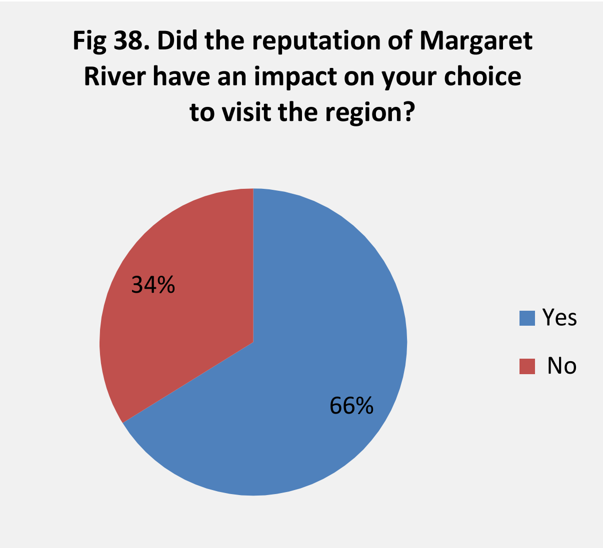
Other areas that were noted included

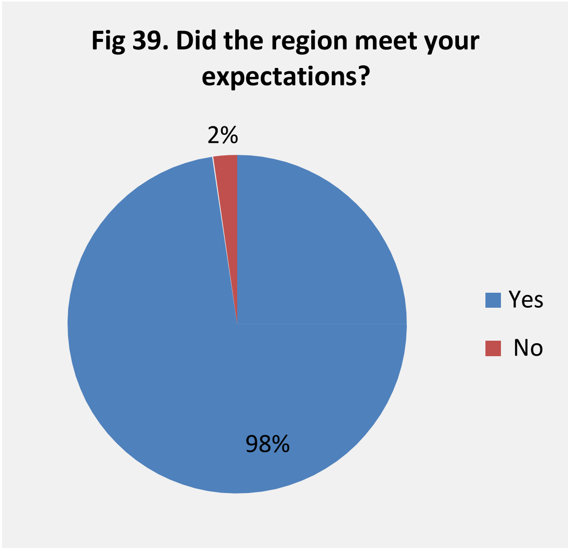
- *Aware of area's reputation for good wines & natural beauty*
- *Brochures from Airport*
- *Buying wine from region*
- *Come from Hunter Valley - am aware of other grape regions.*
- *Family or friends*
- *General knowledge of the south west area*
- *Regular visitor*
- *Surfing*
- *Wine club / wine industry /Wine labels on bottles /Wine supplier*

Reputation and visitor expectation

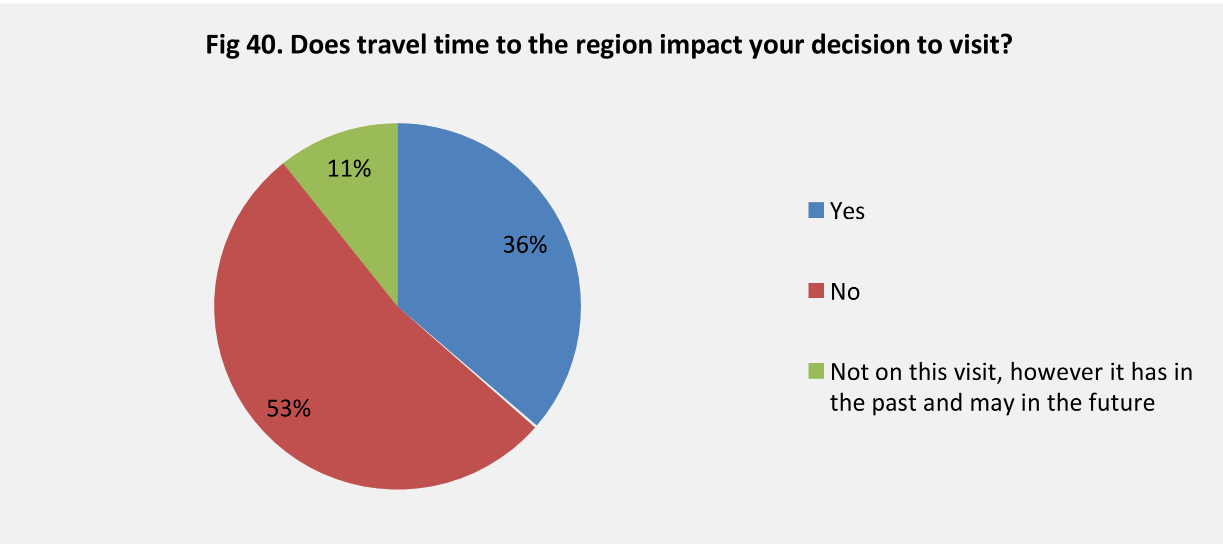
It has been noted that Margaret River has a well earned reputation as a must visit destination and to maintain that, it is important to understand the whether knowledge of the region's reputation impacts on choice to visit and secondly whether the region lives up to expectations.

66% of respondents noted that the existing reputation of the region impacted on their decision to choose Margaret River as their holiday destination. An overwhelming 98% of visitors believed that the region has met their expectations.





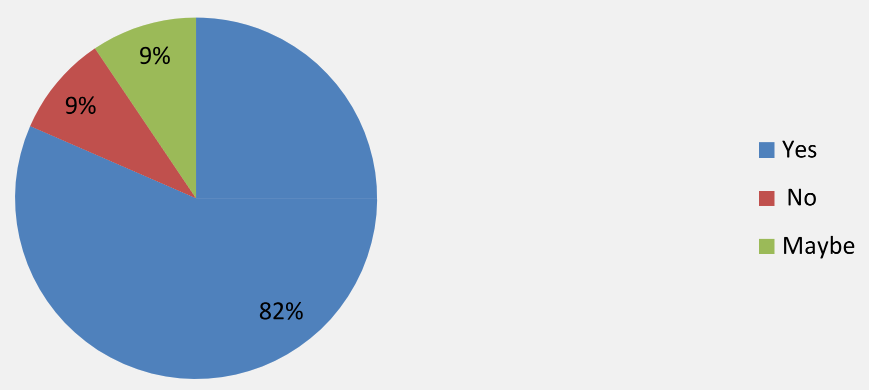
The new Forrest Highway has alleviated 30 minutes from the drive from Perth to Margaret River, however distance still has some impact on visitor decisions to come to the region. More than 53% believe that the travel time does not impact on their choice to visit the region although 47% indicated that the travel time has impacted on their decision to visit the region either on this particular visit or at some other time.



Visitor information is fundamental in any tourism town and so it is important to understand if the visitor centre is adequately servicing those needs. Indicated in figure 41 it appears that more than 82% of visitors planned to utilise the services of either the Margaret River or Augusta visitor centres.

In summarising the use of visitor centres it should also be considered that the survey was largely conducted from the MRVC and as such a large proportion of visitors will have sought additional visitor information from the MRVC which may have distorted the final result.

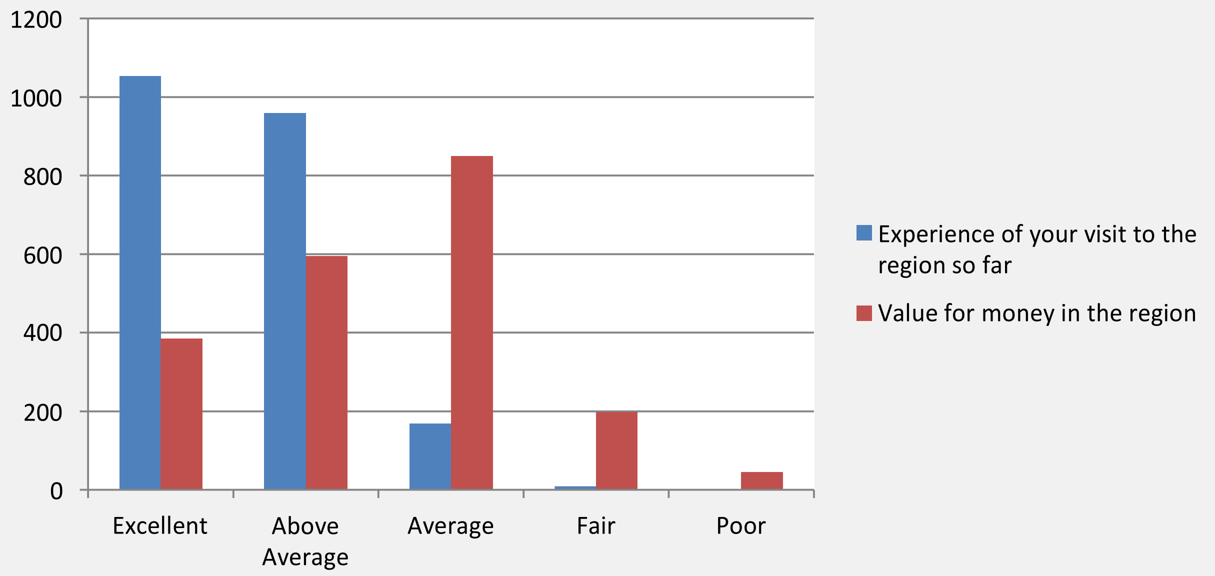
Fig 41. Did you, or do you plan to, visit the Augusta or Margaret Riverk Visitor's Centre during your stay?



As can be seen in figure 42, the region rates extremely well as an experience -providing destination with more than 91% of visitors describing the region as excellent or above average with regards to the quality of their experience.

Recent media attention on the high price of Margaret River appears to be unsubstantiated in the survey results. When rating the region on value for money 41% of respondents rated the region as average, 29% above average and 19% rating the region as excellent value for money.
Only 11% of respondents rated the region as fair or poor value for money.

Fig 42. Please rate the following qualities of the Margaret River region.



World class destination

When asked what more we could we do better to become a world class destination there were a variety of responses however there were also a number of suggestions that were echoed through the response.

Signage and Infrastructure
- Distance signage ie how far to next town
- Improved directional signage
- Improved roads
- Double lane highway
- More sealed roads in national parks
- Improved footpaths, cycle paths and walk trails
- Public transport
- Bypass town centre, improve pedestrian areas in town, Divert heavy trucks from main street
- Main street landscaped
- More bicycle racks to park in town centre
- Better public facilities - toilets, change rooms at beaches, etc.

Affordability
- Increased low cost accommodation
- Aligning of customer service with price – value for money
- More affordable restaurant options, particularly family freindly
- More affordable activities/attractions options
- Price of fuel
- Expensive for backpackers

Accommodation
- Increased self contained
- Increased 5 star accommodation
- More camping areas
- Areas for campervans. Needs to become an RV friendly region (dump points, large vehicle parking, water availability)

Access
- Air access
- Public transport throughout region
- Hire car service
- Courtesy buses from town to attractions

Environment
- Keep and promote pristine environment
- further promote/create short walks
- Look after natural environment - greatest asset
- Walk trails
- Reduce tourist impact on natural environment. Maintain character of town
- More opportunities to learn about indigenous culture and its relationship to the area - eco tourism
- Unspoilt natural environment – leave it as it is
- Don’t get too commercial

Events and Attractions

- More events
- Improved attractions and activities for kids and teenagers
- Adventure activities like quad bike tours through forests activities similar town/region in NZ would have multiple tours/rides/ things to jump off etc
- Forest cycle tracks
- More evening events, longer trading hours
- Cultural events – art/ music
- More entertainment attractions - music events.
- More festivals,
- Conferences facilities
- More art/galleries promoting local artists
- More entertainment for the 40 age group places to go to shows or drink
- More eco-tourism
- More adventure tours, i.e. abseiling ,skydiving and better advertising of tours available
- Water sports to attract the younger crowd
- Adventure park

Miscellaneous

- Extended trading hours for wineries and other attractions
- More nightlife
- No Coal
- Improved customer service
- Improved wheelchair access
- More access to heritage sites - hard to find certain attractions
- More tourism promotion
- Lockers ,you have to walk around with bags and cannot enjoy the place
- Internet WIFI services everywhere
- Advertised multi-lingual brochures?, Welcome in other languages
- Better telephone reception around outlying regions

Included below is a sample of the actual comments made by visors in answer to the question - What do you believe the Margaret River region could offer into the future to maintain its status as a WORLD CLASS TOURISM DESTINATION?

Ease of access to amenities, beaches and lots of nice cafes not to mention the famous wineries
Improve the focus on creating a world class visitor experience. Try & engage all of the businesses in the tourism industry.

Places that target young adults would be a way to improve. There are places to go but places with the feel of Little Creatures, etc. would improve things for us.

"As is" - too beautiful to spoil.

Keep present balance of tourism/development/nature maintained and not over developed

Improve Caves Rd with more overtaking lanes, too dangerous with increased traffic. Currently in my opinion is unsafe

It's already getting there!

Shuttle in the region between the beaches and wineries, to enable everyone in a group to enjoy the wine
A Daily ticket for approx $20 and being able to jump on the bus at any stop

Events relevant to all age groups

Stay natural, prevent too much development. Keep a good balance between wilderness and culture. Ensure services continue to keep up with visitor growth. Offer more deals and specials during off-peak seasons.

Main St getting very busy needs crosswalks and lights to enable pedestrians to cross safely

More areas for relaxing e.g Parks by river

Family activities for children. The skate park was a real highlight for my son. I wanted to use the aerobic facilities but the group fitness timetable was average so didn’t end up going.

Maintain the wonderful combination of offerings - don’t get to big

Better accommodation for more reasonable prices, cosy, gardens, comfortable, organic & natural products are attraction

More organised festivals, craft markets, concerts & better value for money

Stay Local & don’t let the big companies into the town like the chain restaurants ect

Should be heritage listed, unique eco locations of the world

More arts-theatre, contemporary art gallery, fuel station on the caves road, nightclub

More evening restaurants, more nightlife activities

Modern accommodation at an affordable price more friendly service

It's here already. Keep advertising/selling yourself. It's all here!

Improved traffic safety. Bypass for trucks. Control noisy & destructive element around town. Make river access safer for walkers.

Increasing prices in accommodation & food experience in the region make it difficult for local WA visitors to choose MR as a holiday destination

More choice... 4-5 star self contained apartments suitable for families. Indoor activities for kids eg fun/play centre. All else about region is great. Awesome wineries, breweries, restaurants PS - kid friendly venues are just great things!

Reference and Source Documents

TOURISM WESTERN AUSTRALIA
SHIRE OF AUGUSTA-MARGARET RIVER
Overnight Visitor Fact sheet
Years Ending December 2007/08/09

TOURISM WESTERN AUSTRALIA
SHIRE OF BUSSELTON
Overnight Visitor Fact sheet
Years Ending December 2007/08/09

DEPARTMENT OF RESOURCES, ENERGY AND TOURISM
TOURISM RESEARCH AUSTRALIA
State of the Industry 2010

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Visitor Experiences and Expectations Research 2008/2009

TOURISM WESTERN AUSTRALIA
2009 – 2010 Annual Report

AUSTRALIA SOUTH WEST
Tourism Development Priorities 2010-2015

APPENDIX 4

ECONOMIC ANALYSIS

Economic Analysis for AMRSC Local Tourism Planning Strategy

Shire of Augusta-Margaret River

Final

July, 2012

AECgroup
Outcome Driven

Document Control

Job ID:	16218
Job Name:	Shire of Augusta-Margaret River Economic Analysis for Tourism Planning Strategy
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Document Name:	AEC Report - AMR Tourism Planning Strategy FINAL DRAFT 2
Last Saved:	28/1/2016 2:26 PM

Version	Date	Reviewed	Approved
DRAFT v1.0	14/3/2012	MC	SS
FINAL DRAFT v1.0	11/6/2012	MC	SS
FINAL v2.0	3/7/2012	MC	SS

Executive Summary

Background

The Shire of Augusta-Margaret River Local Government Area (LGA), located in the south west corner of Western Australia, contains approximately 237,000 hectares of land, about one-third of which is State Forest, and 8% of which is National Park. The area's Mediterranean climate and ample rainfall sustains a wide variety of agricultural activities, as well as the scenic beauty and environmental diversity that make it a biodiversity "hotspot". Its environmental landscapes include pristine oceans and beaches, reefs, majestic forests, wildflowers and caves.

These factors, as well as the construction of the new Forrest Highway (which has eliminated 30 minutes from the journey from Perth) have made Augusta-Margaret River the most visited region outside of Perth, recording an average of over 1.5 million visitor nights during 2010. Additionally, the area's economic contribution to the State has remained strong over recent years, averaging $252 million per annum from 2005 to 2007.

However, looking towards the future, the region and its tourism sector in particular face a number of challenges. Firstly, tourism within the region is highly seasonal, with a large drop in visitation and activity from the high season, between September and April, to the low season, between May and August. This translates into a high amount of volatility in the amount of economic activity and output within the area, and added difficulty on the ability of service providers in the area to effectively and profitably operate over an entire year.

Additionally, an oversupply of tourism accommodation has begun to emerge in the region which is fast becoming out-dated and of a lower quality in comparison to that offered by domestic and international competitors. This, coupled with the area's recent weakness in visitation and increased staffing and construction costs, has resulted in lower occupancy rates and lower profitability for existing operators.

It is understood the Shire of Augusta-Margaret River has developed a Tourism Strategy (the Strategy) in order to provide a framework for decision making on tourism proposals. In particular, the Strategy relates to land use planning and the influence of planning decisions on tourism in the Shire.

Economic analysis will be a major component towards achieving a successful Strategy, as it provides planners and prospective developers with estimates of future tourism expectations. These future tourism expectations subsequently enable Council to determine the best way to accommodate future growth in tourism accommodation, including:

- The development of future tourism projections;
- The development costs associated with new projects and sites; and
- An understanding of future risks which may influence future tourism within the region.

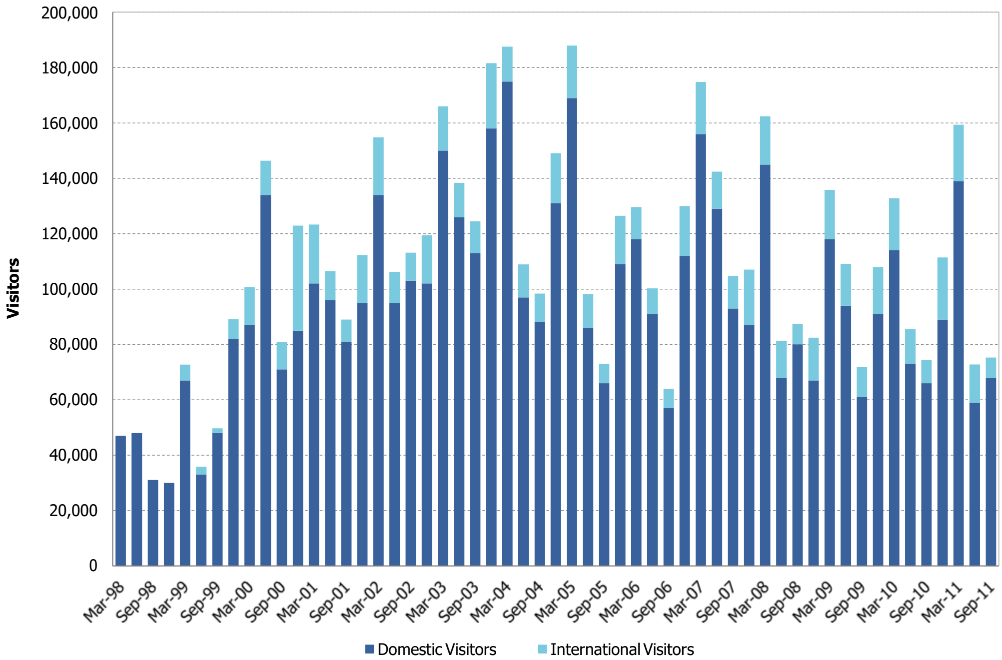
Building on the objectives of the economic analysis for the Strategy, this assessment provides:

- A review of relevant tourism accommodation and economic trends in Augusta-Margaret River LGA, including forecasting future tourism numbers;
- Consultation with relevant stakeholders including:
  - The Augusta-Margaret River Tourism Association; and
  - Commerce groups and major accommodation providers within the region.
- Case studies of financial analysis into new tourism accommodation developments; and
- Based on the previous three outcomes, a detailed report and comprehensive evaluation, with recommendations for the Shire of Augusta-Margaret River to inform the Strategy.

Tourism Sector

Domestic and international visitation levels and lengths of stay in the Augusta-Margaret River LGA have shown significant volatility since 1998. Domestic visitation remains the dominant visitation type, despite recent weakness. International visitation, however, has maintained a fairly consistent upward trend, though from a much lower base, thus remaining a minority contributor. International lengths of stay have also trended upwards, equating to approximately double that of domestic visitors, which has remained consistent over the period, as Margaret River has proven to be a weekend destination. Throughout the year there is volatility in visitation to the LGA due to the seasonal holiday and leisure tourism to the region, which is the main reason for domestic and international visits to the area. Local agriculture's seasonal employment demands also potentially exacerbate this volatility.

Figure E.1: Total Overnight Visitors, by Origin, Augusta-Margaret River LGA, Mar 1998 to Sep 2011



Note: International data was not available for 1998, as reflected in the above and subsequent figures.
Source: TRA (2011), AEC*group*

The Augusta-Margaret River LGA tourism market's strong historic growth in visitor attraction and visitor nights, as well as its success in establishing a large range of accommodation, amenities, attractions and activities, shows that it has moved through its 'development' stage. The recent weakening growth in both visitor numbers and nights stayed indicates that the strong growth of the 'development' stage is being replaced by the slower growth of the 'consolidation' stage. The key from this point will be for the LGA to position itself so it is ready and able to move into the 'rejuvenation' stage, where it once again sees the strong growth in visitor demand experienced historically, and continued development of its accommodation, amenity and activity supply.

Tourism plays a vital role in the national, State and local economy in terms of output, gross value added and employment. However, despite the positive trends in international visitation already identified for the LGA, Australia as a whole has been losing its share of global tourism. Encouragement of international tourism, with its different expenditure profiles, larger (and growing) per-tourist expenditure levels, and longer lengths of stay, could diversify expenditure profiles in Augusta-Margaret River LGA and therefore, the tourism offerings of the wider region, offsetting some of these recent losses. And while an increasingly strong Australian dollar has represented a hindrance, it also presents some opportunities for structural change in the tourism and accommodation sectors.

However, without new product, better access and proactive marketing, it will be difficult to dramatically increase visitation above current trends.

Accommodation Market

The types of accommodation demanded in Augusta-Margaret River LGA are consistent with dominance and seasonality of holiday and leisure tourists to the area. However, those visiting friends and relatives (VFR), while only a minor contributor relative to holiday and leisure, did make a noticeable contribution to domestic accommodation demand, given its extreme bias towards staying on friends' and/or families' property. The survey by AMRTA (2011) however, notes that there has been a recent trend towards demand for lower-cost accommodation and caravans, away from hotel, resort and/or motel accommodation.

The seasonality and volatility of tourist visitation in the region naturally translates into seasonality of room and guest nights occupied, average lengths of stay, occupancy rates, and takings (occupancy rates also had large variation depending on the type of accommodation analysed).

A study by the LGA, as well as Australian Bureau of Statistics (ABS) data obtained by AEC*group*, also reveals an inverse relationship between the average size of a particular establishment type, and the number of these establishments supplied in the region, a relationship that was likely cost-related. This has resulted in a small number of caravan parks (though higher than expected, given recent issues with increasing land values), camping grounds and resorts, but also many chalets and holiday houses in the region. Our analysis also found a strong link between the number of establishments (with 15 or more rooms pre-September 2010) and the number of rooms in the region, as is to be expected.

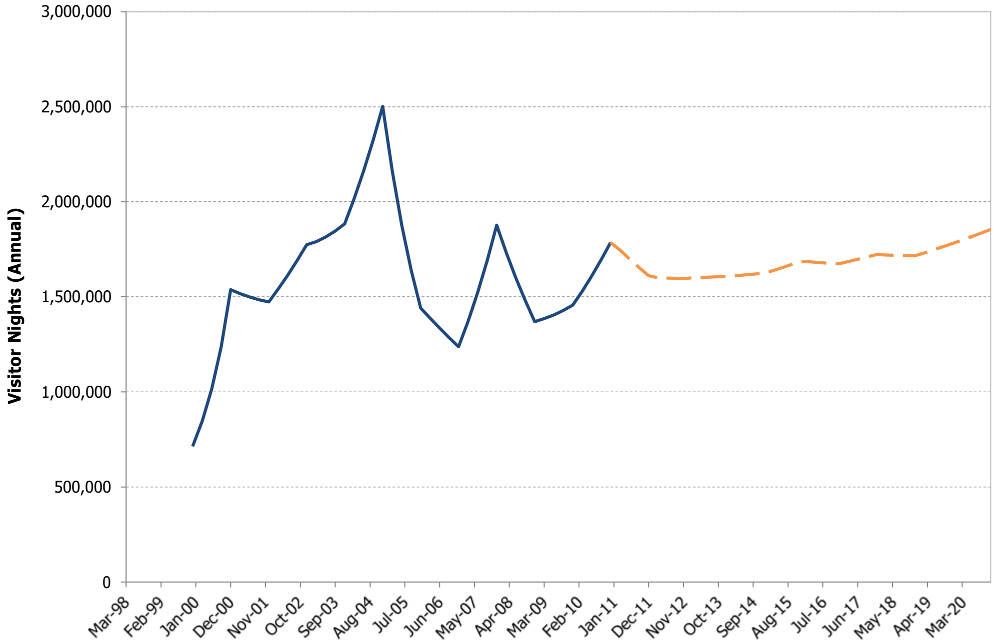
Future Tourism Demand

AEC*group* constructed four tourism visitation demand scenarios based on TRA forecasts, historical trends, aspirational targets and finally, a weighted scenario which is an equal weighted average of the three projections. TRA projections were found to be flat for domestic visitor nights, with an upward trending projection for international visitor nights. AEC*group*'s trend projection for domestic visitor nights has less strength than the TRA projections, showing an overall fall in domestic visitor nights through to 2020. The trend projection for international visitor nights also had less strength in comparison to the TRA projection, although the AEC*group* trend projection for international visitor nights still saw an increase through to 2020.

Aspirational targets were set for increasing the amount of holiday or leisure visitors, as well as business visitors. A target was also set for increasing the average length of stay for all visitor types. Applying these targets to the trend projections produced aspirational forecasts for domestic and international visitation. Both domestic and international aspirational projections saw increased visitor nights through to 2020, however, the amount of international visitors under this scenario saw much stronger growth than the amount of domestic visitor nights.

Finally, a weighted scenario, which was made up of an average of the three other scenarios produced a fairly flat projection for domestic visitor nights (similar to the projection based on TRA forecasts) with a moderate increase in international visitor nights. Total visitor nights stayed under the weighted scenario is found in Figure E.2.

Figure E.2: Total Visitor Nights Most Likely Scenario, Augusta-Margaret River LGA, Mar 1998 to Dec 2020



Source: TRA (2011), AEC*group*

The most likely scenario should be used for tourism planning purposes, however, planning should be able to adjust if proactive measures could be taken to increase future visitation levels.

Opportunities & Gaps

The Shire of Augusta-Margaret River LGA Tourism Strategy has presented strengths, weaknesses, opportunities and threats associated with achieving each of the 5 A's (accommodation, amenity, attractions, activities and access) essential requirements for successful tourism. Building on this assessment, points were raised in regards to Augusta-Margaret River LGA's current offering, competitive advantages and challenges in regards to its accommodation, amenity, attractions, activities and access.

Challenges raised as part of this assessment point to the Augusta-Margaret River LGA's currently high amount of seasonality of tourism visitation, which also translates to a high amount of volatility in demand for tourism related infrastructure, amenity and services provided by the area throughout the year. Additionally, points were raised that the LGA offers similar (particularly natural) amenity and attractions to other regional Western Australian areas, and also that the access to the area may be largely restrictive to facilitating interstate and overseas visitation.

To demonstrate some of these issues, AEC*group* assessed the international competitiveness of the Augusta-Margaret River LGA's tourism offering against that of Bali. It was found that even though travel costs associated with accessing Bali from Perth were greater, the higher accommodation and daily costs associated with staying in Margaret River make Bali the slightly cheaper alternative.

Table E.1: Travel Cost Comparison, Margaret River vs Bali, March 2012

Cost	Margaret River	Bali
Travel	$506.16	$1,568.00
Accommodation	$1,615.00	$991.67
Daily	$2,702.70	$1,929.38
Total	***$4,823.86***	***$4,489.04***

Note: Daily costs refer to total of seven day expenditure that excludes travel and accommodation but includes meals and activities.
Source: AEC*group*

The accommodation supply assessment conducted by AEC*group* indicates that chalet accommodation establishments in the LGA, on average, charge a higher daily rate than what their level of service suggests is reasonable. Secondly, the apartments and holiday houses within the area are generally priced below what their service level suggests is reasonable. With the exception of caravan parks, the majority of tourism accommodation capacity is located less than one kilometre from the town centre, driven by the small number of large establishments located within this radius. There may be an opportunity for more accommodation supply to be made available throughout the Shire depending on the attractions and amenity of specific areas.

Accommodation Feasibility

AEC*group* has utilised a purpose-built discounted cash flow model (DCFM) to conduct a feasibility assessment of developing and operating four different types of accommodation establishments within the Augusta-Margaret River LGA, including:

- Hotel;
- Chalets;
- Caravan Park; and
- Camp Site.

A range of assumptions were made in terms of revenue and cost drivers based on current market conditions, consultation with existing operators and industry standard benchmarks. The financial feasibility of the traditional four types of accommodation generally showed that the development of these projects is unviable as current accommodation rates (and revenues) did not make up for high construction and operating costs. Out of these four types of accommodation, caravan parks and camping showed the best financial results due to lower construction costs and capital expenditure requirements.

Table E.2: Feasibility of Accommodation, Augusta-Margaret River

Establishment Type	10-Year NPV	10-Year IRR
Caravan Park	$1,290,141	9.0%
Camping	$986,458	7.8%
Chalets	-$4,507,841	-2.0%
Hotel	-$13,051,543	-0.6%

Source: AEC*group*

New and innovative models of accommodation development are needed. Additionally, this analysis suggests that in the short-term refurbishments of existing properties may be most viable.

AEC*group* also used the aspirational demand scenario to demonstrate the impact of higher levels of demand on the feasibility of new development. It was found that under this high demand scenario, all accommodation establishments returned a positive net present value (NPV), indicating that, faced with greater tourism demand, there is capacity to increase the accommodation supply in a feasible manner.

Similarly, the feasibility of all accommodation developments was conducted under a low tourism demand scenario (i.e. trend). Under this scenario, all accommodation establishments except for the camp site returned negative NPVs. It is important to note that the demand projection driving the assumptions for this scenario are based on the analysis of recent trends. That is, there is a probability associated with the trend scenario being realised in the future, which is in contrast to the aspirational target demand scenario. These findings indicate that the current viability of accommodation development (or lack thereof) is likely to worsen in the future if no proactive action is taken to impact on future demand.

This analysis has identified a number of barriers to accommodation development. Many of these issues are common across Australia and some are unique to the market environment in the Augusta-Margaret River Shire area.

The barriers of development include:

- **High construction costs**: Due to the strong growth in the resource sector and infrastructure investment over the last decade, construction costs are considerably more today than they were a decade ago.
- **Seasonality of demand**: Tourism visitation (and demand for accommodation) varies greatly throughout the year, producing significant volatility in accommodation market statistics. The low demand during the off season drags down the overall performance of the sector, producing somewhat lacklustre results, which can discourage investment.
- **Rates**: Beyond the impact of seasonality on daily overnight rates, the relationship between construction costs and rates does not provide sufficient return on investment to warrant additional investment. Construction costs are too high and rates are not high enough to compensate and provide a return on investment.
- **Access to finance**: Tourism is less favoured by investors as other types of property development, namely residential and commercial development. Access to finance and/or finding an investor is a major constraint to tourist accommodation development in Australia.
- **Competition of land use**: Given that tourism accommodation developments must compete for land with other property asset classes (i.e. residential and commercial) and that hotels generally provide lower return on investment compared to these other project types, tourism accommodation is thus not as attractive for these lands as other property classes.
- **Demand**: Falling levels of demand for visitation across the Shire provide a disincentive for investment in new tourism accommodation. Similarly, increasing levels of visitation will provide an incentive for investment.
- **Accommodation operational issues**: Many types of accommodation, most namely hotels and chalets, operate from a high cost basis due to the levels of service that must be provided. This high cost basis makes it very difficult to operate during the non-peak tourism period.
- **Competition from other destinations**: The Shire competes against numerous domestic and international destinations. Competition for visitors in Australia has become intense, particularly against a setting of a high Australian dollar and lacklustre economic conditions in the US and UK (two primary source markets for Australia). Destinations are investing heavily in product and experience development to attract visitors.

While many of these barriers are market driven and cannot be addressed by Government, there are actions that can be taken by Local Government to assist in encouraging future accommodation development.

Recommendations

Based on the results of the analysis and consultation conducted as part of this report, a number of recommendations have been put forward so that the Augusta-Margaret River LGA may achieve successful outcomes from the Tourism Strategy. These recommendations can be organised under the following headings:

- **Future Tourism Demand**: encouraging higher levels of visitation to the region;
- **Infrastructure**: investing in infrastructure that will encourage further visitation and higher levels of expenditure in the future; and
- **Planning**: ensuring an overall planning environment that encourages investment in and growth of the tourism sector in the Shire.

Future Tourism Demand

1. Concentrate on **attracting more international visitors** to the Augusta-Margaret River LGA by working with Tourism Western Australia and local stakeholders on marketing the unique amenity and high level of service offered within the area.

   Rationale: International visitation trends are rising for Australia and international visitor expenditure is typically higher than domestic. Attracting more international visitors will diversify the existing tourism market and increase economic activity, jobs and expenditure.

2. Develop and implement a **strategic marketing campaign** designed to emphasise the strengths of the Augusta-Margaret River LGA, with particular focus on increasing visitation outside of the peak summer period.

   Rationale: Domestic overnight visitation has been very volatile and on a long term trend basis is falling. This segment is the largest component of the overnight visitor market and very important in terms of the overall visitor expenditure in the economy. Marketing efforts need to be made to ensure this segment grows in the future.

3. Ensure a **proactive marketing program** to generate visitation.

   Rationale: Visitation is a very important driver for the accommodation industry. Ensuring that efforts are taken to proactively engage with prospective visitors will be important to ensuring marketing efforts are successful. Increasing visitation levels to the Shire is important for the future of the accommodation industry and the wider economy.

4. Continually development, augment and amend **visitor experience and tourism product** to grow visitation, including growing the number of week-long holidays.

   Rationale: Ensuring that the visitor experience continually improves and changes by adapting existing tourism product and adding new products and experiences is important to growing visitation. Experiences and product will enable the local destination to increase levels of visitation from existing core segments as well as to tap into new segments.

5. Improve on the already high value-add offered from the Augusta-Margaret River LGA's **agriculture industry** to both domestic and international visitors in order to grow demand.

   Rationale: Part of the visitor experience is the wine and food currently available in the region. Building on this strength and broadening the offer will assist in growing visitation.

6. Increase the capacity of the Augusta-Margaret River LGA to host **business events** and the capacity of the region to provide a regional business event destination.

   Rationale: The local visitor market is dominated by holiday and leisure travellers. Increasing business events will allow the area to grow the business traveller market, thereby decreasing the reliance on the holiday/leisure market and its seasonality as well as increasing the sustainability of the tourism industry through diversification of market segmentation.

7. Attract, establish and promote **regular events** particularly during the low season to provide an ongoing, year-round flow of people to the Augusta-Margaret River LGA including a golf tournament, music festival (including numerous vineyards) and a food festival.

   Rationale: Promoting regular events is another way to drive visitation, particularly if events can be scheduled outside of the traditional tourism season. This will allow the season to lengthen, thereby increasing the value of the industry locally and assisting the accommodation industry to better deal with the traditional drops in occupancy associated with the low season.

Infrastructure

8. Ensure a **mix of accommodation product and options** that are sustained, including availability of a range of accommodation types (hotels, motels, serviced apartments, caravan parks).

   Rationale: Ensuring that there is sufficiently broad range of accommodation opportunities will allow the Shire to attract a broad range of visitors and to not shut out any visitor segments. The appropriate mix needs to reflect the current and aspirational visitor mix.

9. Facilitate **infrastructure to unlock business travellers** (i.e. convention centre).

   Rationale: In order to facilitate more business travellers and increase the ability to hold more business events, the appropriate infrastructure is needed. The development of a convention centre to host events will be important to tapping into this visitor market.

10. Invest in and support broad investment in **tourism infrastructure** (i.e. Surfer's Point, Town Centre Redevelopment) to drive future visitation.

    Rationale: Increasing tourism infrastructure such as Surfer's Point and the Town Centre Redevelopment will allow for greater levels of visitation and provide a stimulus to ensure the visitor experience is continually improved, which will assist in generating greater levels of future visitation.

11. Encourage **refurbishment of accommodation** supply over new build in the short-term due to current supply levels and availability of old product.

    Rationale: As identified in this report, the feasibility of new, green field accommodation development can be very challenging. Given the existing supply and demand assessment, the refurbishment of existing accommodation could provide a stimulus to increase visitation as a recently refurbished property could better meet the existing and future potential visitor profile. The refurbishment would not lead to any additional oversupply but at the same time allow for higher levels of expenditure and visitation.

12. Improve **transport connections between accommodation establishments and activities** offered within the Augusta-Margaret River LGA.

    Rationale: Accommodation provision is scattered throughout the Shire with concentrations of hotel/motel accommodation in the town centre and caravan parks spread across the region. Much of the activities in the area are based spread across the LGA and access to many of them from the town centre is limited without the use of a personal vehicle. Improving access will improve the visitor experience and lead to higher levels of visitation and spending.

13. **Proactively engage with investors and owners** regarding refurbishment of existing properties and identify ways in which the local government planning process can encourage reinvestment in existing properties.

    Rationale: The Shire needs to proactive engage with investor regarding development or redevelopment of accommodation properties. Without direct engagement, it will be difficult to action many of the recommendations in this report.

Land-use Planning

14. Invest in improving the **quality of public spaces** (e.g. landscaping and facilities), building upon natural assets of the LGA.

    Rationale: The area is well known for its naturally beauty. Improving the quality of public space was mentioned during consultation and would lead to ensuring a positive (and improving) visitor experience, which in turn will lead to higher visitation levels and greater visitor spending.

15. Prioritise **pedestrian access and movement within the town centre**. This includes promotion of pedestrian permeability of developments along the Bussell Highway.

Rationale: During consultation, pedestrian movements in the town centre were mentioned as a current weakness. Ensuring pedestrian permeability would increase visitor experience in the town centre and benefit the accommodation establishments in and around the town centre.

16. Encourage **commercial office development** (including its auxiliary services such as conference and meeting facilities) to reduce the seasonality in demand for services and accommodation in the Augusta-Margaret River LGA.

    Rationale: In addition to looking at business events, growing the professional business segment will also help to drive demand for business visitation. By encouraging commercial office development (as well as other investment attraction activities) would help to increase business visitation.

17. Support and facilitate **staged redevelopment of major sites** in the Augusta-Margaret River LGA, particularly those that are too large to be developed in one stage (either due to feasibility or market saturation issues). This includes the facilitation of mixed-use developments.

    Rationale: Facilitating the staged development of major sites as well as allowing a greater mix of uses will assist the feasibility of development by reducing capital expenditure requirements and diversifying revenue streams.

18. Identify and release **State and Augusta-Margaret River LGA owned sites** onto the market to facilitate LGA revitalisation through private sector partnership.

    Rationale: Leveraging government held property is a proven way to encourage accommodation development. It allows the overall capital expenditure requirements to reduce, thereby increasing the viability of development.

19. Consider **allowing greater levels of residential development** within tourism accommodation developments on a case by case basis to increase future investment in tourism accommodation.

    Rationale: Increasing the levels of residential development improve the feasibility of accommodation development by allowing a more profitable land use to be incorporated into the overall development. Also, cashflows on residential products tend to happen much quicker than for accommodation, which greatly improves the financial feasibility.

When implementing these recommendations, the Shire of Augusta-Margaret River should be aware of the tourism accommodation supply and demand balance. The Shire should not encourage new development, which might provide an oversupply of accommodation and drive occupancy and rates lower. The Shire should monitor the accommodation market in order to be well informed of the supply and demand balance. In the short-term refurbishment may be more likely than new development.

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1. Introduction

1.1 Background

The Shire of Augusta-Margaret River Local Government Area (LGA), located in the south west corner of Western Australia, contains approximately 237,000 hectares of land, about one-third of which is State Forest, and 8% of which is National Park. The area's Mediterranean climate and ample rainfall sustains a wide variety of agricultural activities, as well as the scenic beauty and environmental diversity that make it a biodiversity "hotspot". Its environmental landscapes include pristine oceans and beaches, reefs, majestic forests, wildflowers and caves.

The region has an international reputation built around its premium local wines as well as its breweries and diverse high-quality food. There are artisan galleries and souvenir shops to visit, concerts and festivals to enjoy, walkways, lookouts and visitor parks to trek and adventure sports in which to participate, including surfing, swimming, boating, fishing, horse riding, tennis, and golf. The region also has a rich socio-cultural heritage that includes whaling, forestry, the Augusta lighthouse, and numerous annual events.

These factors, as well as the construction of the new Forrest Highway (which has eliminated 30 minutes from the journey from Perth) have made Augusta-Margaret River the most visited region outside of Perth, recording an average of over 1.5 million visitor nights during 2010. Additionally, the area's economic contribution to the State has remained strong over recent years, averaging a $252 million per annum from 2005 to 2007.

However, looking towards the future, the region and its tourism sector in particular face a number of challenges. Firstly, tourism within the region is highly seasonal, with a large drop in visitation and activity from the high season, between September and April, to the low season, between May and August. This translates into a high amount of volatility in the amount of economic activity and output within the area, and added difficulty on the ability of service providers in the area to effectively operate over an entire year.

Additionally, an oversupply of tourism accommodation has begun to emerge in the region which is fast becoming out-dated and of a lower quality in comparison to that offered by domestic and international competitors. This, coupled with the area's recent weakness in visitation and increased staffing and construction costs, has resulted in lower occupancy rates and lower profitability for existing operators.

There are widespread benefits and much business-generation enjoyed elsewhere in an economy as a result of tourism activity, including transport and storage, manufacturing (including food and beverage, petrol and shopping), accommodation, cafes and restaurants, and retail trade (including takeaways). If the Augusta-Margaret River region is to maximise the potential benefits arising from tourism, any tourism strategy that is prepared and implemented must bridge the challenges faced by the market.

1.2 Project Scope & Objectives

The Shire of Augusta-Margaret River has developed a Tourism Strategy (the Strategy), the purpose of which is to provide a framework for decision making on tourism proposals. In particular, the Strategy relates to land use planning and the influence of planning decisions on tourism in the Shire.

The Strategy, examines the current state of the tourism industry, future projections for growth and development of the industry, and relevant factors influencing future development, and establishes a policy position to seek to ensure a maximum benefit to all stakeholders through:

- The identification of sites and areas deemed to be of strategic importance to the future of tourism development in the Shire;
- Providing clear guidance on the rezoning of land for tourism purposes, or from a tourism purpose to another purpose;
- The inclusion of other uses in tourism developments, such as permanent residential uses of activities purported to be incidental to tourism activities;

- Establishing a position on the use of strata title in tourism developments in the Shire;
- Examination and recommendation in relation to the range of planning controls relevant to tourism within the Shire's Local Planning Scheme No.1; and
- Strategic level guidance to the establishment of new or expanded tourism developments.

Economic analysis will be a major component towards achieving a successful Strategy, as it provides planners and prospective developers with estimates of future tourism expectations. These future tourism expectations subsequently enable Council to determine the best way to accommodate future growth in tourism accommodation, including:

- The development of future tourism projections;
- The development costs associated with new projects and sites; and
- An understanding of future risks which may influence future tourism within the region.

Building on the objectives of the economic analysis for the Strategy, the assessment provides:

- A review of relevant tourism accommodation and economic trends in Augusta-Margaret River LGA, including forecasting future tourism numbers;
- Consultation with relevant stakeholders including:
  - The Augusta-Margaret River Tourism Association; and
  - Commerce groups and major tourism providers within the region.
- Case studies of financial analysis into new tourism accommodation developments; and
- Based on the previous three outcomes, a detailed report and comprehensive evaluation, with recommendations for the Shire of Augusta-Margaret River to inform the Strategy.

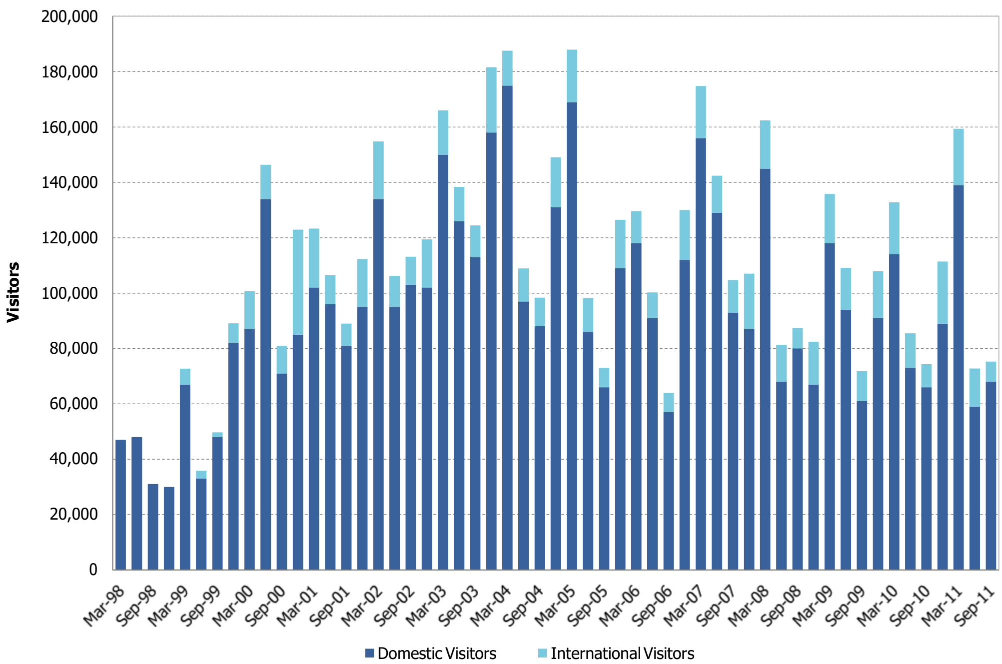
2. Tourism Sector

This section provides an overview of the tourism sector in the Augusta-Margaret River Local Government Area (LGA). An overview is provided of visitor numbers and nights stayed, typical visitor profiles, and the economic contribution made by the tourism industry to the LGA.

2.1 Visitor Numbers & Nights

According to Tourism Research Australia (TRA), total overnight visitation to the Augusta-Margaret River LGA since 1998 has fluctuated significantly, ranging from a low of 35,822 in June quarter 1999 to a high of 187,951 in March quarter 2005. This is illustrated in Figure 2.1. Average total annual visitation to the region, according to AMRTA (2011), was estimated at 455,400 for 2007-09. This included 69% intrastate, 18% interstate and 13% international visitors.

Figure 2.1: Total Overnight Visitors, by Origin, Augusta-Margaret River LGA, Mar 1998 to Sep 2011



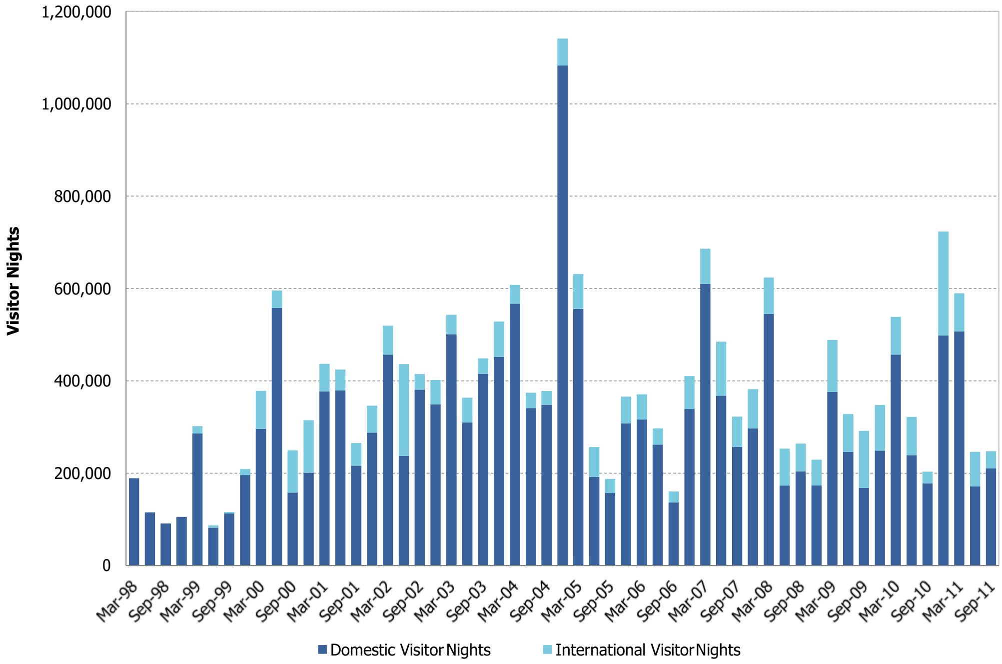
Note: International data was not available for 1998, as reflected in the above and subsequent figures.
Source: TRA (2011), AEC*group*

Domestic overnight visitor numbers have clearly dominated total visitation over the 1999 to 2011 period, with most visitors to Augusta-Margaret River LGA being Western Australian locals holidaying within the State. However, what is also evident is the shape of domestic overnight visitor numbers over the period. That is, until the seasonal peak in March quarter 2005, domestic visitor numbers were trending upwards, while after this point, the trend appears to have reversed.

International visitor numbers on the other hand, have exhibited a fairly consistent upward trend over the entire period, though from a much smaller base and still a clear minority relative to domestic visitor numbers. As at March 2010, the LGA's top international markets were the UK, Singapore, Malaysia, New Zealand, Indonesia, the USA, China, South Africa, Japan and Hong Kong.

Total overnight visitor nights in the region have followed a similar pattern to visitor numbers over this period, fluctuating from a low of 86,716 in June quarter 1999 to a high of 1,141,422 in December quarter 2004. This is illustrated in Figure 2.2.

Figure 2.2: Total Overnight Visitor Nights, by Origin, Augusta-Margaret River LGA, Mar 1998 to Sep 2011



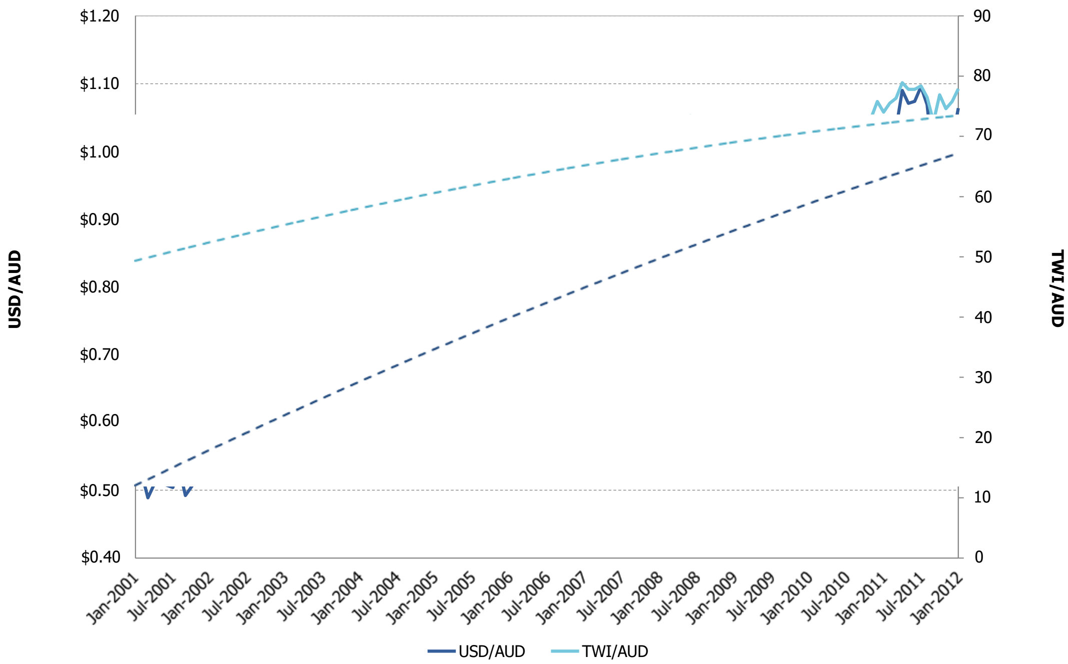
Source: TRA (2011), AEC*group*

Again, the shape for domestic visitor nights over the period shows a turning point occurring at the seasonal peak in late 2004. And here too, international visitor nights have been on a fairly consistent upward trend over the entire period though from a much smaller base.

Despite the mentioned positive trend in international visitor numbers and nights from 1995 to 2008, Australia as a whole has been losing its share of global tourism, experiencing a 14% drop in its expenditure share over this period. This weakening share of global tourism is reinforced by a strong Australian Dollar, a factor which has made overseas travel relatively more attractive for both international and domestic visitors, since international visitors have lost purchasing power in Australia, while domestic visitors have gained purchasing power overseas.

As illustrated in Figure 2.3, the Australian Dollar has exhibited a definite upward trend over the past decade, appreciating strongly against the US Dollar (USD) from a low of USD0.4890 in March 2001 to a high of USD1.0954 in July 2011. This strength is also reflected by the Australian Dollar's strength against its Trade-Weighted Index of currencies (which includes weights from its trading partners' currencies, the USD, Chinese Renminbi, Japanese Yen and many others), from a low of 47.0 in September 2001 to a high of 78.9 in April 2011.

Figure 2.3: Australian Dollar versus US Dollar and Trade-Weighted Index, Jan 2001 to Sep 2011



Source: RBA (2012), AEC*group*

Continued strength in the Australian Dollar poses a real concern for the Margaret River LGA as it places pressure on the growth seen in international visitation, and added pressure on the already falling domestic tourism visitation. Although international tourism visitation to the LGA comprises a much smaller proportion of total visitation than domestic, the value of an international visitor compared to a domestic visitor should not be overlooked. However, if the Australian dollar remains strong, there may be potential for it to initiate significant and permanent structural change in the Augusta-Margaret River accommodation market, forcing the region's competitive advantage further into non-price areas.

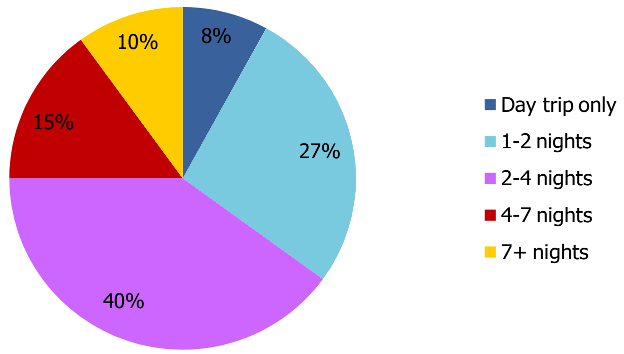
An international visitor will stay on average for a longer period of time in the LGA than a domestic visitor. AMRTA (2011) estimated the average length of stay at 3.6 nights for Augusta-Margaret River LGA between September 2010 and July 2011. As to be expected, visitors travelling further tended to stay for longer periods of time (i.e. international versus interstate and intrastate visitors), as shown in Table 2.1.

Table 2.1: Average Length of Stay, by Origin, Augusta-Margaret River LGA, Sep 2010 to Jul 2011

Shire of Augusta Margaret River	Average Length of Stay
Intrastate	3.0
Interstate	3.3
International	5.8

Source: AMRTA (2011)

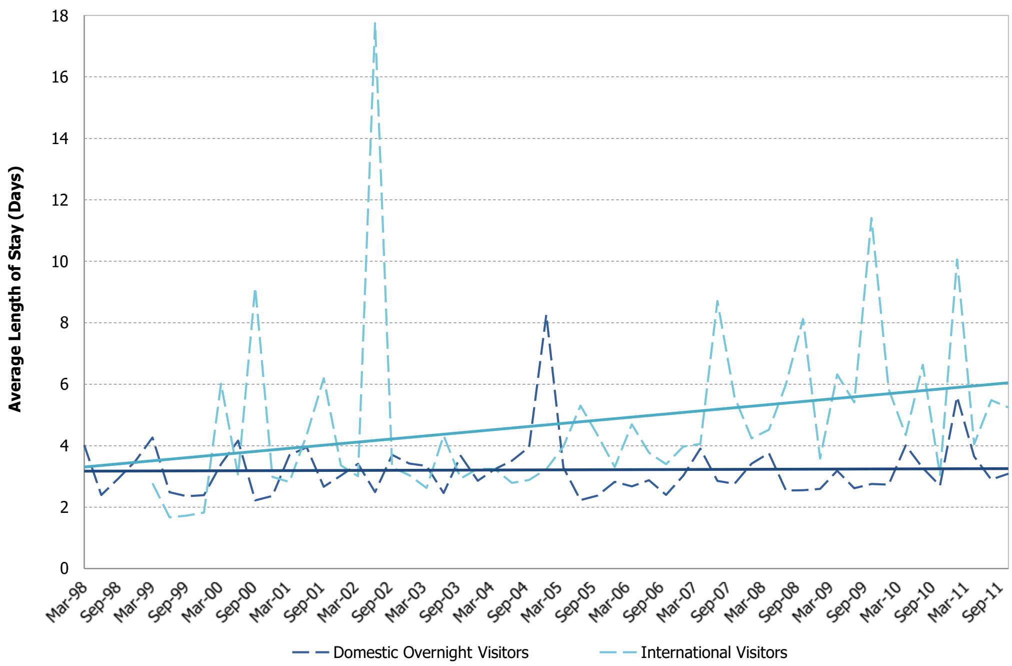
Figure 2.4: Average Length of Stay, Augusta-Margaret River LGA, Sep 2010 to Jul 2011



Source: AMRTA (2011)

TRA (2011) reveals a similar difference between domestic overnight and international lengths of stay, as illustrated in Figure 2.5. Average lengths of stay are very volatile over the period, for domestic overnight visitors, length of stay ranged from 2.23 days in September quarter 2000 to 8.27 days in December quarter 2004. For international visitors, length of stay ranged from 1.67 days in June quarter 1999 to 17.75 days in June 2002. Despite this volatility though, linear trend lines reveal a much clearer pattern. Domestic overnight average lengths of stay appears perfectly constant at just over 3 days over the period, while international average length of stay has almost doubled.

Figure 2.5: Average Lengths of Stay, by Origin, Augusta-Margaret River LGA, Mar 1998 to Sep 2011



Source: TRA (2011), AEC*group*

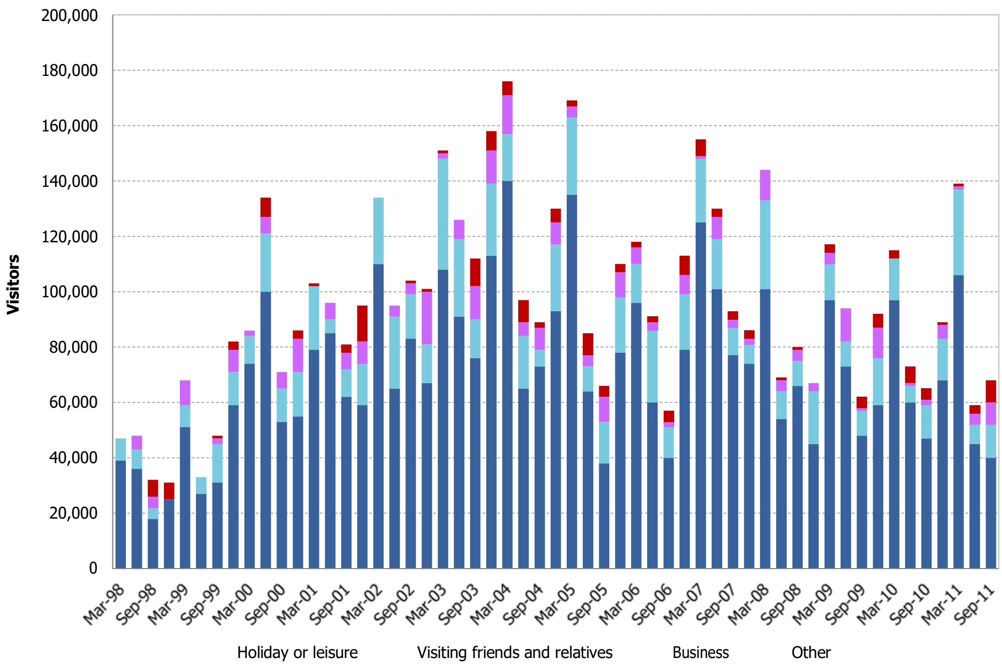
The trends in visitors and visitor nights stayed in the Augusta-Margaret River LGA, indicates that the LGA is entering the 'consolidation' stage of its tourism lifecycle (Shire of Augusta Margaret River 2012). The LGA's strong historic growth in visitor attraction and visitor nights, as well as its success in establishing a large range of accommodation, amenities, attractions and activities, shows that it has moved through its 'development' stage. The recent weakening growth in both visitor numbers and nights stayed indicates that the strong growth of this stage is being replaced by the slower growth of the 'consolidation' stage. The key from this point will be for the LGA to position itself so it is ready and able to move into the 'rejuvenation' phase, where it once again sees the strong growth in visitor demand seen historically, and continued development of its accommodation, amenity and activity supply.

2.2 Visitor Profile

The inter-year volatility in visitor numbers and nights is due to the dominance of holiday and leisure tourism in the Augusta-Margaret River LGA. This form of tourism is inherently seasonal, tending to peak in the region's warmer December and March quarters, and trough in the cooler and wetter June and September quarters. Some tourism is also based around the inherently seasonal employment of local agriculture. As such, strength in this sector could reinforce the volatility of visitation when harvesting seasons coincide with holiday and leisure seasons (which would certainly be the case for the LGA's prominent wine industry). It is however understood that itinerant agricultural workers are not typically making significant financial contributions to the tourism market, but may have longer term benefits in terms of marketing and exposure of future tourists to amenities.

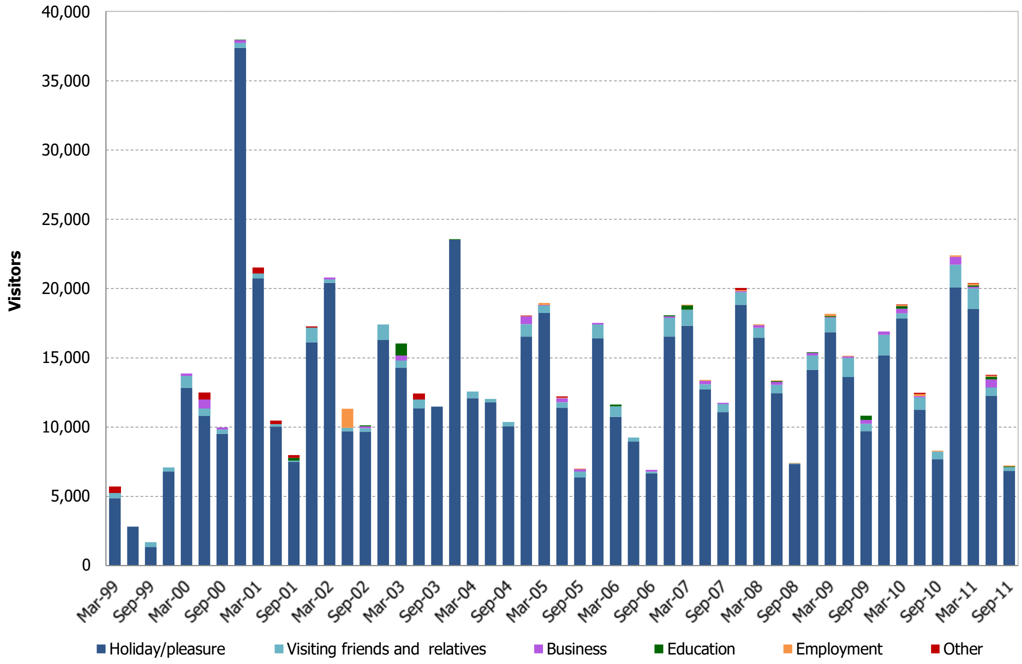
The dominance of holiday and leisure tourism in Augusta-Margaret River LGA is especially pronounced for international tourists, followed by those visiting friends and relatives (VFR), and those visiting for business. All three of these reasons appear to follow similar patterns for domestic visitors, growing until 2004 and declining since. Holiday and leisure and VFR numbers for international tourists however, have trended fairly clearly upwards over the period, as did international employment numbers (though from a much smaller base, and only once the significant employment outlier from June quarter 2002 was removed).

Figure 2.6: Domestic Visitor Numbers, by Reason, Augusta-Margaret River LGA, Mar 1998 to Sep 2011



Note: "Other" includes visitors where the purpose of their visit was not asked
Source: TRA (2011), AEC*group*

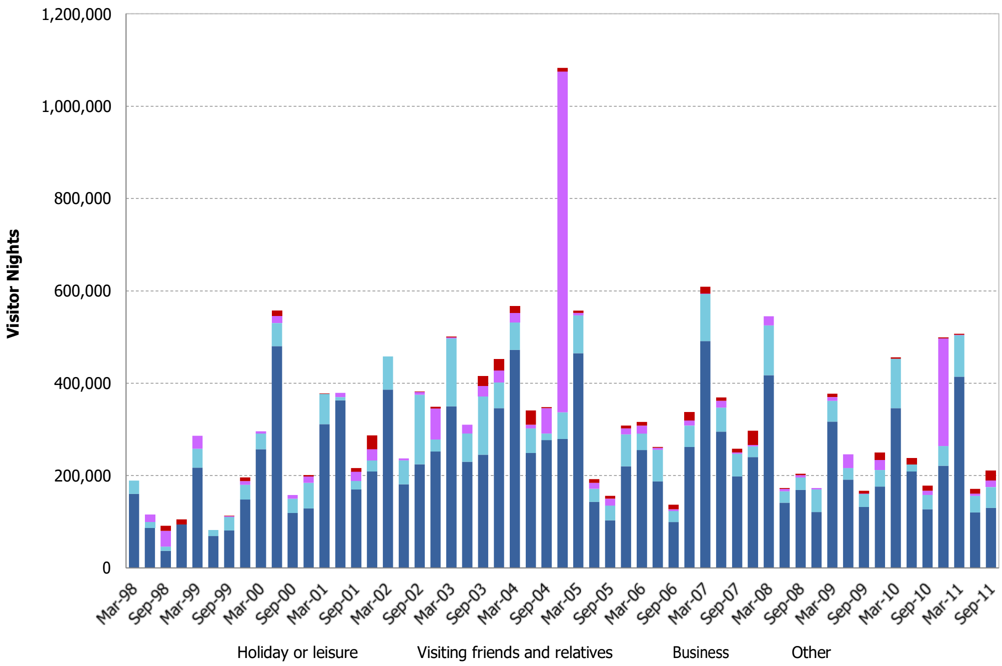
Figure 2.7: International Visitor Numbers, by Reason, Augusta-Margaret River LGA, Mar 1999 to Sep 2011



Note: "Other" includes visitors who didn't state their purpose of visit, and those who were transiting.
Source: TRA (2011), AEC*group*

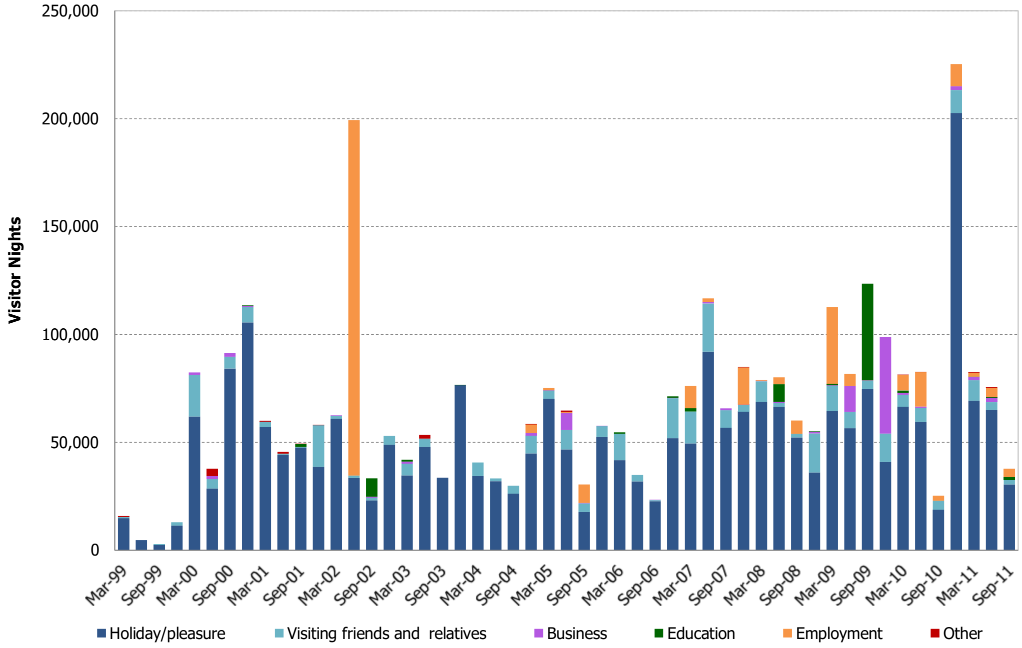
Similarly suggested by the amount of visitor nights in Figure 2.8 and Figure 2.9, tourism in Augusta-Margaret River LGA is dominated by holiday and leisure visitors, especially when referring to international tourists. This is followed by those visiting friends and relatives, and those visiting for business (excluding the two unusual outlier figures for business visitor nights in December quarter 2004 and December quarter 2010).

Figure 2.8: Domestic Visitor Nights, by Reason, Augusta-Margaret River LGA, Mar 1998 to Sep 2011



Note: "Other" includes visitors where the purpose of their visit was not asked.
Source: TRA (2011), AEC*group*

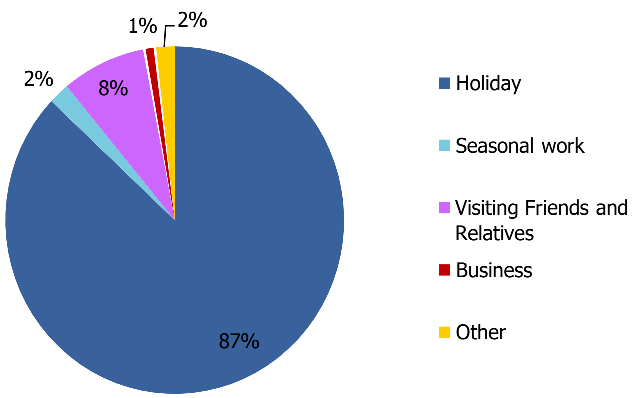
Figure 2.9: International Visitor Nights, by Reason, Augusta-Margaret River LGA, Mar 1999 to Sep 2011



Note: "Other" includes visitors who didn't state their purpose of visit, and those who were transiting.
Source: TRA (2011), AEC*group*

These findings are consistent with those in AMRTA (2011) (Figure 2.10), which also highlights the dominance of holiday and leisure between September 2010 and July 2011.

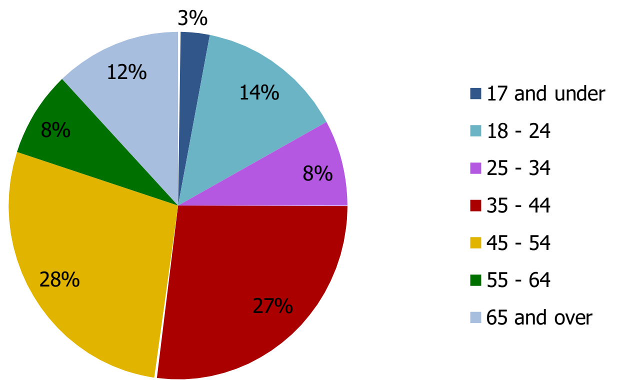
Figure 2.10: Purpose of Visitation, Augusta-Margaret River LGA, Sep 2010 to Jul 2011



Source: AMRTA (2011)

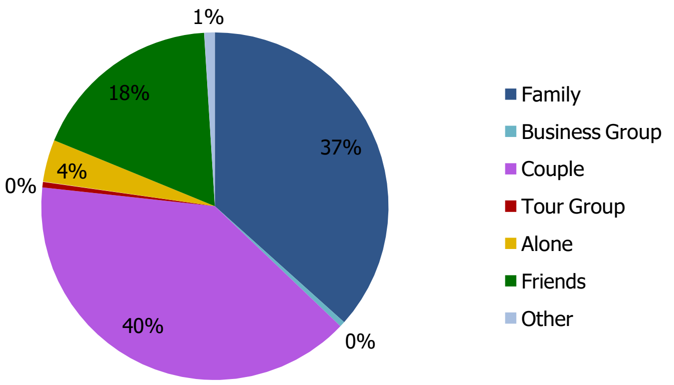
Other characteristics of visitors to the Augusta-Margaret River LGA can be found in AMRTA (2011). Between September 2010 and July 2011, 57% of visitors to the region were female, with the dominant age brackets being 35-44 and 45-54 years. This reflects the popularity of the region to the Baby-Boomer and Generation X visitors, but also the potential to exploit the 18-24 year age group as an emerging market. The dominant travel party was also adult couples, followed by family groups, as shown in Figure 2.12.

Figure 2.11: Age Brackets of Visitation, Augusta-Margaret River LGA, Sep 2010 to Jul 2011



Source: AMRTA (2011)

Figure 2.12: Travel Group of Visitors, Augusta-Margaret River LGA, Sep 2010 to Jul 2011



Source: AMRTA (2011)

2.3 Tourism Economic Contribution

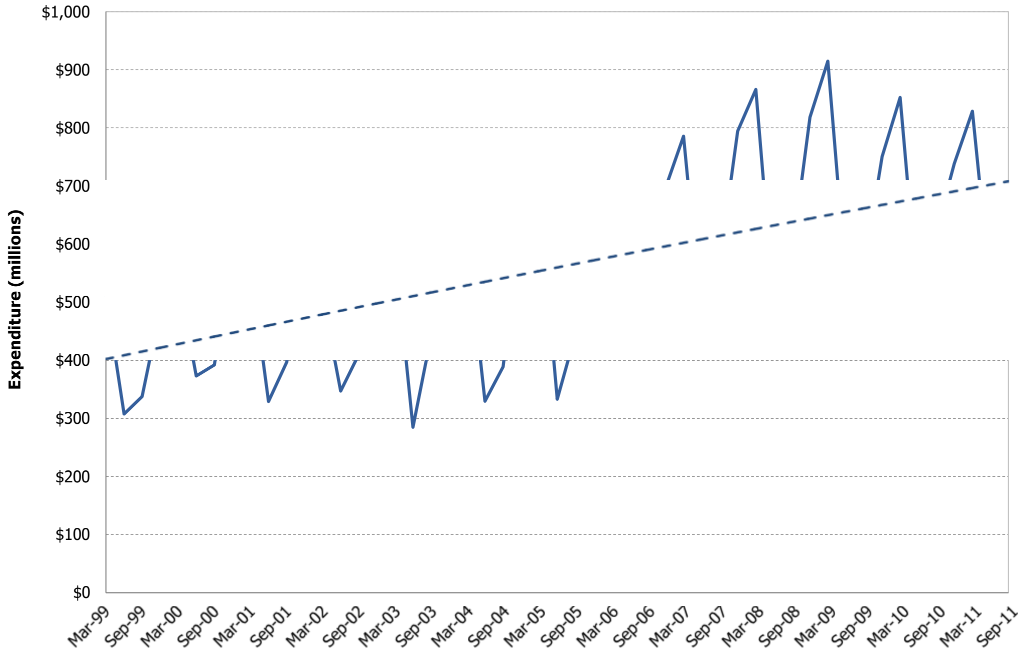
Tourism plays a significant role in both the State and national economies. However, over the last decade, tourism's shares of national Gross Domestic Product (GDP), Gross Value-Added (GVA) and employment have been steadily declining. According to Australian Bureau of Statistics (ABS, 2011), in 2000-01, the sector directly accounted for 3.4% of National GDP and 3.4% of GVA, and employed 5.0% of Australia's labour force. By 2010-11 though, these figures declined to 2.5% ($34.6 billion), 2.4% and 4.5%, respectively.

At the State level, tourism generated $6.6 billion of WA Gross State Product (GSP) in 2010 (Shire of Augusta Margaret River, 2012), and is responsible for over 73,000 jobs (Tourism Western Australia, 2011). Like at the National level though, tourism's contributions to the State economy have been declining. Between 2004 and 2009, tourism's contributions to Gross State Product (GSP) dropped from 2.5% to 1.6%, contribution to State GVA dropped from 2.5% to 1.5%, and contribution to State employment dropped from 4.9% to 3.4% (Spurr, et. al. 2011).

Augusta-Margaret River LGA's contribution to the State GSP total has remained strong over recent years, averaging a $252 million per annum contribution from 2005 to 2007 (Shire of Augusta Margaret River 2012). This contribution however, is at risk moving into the future, with a declining total visitor number and number of nights stayed within the LGA.

TRA (2011) does however highlight a fair upward trend in expenditure levels of those international visitors that arrived in Perth, as illustrated in Figure 2.13. The trend line increases from approximately $400 million in March quarter 1999 to just over $700 million in September quarter 2011. Furthermore, international expenditure exhibits the same seasonality as visitation, peaking in the warmer December and March quarters, and troughing in the cooler June and September quarters.

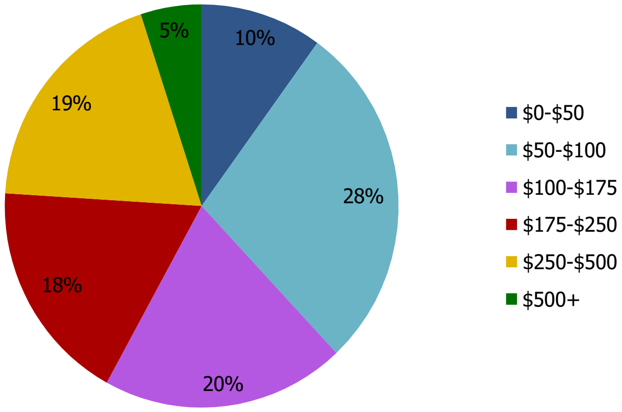
Figure 2.13: Expenditure, International Visitors Arriving in Perth, Mar 1999 to Sep 2011



Source: TRA (2011), AEC*group*

AMRTA (2011) highlights the average expenditure levels of visitors to Augusta-Margaret River LGA between September 2010 and July 2011. As illustrated in Figure 2.14, the largest sector of visitors (28%) spent $50-100 per person per day, followed by 20% who spent $100-175.

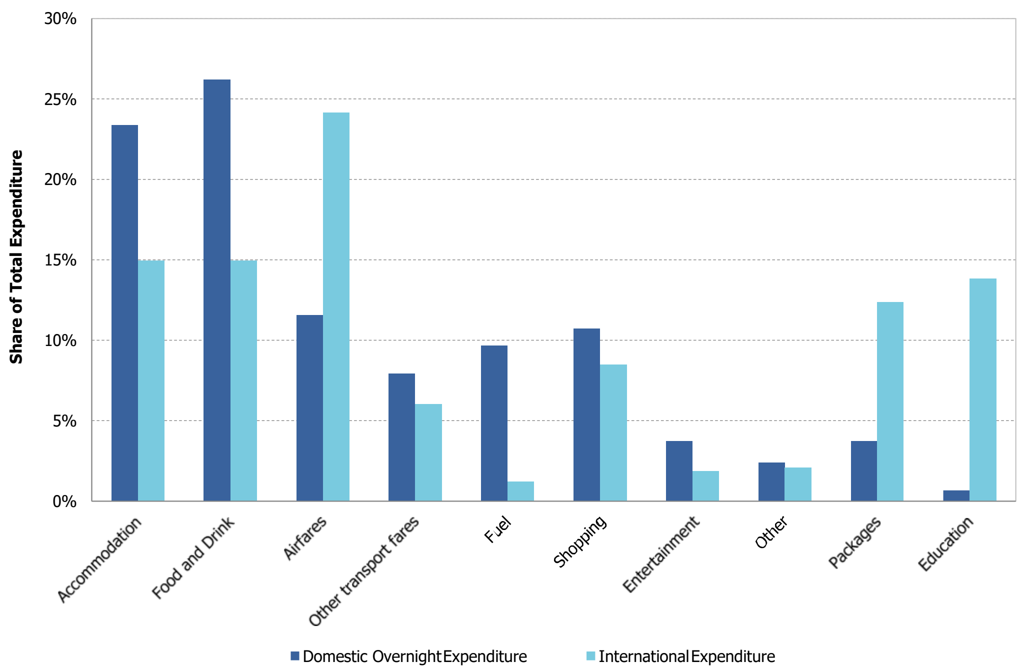
Figure 2.14: Spend per Day per Person, Augusta-Margaret River LGA, Sep 2010 to Jul 2011



Source: AMRTA (2011)

There are also notable differences in the expenditure patterns between domestic overnight and international visitors, as illustrated in Figure 2.15. For the year ending June 2011, domestic overnight visitors to Augusta-Margaret River LGA tended to spend a far greater proportion of their budget on accommodation, and food and drink than their international counterparts. Conversely, international visitors tended to spend a far greater proportion of their budgets on airfares, packages, and education.

Figure 2.15: Expenditure Breakdown, by Origin, Augusta-Margaret River LGA, Year Ending Jun 2011



Source: TRA (2011), AEC*group*

The above expenditure breakdown for domestic overnight tourists to Augusta-Margaret River LGA is largely consistent with the breakdown for Western Australia as a whole, with accommodation, and food and drink dominating. This is illustrated in Table 2.2.

Table 2.2: Expenditure Breakdown, Domestic Overnight Visitors, WA, 2010 to 2011

Main tourism industries	$ million
Accommodation	811
Food and drink	972
Airfares	559
Other transport fares	165
Fuel	388
Shopping	328
Entertainment	120
Other	96
Packages	55
Total	**3,625**

Source: TRA (2011)

This variation in expenditure profiles provides Augusta-Margaret River LGA with significant opportunities. Firstly, if the LGA were to increase international visitation to levels comparable to domestic visitor numbers, the variety of goods and services demanded by this combined tourism group, and thus, the economic diversity of the wider region would be far greater.

Furthermore, international tourism generates far greater expenditure per tourist than does domestic overnight tourism. This is because international tourists, having naturally travelled further to get to their destination than domestic tourists, have an incentive to stay in a region longer and thus spend more. Additionally, domestic visitors are more likely to be staying with friends and relatives in the LGA than international tourists. As such, they do not have as must potential to contribute to the local accommodation sector as significantly as international visitors.

As a result, the encouragement of international tourism could generate far greater returns per tourist to the Augusta-Margaret River LGA than domestic tourism, provided the costs of marketing to an international audience are not also equivalently greater.

2.4 Key Findings

Domestic and international visitation levels and lengths of stay in the Augusta-Margaret River LGA have shown significant volatility since 1998. Domestic visitation remains the dominant visitation type, despite recent weakness. International visitation, however, has maintained a fairly consistent upward trend, though from a much lower base, thus remaining a minority contributor. International lengths of stay have also trended upwards, equating to approximately double that of domestic visitors, which has remained flat over the period.

Volatility in visitation to the LGA is due to the dominance of inherently seasonal holiday and leisure tourism to the region, which is the main reason for domestic and international visits to the area. Local agriculture's seasonal employment demands also potentially exacerbate this volatility. VFR and business are minority contributors behind holiday and leisure, and all appear to trend consistently with total visitation. AMRTA (2011) also showed that women, Baby-Boomer and Generation X visitors represent the greatest proportion of the local tourist demographic, highlighting the potential of younger age groups as an emerging market.

The Augusta-Margaret River LGA tourism market's strong historic growth in visitor attraction and visitor nights, as well as its success in establishing a large range of accommodation, amenities, attractions and activities, shows that it has moved through its 'development' stage. The recent weakening growth in both visitor numbers and nights stayed indicates that the strong growth of this stage is being replaced by the slower growth of the 'consolidation' stage. The key from this point will be for the LGA to position itself so it is ready and able to move into the 'rejuvenation' phase, where it once again sees the strong growth in visitor demand seen historically, and continued development of its accommodation, amenity and activity supply.

Tourism plays a vital role in the national, State and local economy in terms of output, gross value added and employment. However, despite the positive trends in international visitation already identified for the LGA, Australia as a whole has been losing its share of global tourism. This trend has been reinforced by an increasingly strong Australian Dollar. Encouragement of international tourism, with its different expenditure profiles, larger (and growing) per-tourist expenditure levels, and longer lengths of stay, could diversify expenditure profiles in Augusta-Margaret River LGA and thus, the tourism offerings of the wider region, offsetting some of these recent losses.

3. Accommodation Market

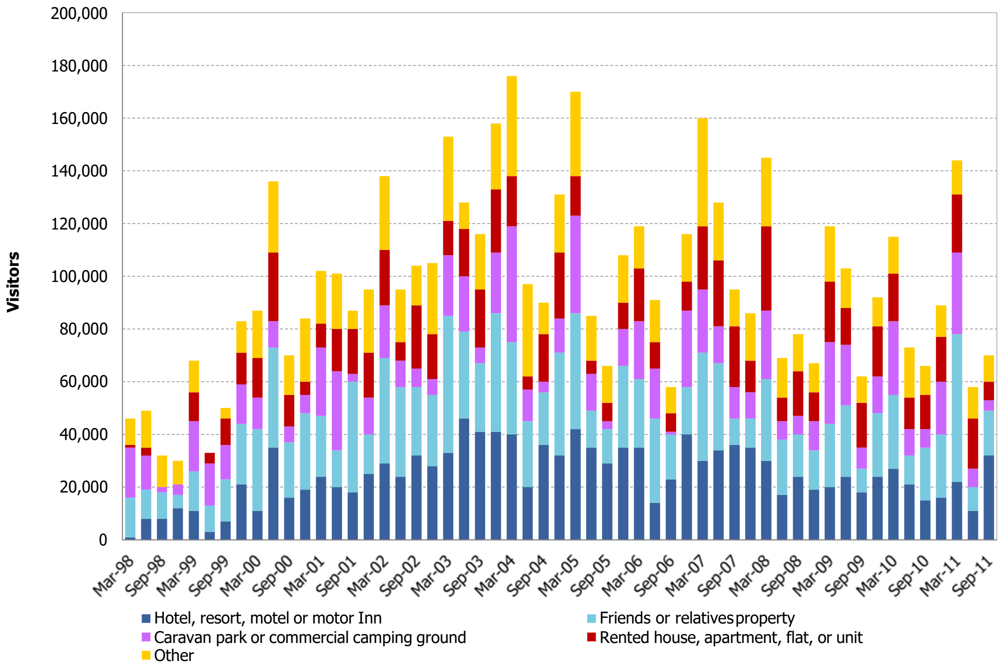
This section provides an overview of the accommodation market within the Augusta-Margaret River Local Government Area (LGA). An overview of the types of accommodation most typically demanded by visitors and the supply of the various types of accommodation is shown. The demand and supply overview leads into a discussion on the area's accommodation occupancy rate, and the room rate into which this occupancy translates.

3.1 Demand for Accommodation

Since visitors for holiday and leisure make up the greatest proportion of visitor type to Augusta-Margaret River LGA, the accommodation preferences of this group are likely to be reflected strongly in the type of accommodation demanded in the LGA. This indeed appears to be the case, as Figure 3.1 and Figure 3.2 show. The four dominant forms of accommodation demanded by domestic visitors (as calculated by the average visitor numbers and nights spent in each form of accommodation) were:

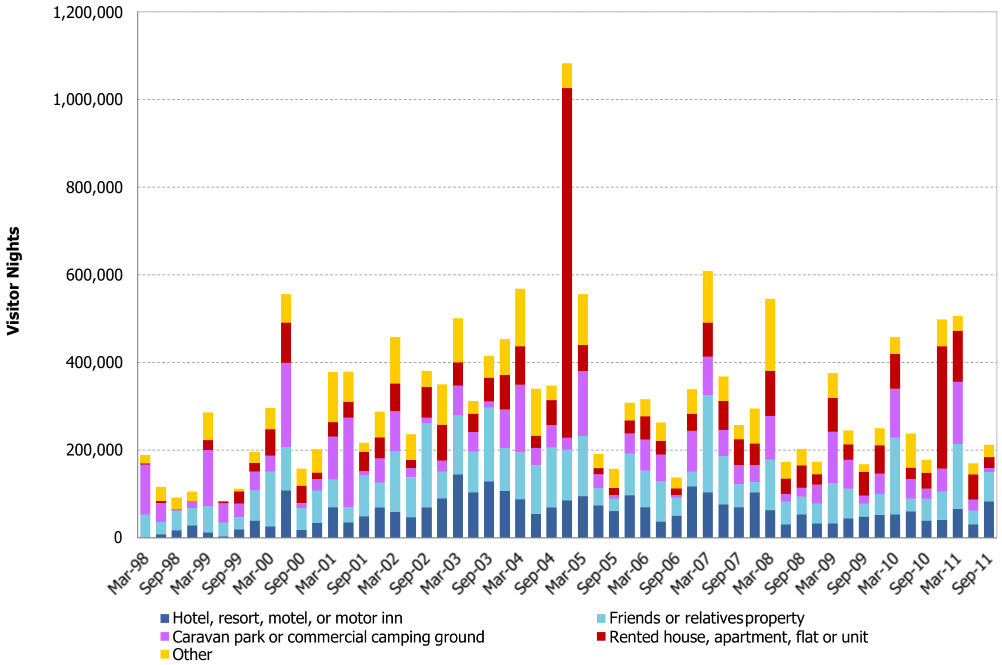
- Hotel, Resort, Motel or Motor Inn;
- Friends or Relatives Property;
- Caravan Park or Commercial Camping Ground; and
- Rented House, Apartment, Flat or Unit.

Figure 3.1: Domestic Visitors, by Accommodation, Augusta-Margaret River LGA, Mar 1998 to Sep 2011



Note: "Other" accommodation includes: Guest house or B&B; Own property (e.g. holiday house); Caravan or camping near road or on private property; Other (as defined by TRA); and Accommodation not asked.
Source: TRA (2011), AEC*group*

Figure 3.2: Domestic Visitor Nights, by Accommodation, Augusta-Margaret River LGA, Mar 1998 to Sep 2011



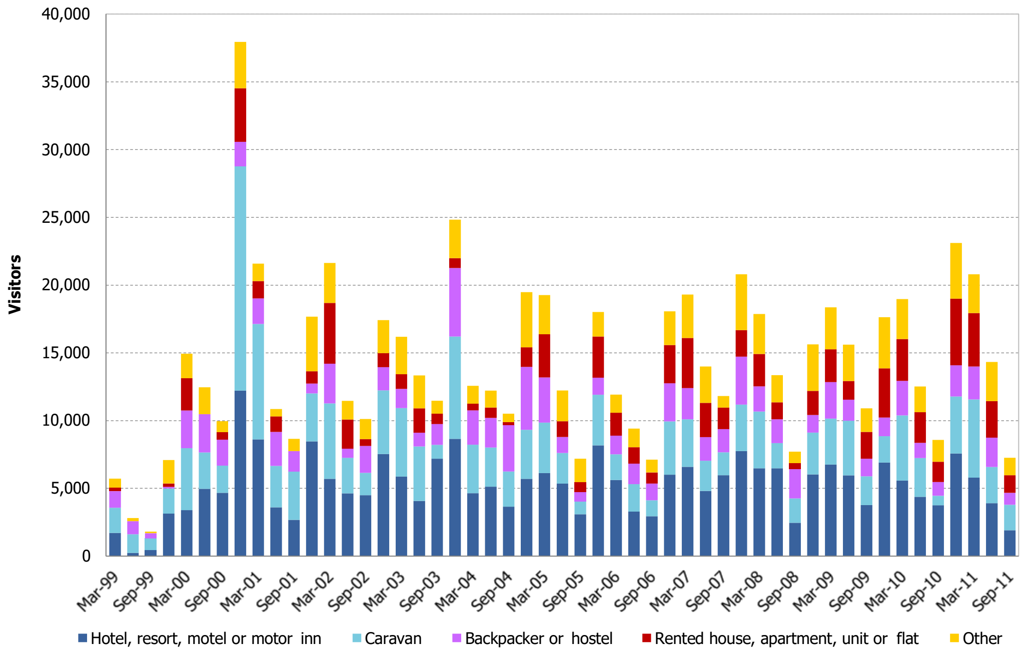
Note: "Other" accommodation includes: Guest house or B&B; Own property (e.g. holiday house); Caravan or camping near road or on private property; Other (as defined by TRA); and Accommodation not asked.
Source: TRA (2011), AEC*group*

For international visitors, and as illustrated in Figure 3.3 and Figure 3.4, the four dominant forms of accommodation demanded were:

- Hotel, Resort, Motel or Motor Inn;
- Caravan Park or Commercial Camp Ground;
- Backpacker or Hostel; and
- Rented House, Apartment, Flat or Unit.

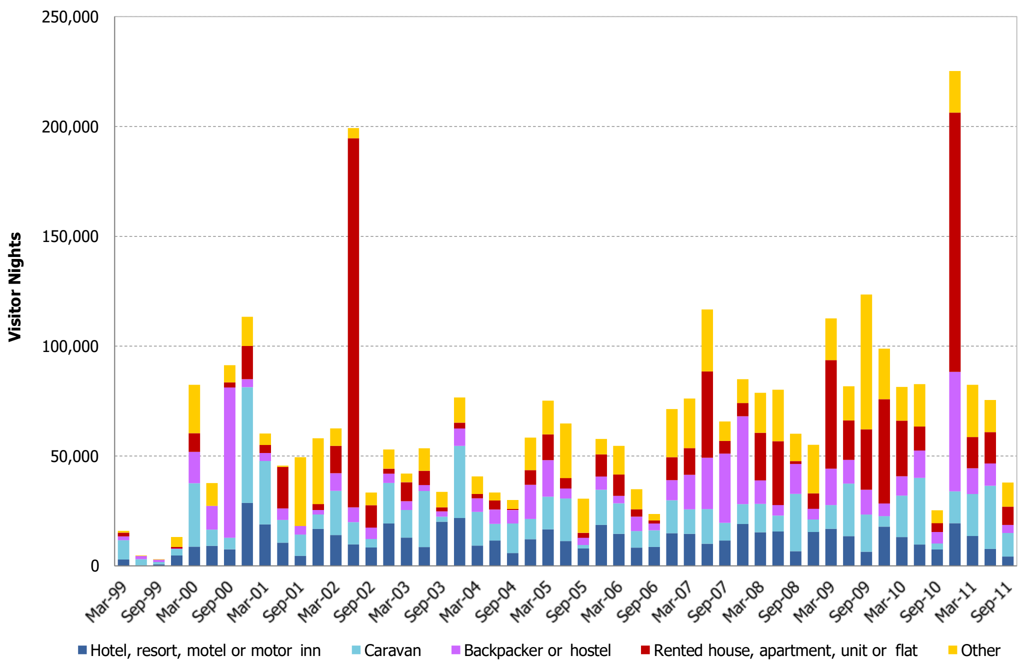
Hotels, resorts, motels and motor inns were again the most dominant form of accommodation type demanded, which is not surprising given the vast majority of international visitors are also holiday and leisure tourists. However, not surprisingly, international visitors are much less likely to stay with friends and relatives in comparison to domestic visitors, as travel for this reason by international visitors is much less likely.

Figure 3.3: International Visitors, by Accommodation, Augusta-Margaret River LGA, Mar 1999 to Sep 2011



Note: "Other" accommodation includes: Home of friend or relative (no payment required); Rented accommodation on farm (not included from 2002 on); Guest house or B&B; Boat, houseboat, cabin cruiser or cruise ship; Educational institution (e.g. university); Homestay; Slept in bus, coach, plane or train (2003 on); Other non-commercial property (e.g. time-share, club, lodge, company, unit, nurses quarters) (2003 on); Hospital or hospital-related accommodation (e.g. for patients' relatives) (2003 on); Own property (e.g. holiday house) (2003 on); Other (as defined by TRA); Can't recall; and Transiting (no stopover).
Source: TRA (2011), AEC*group*

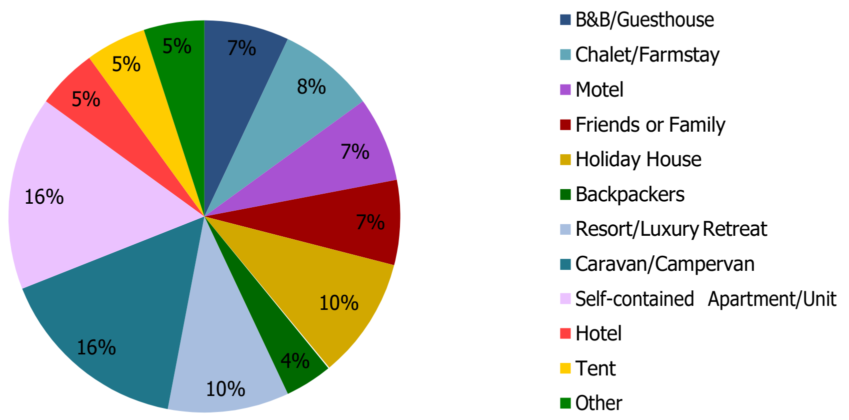
Figure 3.4: International Visitor Nights, by Accommodation, Augusta-Margaret River LGA, Mar 1999 to Sep 2011



Note: "Other" accommodation includes: Home of friend or relative (no payment required); Rented accommodation on farm (not included from 2002 on); Guest house or B&B; Boat, houseboat, cabin cruiser or cruise ship; Educational institution (e.g. university); Homestay; Slept in bus, coach, plane or train (2003 on); Other non-commercial property (e.g. time-share, club, lodge, company, unit, nurses quarters) (2003 on); Hospital or hospital-related accommodation (e.g. for patients' relatives) (2003 on); Own property (e.g. holiday house) (2003 on); Other (as defined by TRA); Can't recall; and Transiting (no stopover).
Source: TRA (2011), AEC*group*

AMRTA (2011) also showed that traditionally, the highest ranking form of accommodation is hotel, resort and/or motel, as illustrated in Figure 3.5.

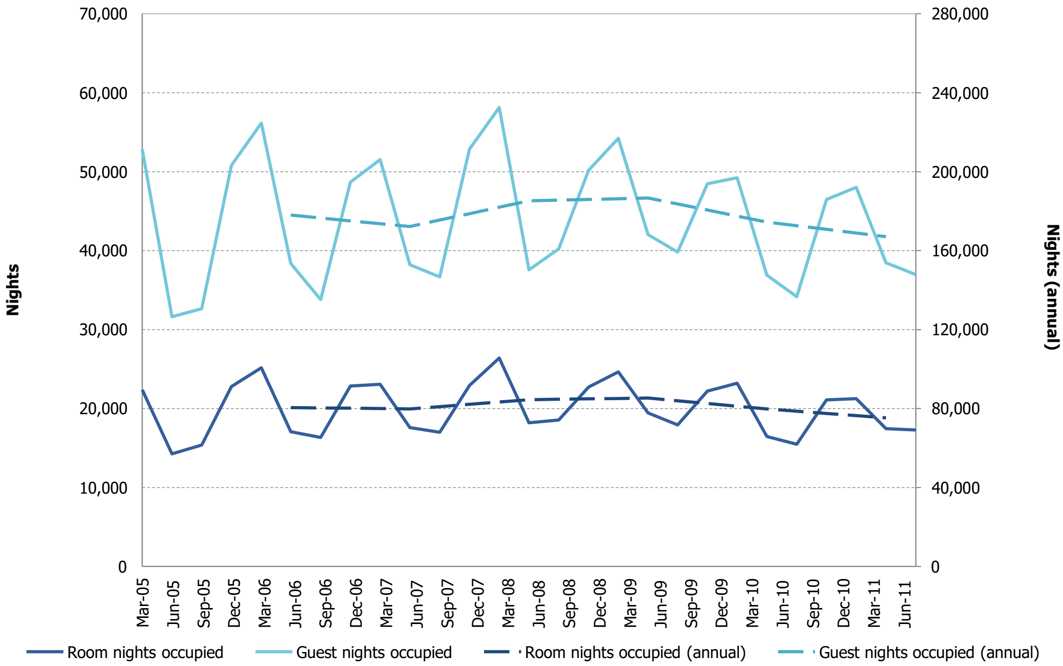
Figure 3.5: Accommodation Stayed In, Augusta-Margaret River LGA, Sep 2010 to Jul 2011



Source: AMRTA (2011)

The seasonality of tourism in Augusta-Margaret River LGA translates into seasonality of accommodation demand, as illustrated in Figure 3.6. The number of room (guest) nights occupied since 2005 has fluctuated between 14,281 (31,635) and 26,399 (58,135). These fluctuations have exhibited an almost perfect correlation with each other, both peaking in the warmer December and March quarters and troughing in the cooler and wetter June and September quarters. Over the entire period though, taking into account this seasonality, both indicators appear to be quite stable. In fact, taking annual numbers reveals that room (guest) nights occupied fluctuate only slightly, from a low of 75,286 (167,120) to a high of 85,328 (186,666).

Figure 3.6: Room Nights Occupied and Guest Nights Occupied, Augusta-Margaret River LGA, Mar 2005 to Sep 2011



Source: ABS (2011), AEC*group*

The above guest nights occupied were derived from the product of the number of guest arrivals and the average length of stay of each guest. Naturally, guest arrivals were seasonal, fluctuating between a low of 12,217 in June quarter 2005 and a high of 25,073 in December quarter 2007. The average length of stay of these guests over the period fluctuated between a low of 2.1 days in December quarter 2007 and a high of 3.0 in March quarter 2006. But from an annual perspective, this volatility was proportionally less pronounced, with guest arrivals ranging from 65,469 in the year to June quarter 2006 to 78,579 in the year to June quarter 2008, and the average length of stay ranging from 2.4 in the year to June quarter 2008, to 2.7 in the years to June quarter 2006 and 2010.

3.2 Supply of Accommodation

There are three accommodation zones in the Augusta-Margaret River Local Planning Scheme No. 1:

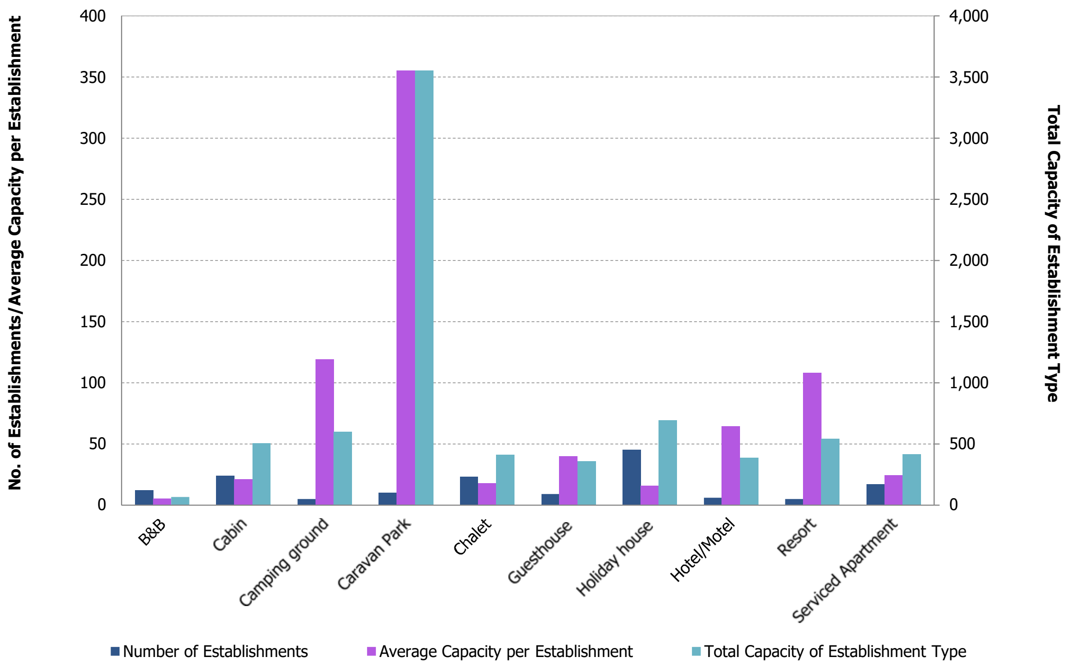
- **Tourism Zone** – contains a wide range of accommodation that must be compatible with the surrounding area. Hotels, motels and resort developments are encouraged;
- **Caravan Park Zone** – includes caravan parks, camping grounds and limited chalet developments. These developments are low-cost, and preferably at beach-side and river-side locations; and
- **Chalet and Camping Zone** – includes low-impact developments in rural-based areas comprising large natural vegetated areas.

The value of any property is determined more by its zoning and permitted use rather than the underlying value of the property itself. Most of these tourism zoning are specifically restrictive to tourism accommodation, which significantly lowers the value of the land (due to the lower returns available on the site compared to other potential uses). Additionally, these sites have considerable capacity for future development. Innovative methods to unlock the potential of these sites is needed, including new designs, construction materials and consideration of a mix of other land uses.

A detailed analysis of the accommodation supply in Augusta-Margaret River LGA (based on AMRTA) reveals an inverse relationship between the average size of an establishment of a particular type, and the total number of these establishments that exist in the region. For example, the chalets and holiday houses analysed were, on average, of a relatively small size (average capacity per establishment of 17.83 and 15.42, respectively), but there was a relatively large number of them established (23 and 45, respectively). Camping grounds and resorts, on the other hand, were large in average capacity (119.2 and 108, respectively), with only a small number established (5 each). Caravan parks were a significant outlier and as such, when they are removed from the analysis, the above inverse relationship becomes even stronger.

A supply analysis conducted by the Shire shows the same inverse relationship but even stronger results. For example, average capacity for holiday houses is 7 and for a caravan park it is 355.

Figure 3.7: Accommodation Establishments, by Number, Type and Capacity, Augusta-Margaret River LGA, 2010 to 2011



Source: AMRTA (2011), AEC*group*

Table 3.1: Accommodation Supply Audit, Shire of Augusta-Margaret River, 2012

Accommodation type	Number of Accommodation	Number of Lettable keys	Total accommodation capacity
Bed and Breakfast	12	17	65
Cabin	24	101	504
Camping ground	5	159	596
Caravan Park	10	1,058	3,550
Chalet	23	107	410
Guesthouse	9	88	358
Holiday house	98	112	694
Hotel/Motel	6	165	385
Resort	5	150	540
Serviced Apartment	17	91	415
Total	**209**	**2,048**	**7,517**

Source: Shire of Augusta-Margaret River (2012)

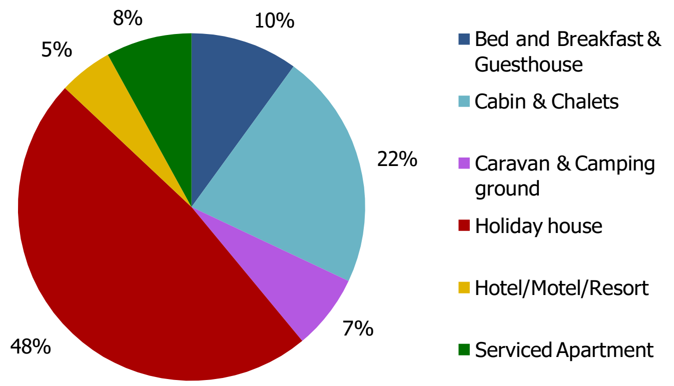
The relationship of capacity per establishment can be attributed to costs associated with development and operation of the various accommodation types. That is, smaller (larger) establishments would have lower (higher) associated development and operational costs and therefore are less (more) difficult to justify from a feasibility point of view. The caravan park outlier is most likely due to the ability to establish and maintain a large establishment of this type at low costs. This would explain the fact that caravan parks in the area have the largest average capacity and there is a higher-than-expected number of this establishment type.

Shire of Augusta Margaret River (2012) suggests that increasing land values have been making operations more difficult for caravan parks, which have come under redevelopment pressure as a result. But in response, the WA Government's Land Tax review assisted caravan parks in the area by providing a 50% (later increased to 100%) concession on land tax in light of these higher land values.

Similar findings were outlined in AMRTA (2011), as illustrated in Figure 3.8 and Figure 3.9. Some key findings include:

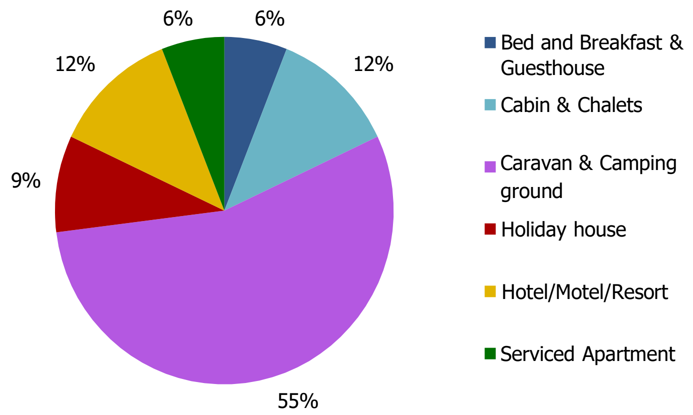
- Holiday houses make up approximately 48% of accommodation providers but only 9% of total accommodation carry capacity;
- Caravan and camping grounds only make up 7% of accommodation providers but 55% of total visitor capacity;
- Cabins and chalets make up 22% of accommodation providers but only 12% of carrying capacity; and
- The hotel, motel and resort sector only makes up 5% of accommodation providers but 12% of visitor capacity.

Figure 3.8: Accommodation Suppliers, by Type, Augusta-Margaret River LGA, 2011



Source: Shire of Augusta Margaret River (2012)

Figure 3.9: Total Accommodation Capacity, by Type, Augusta-Margaret River LGA, 2011



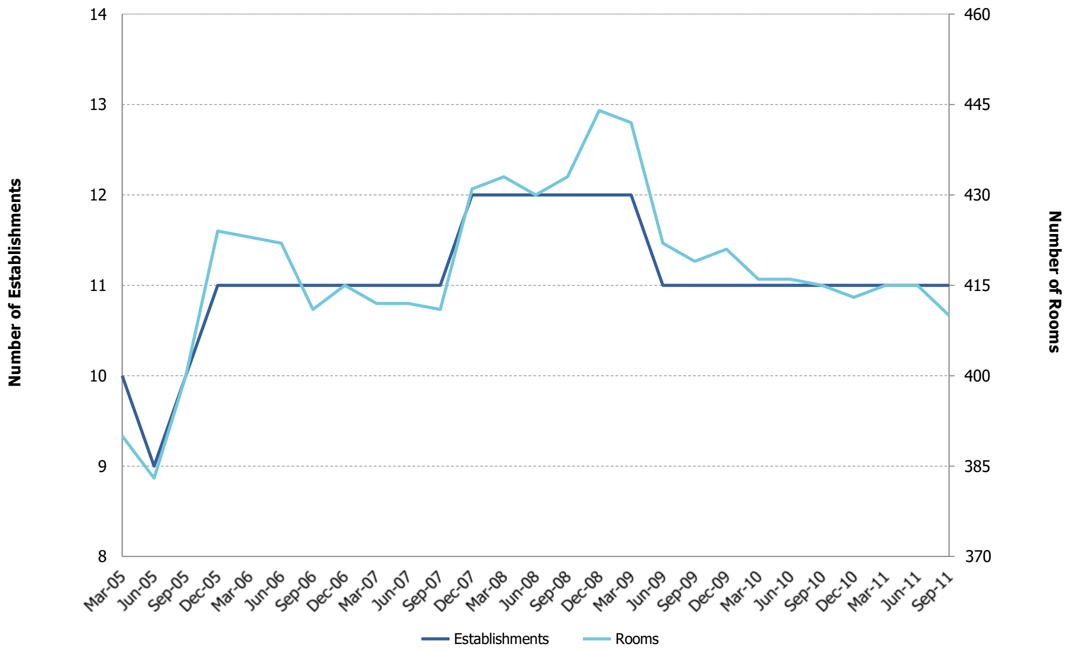
Source: Shire of Augusta Margaret River (2012)

According to the ABS, the number of hotels, motels and serviced apartments (with 15 or more rooms) in Augusta-Margaret River LGA has fluctuated between nine and 12 since 2005. And naturally, as illustrated in Figure 3.10, these fluctuations are correlated very closely with the number of rooms available.

Four distinct periods can be seen in Figure 3.10. The first period, during the first half of 2005, saw the number of establishments bottom out at nine, with a corresponding number of rooms of 383. The second period from December quarter 2005 to September quarter 2007 saw growth in the number of establishments and rooms, which coincides roughly with the increased demand over this period as identified previously.

The highest accommodation and room number was seen during the subsequent period, which saw a maximum of 12 establishments and between 430 and 444 rooms in the LGA. However, during the same time, a weakening in the visitor number and visitor nights stayed in the area was seen, translating into an increased supply which was met by decreasing demand. The final period since June quarter 2006 has seen a decline in the amount of establishments and rooms, which seems to be a lagged response to the weakness in demand since 2006.

Figure 3.10: Accommodation Supply, by Number of Establishments and Rooms, Augusta-Margaret River LGA, Mar 2005 to Sep 2011

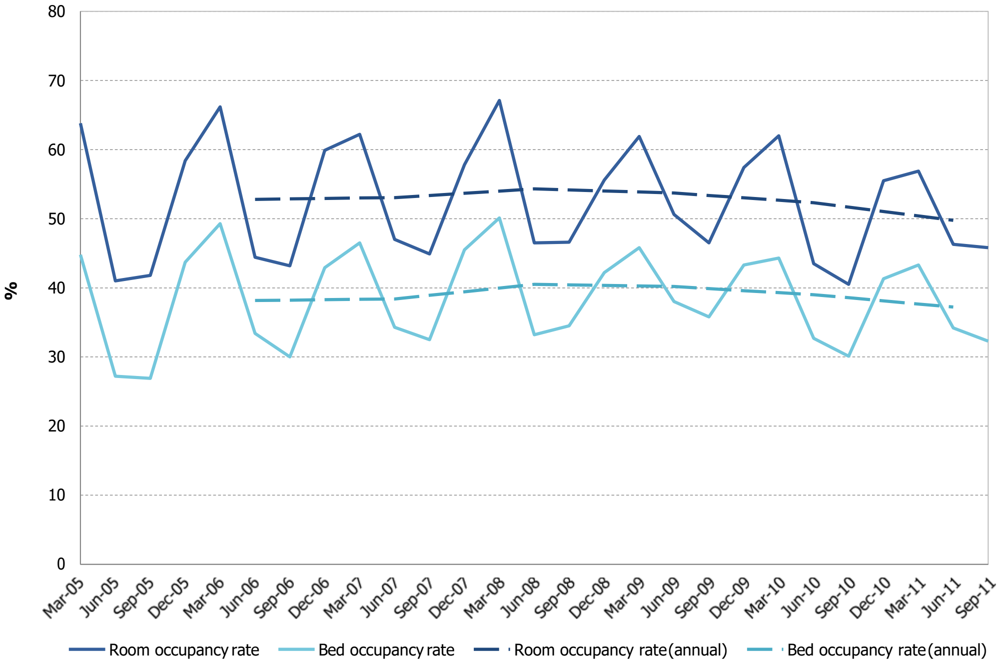


Source: ABS (2011), AEC*group*

3.3 Occupancy Rate

Room and bed occupancy rates for the Augusta-Margaret River LGA exhibit almost perfectly correlated and seasonal variability, consistently peaking in the warmer December and March quarters and troughing in the cooler and wetter June and September quarters (as illustrated in Figure 3.11). Specifically, from 2005, room occupancy rates fluctuated between 40.5% and 67.1%, and bed occupancy rates between 26.9% and 50.1%. Over the entire period though, taking into account this seasonality, both indicators appear to be quite stable. In fact, taking annual rates reveals that room (bed) occupancy rates fluctuate only slightly, from a low of 49.76% (37.22%) to a high of 54.31% (40.50%).

Figure 3.11: Room and Bed Occupancy Rates, Augusta-Margaret River LGA, Mar 2005 to Sep 2011



Source: ABS (2011), AEC*group*

Data from the Shire of Augusta-Margaret River reflects similar seasonality in occupancy rates, shown in Table 3.2 and Table 3.3. For the years of 2008, 2009 and 2010, occupancy rates in the LGA were 54.0%, 54.1% and 50.4%, respectively. In the year of 2011/12, the annual occupancy rate was 52%, with the highest occupancy rate occurring in serviced apartments (73%) and the lowest in holiday houses (23%).

Table 3.2: Occupancy Rate, by Month, Augusta-Margaret River LGA, 2008 to 2010

Month	2008	2009	2010
January	70.5%	65.6%	63.3%
February	67.5%	55.6%	63.1%
March	63.3%	64.0%	59.8%
April	56.4%	61.9%	56.0%
May	44.4%	50.4%	37.7%
June	38.8%	39.6%	36.9%
July	44.1%	44.8%	38.6%
August	43.1%	41.5%	36.2%
September	52.6%	53.5%	47.0%
October	58.7%	57.3%	56.0%
November	55.2%	56.6%	55.2%
December	52.9%	58.2%	55.4%
Annual Occupancy Rate	**54.0%**	**54.1%**	**50.4%**

Source: Shire of Augusta Margaret River (2012)

Table 3.3: Occupancy Rate, by Accommodation Type, Augusta-Margaret River LGA, 2011 to 2012

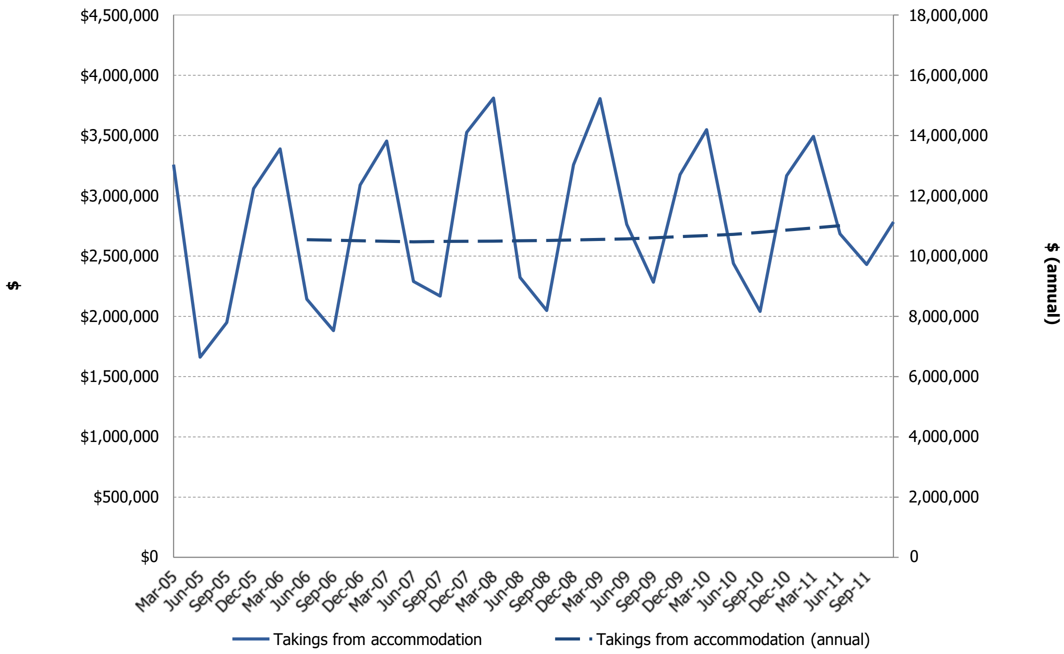
Accommodation type	Number of establishments surveyed	Average occupancy rate for 2010/11
Resort	2	52 %
Chalet/farm stay/cottage/B&B	10	53 %
Serviced apartment	3	73 %
Hotel/motel	2	63 %
Guesthouse/backpackers	3	55 %
Holiday house	4	23 %
Caravan Parks	5	36 %
Total	29	Average occupancy: 52 %

Source: Shire of Augusta Margaret River (2012)

3.4 Room Rate & Revenue

The total annual amount spent on accommodation in the Augusta-Margaret River LGA over this period was also very seasonal (given the seasonality of the above occupancy rates), fluctuating between $1,660,745 in June quarter 2005 and $3,811,418 in March quarter 2008. But like the above occupancy rates, they are far more stable from an annual perspective, fluctuating over the entire period only from $10,475,535 in the year to June quarter 2007, to $11,005,720 in the year to June quarter 2011.

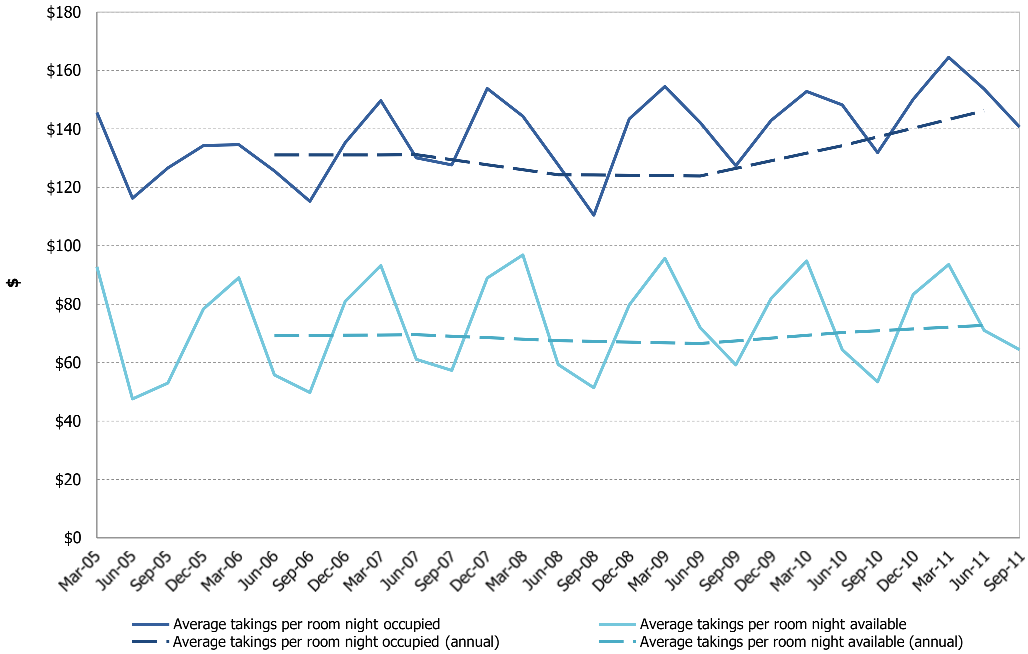
Figure 3.12: Takings from Accommodation, Augusta-Margaret River LGA, Mar 2005 to Sep 2011



Source: ABS (2011), AEC*group*

Similarly, average takings per room night occupied (room rate) and available (RevPAR) (Figure 3.13) are also very seasonal, fluctuating over the period between $110.46 and $164.51, and $47.60 and $96.86, respectively. Both indicators are also fairly strongly correlated with each other, given that they are both based on the same takings figures, and given the fair correlation between the number of room nights occupied and available. But as above, takings per room night occupied and available are far more stable from an annual perspective, only fluctuating between $123.89 and $146.19, and $66.54 and $72.74, respectively.

Figure 3.13: Average Takings per Room Night Occupied/Available, Augusta-Margaret River LGA, Mar 2005 to Sep 2011



Source: ABS (2011), AEC*group*

3.5 Key Findings

The types of accommodation demanded in the Augusta-Margaret River LGA are consistent with dominance and seasonality of holiday and leisure tourists to the area. However, those visiting friends and relatives (VFR), while only a minor contributor relative to holiday and leisure, did make a noticeable contribution to domestic accommodation demand, given its extreme bias towards staying on friends' and/or families' property. The survey by AMRTA (2011) however, notes that there has been a recent trend towards demand for lower-cost accommodation and caravans, away from hotel, resort and/or motel accommodation.

The seasonality and volatility of tourist visitation in the region naturally translates into seasonality of room and guest nights occupied, average lengths of stay, occupancy rates, and takings (occupancy rates also had large variation depending on the type of accommodation analysed). From an annual perspective however, these figures were significantly more stable.

An audit of accommodation carried out by the Shire, as well as Australian Bureau of Statistics (ABS, 2011) data, also reveals an inverse relationship between the average size of a particular establishment type, and the number of these establishments supplied in the region, a relationship that was likely cost-related. This has resulted in a small number of caravan parks (though higher than expected, given recent issues with increasing land values), camping grounds and resorts, but many chalets and holiday houses in the region. Our analysis also found a strong link between the number of establishments (with 15 or more rooms pre-September 2010) and the number of rooms in the region, as is to be expected.

4. Future Tourism Demand

This section highlights a number of future tourism demand scenarios for the Augusta-Margaret River Local Government Area (LGA) based on array of datasets. The demand scenarios have been weighted in order to provide a balanced indication of future tourism demand in the LGA.

4.1 Scenarios

AEC*group* has constructed four future tourism visitation demand scenarios, based on:

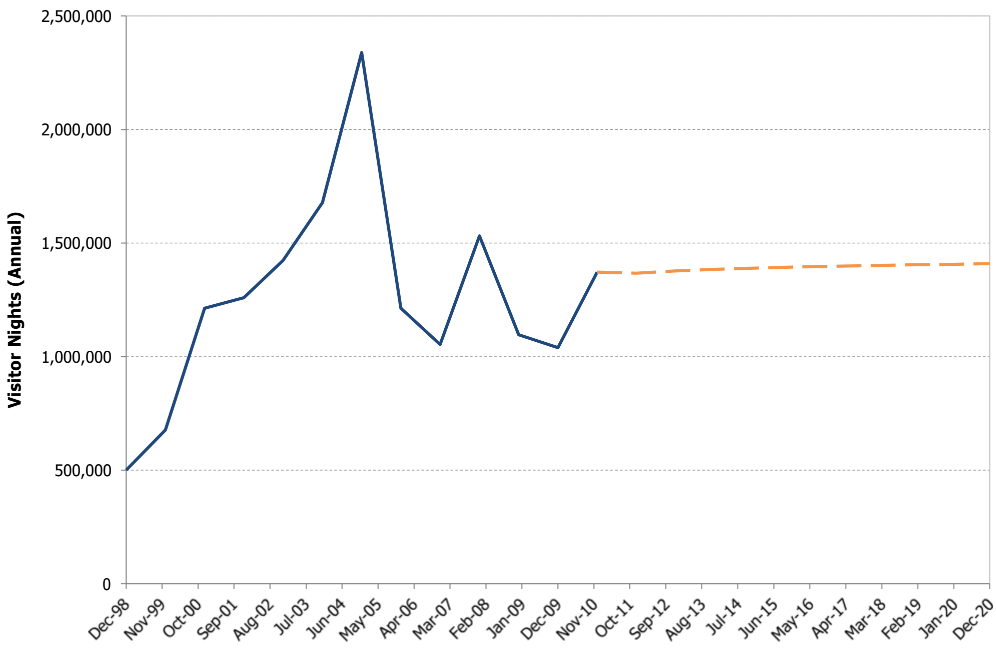
- **Tourism Research Australia** (TRA, 2011) forecasts – forecasts of domestic and international visitation to Australia through to 2020;
- **Trend** – econometrically estimated trend relationships estimated by AEC*group*, based on historic domestic visitation and average length of stay data;
- **Aspirational** – based on the trend scenario, with aspirational targets of increased visitor and average length of stay; and
- **Weighted** – a weighted average of the above three demand scenarios.

4.1.1 TRA Projection

TRA produce forecasts of domestic and international visitation for Australia based on modelling aviation capacity, price, income, seasonality, and a variety of other effects impacting source markets. The forecasts produced from TRA (2011) should be interpreted as a likely scenario based on historical information, rather than a target scenario based on aspirational performance.

AEC*group* has applied the TRA annual forecasted growth rates for domestic and international visitor nights to the Augusta-Margaret River LGA in order to produce visitation forecasts which are relevant to the LGA. The domestic visitor night projection is shown in Figure 4.1. As it can be seen, the TRA projections are forecasting almost zero growth for domestic visitor nights through to 2020.

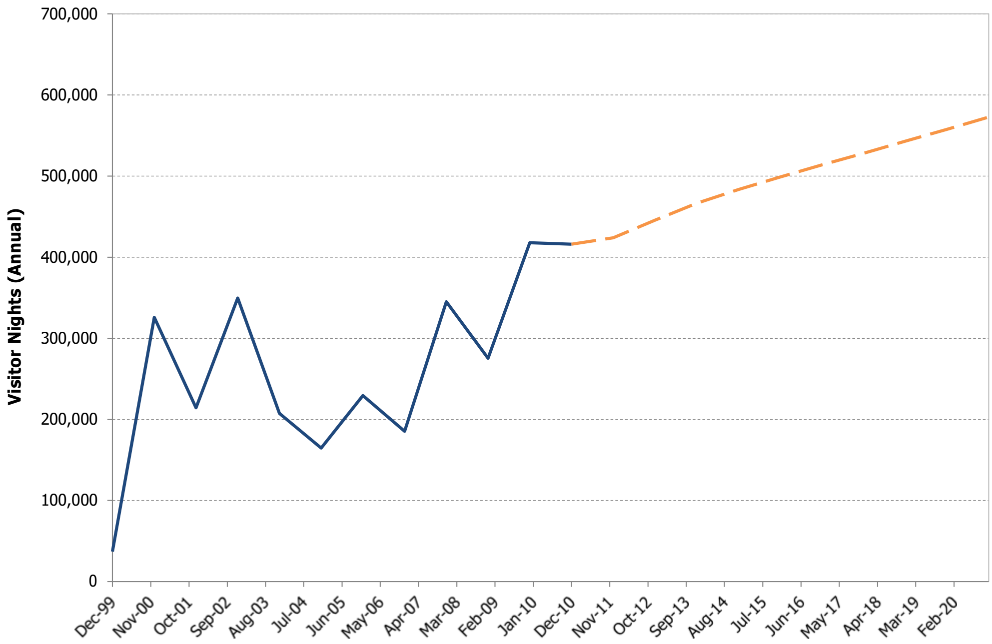
Figure 4.1: Domestic Visitor Nights TRA Projection, Augusta-Margaret River LGA, Mar 1998 to Dec 2020



Source: TRA (2011)

The TRA forecasts for international visitor nights are much stronger. As shown in Figure 4.2, TRA is forecasting the strength in international visitor nights seen since 2004 to continue through to 2020.

Figure 4.2: International Visitor Nights Trend Projection, Augusta-Margaret River LGA, Mar 1998 to Dec 2020



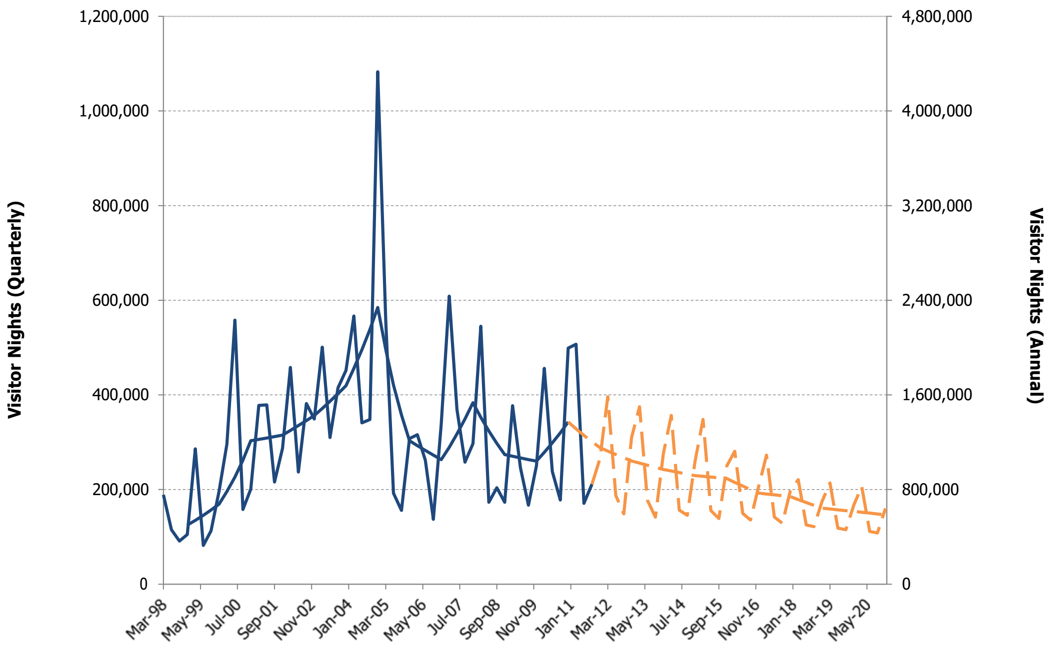
Source: TRA (2011)

4.1.2 Trend Projection

AEC*group* has produced forecasts of domestic and international visitor nights for the Augusta-Margaret River LGA based on historical trends in visitation and average nights stayed. This method has utilised a trend Auto-Regressive Moving-Average (ARIMA) relationship estimated econometrically based on historic data for the LGA. It is important to keep in mind that the trend scenario is largely naïve to any factors which may affect future visitation.

Domestic visitation to the Margaret-River LGA has fallen steadily since 2003. However, this drop in visitation did not translate through to a drop in visitor nights stayed until 2005 since the average length of stay for domestic visitors had a sharp increase from 2003 to 2004. Based on forecasts of the estimated trend relationship, the trend scenario for domestic visitor nights stayed is showing a steady decline through to 2020. This decline is largely on the back of the weakness in visitation to the LGA seen since 2003.

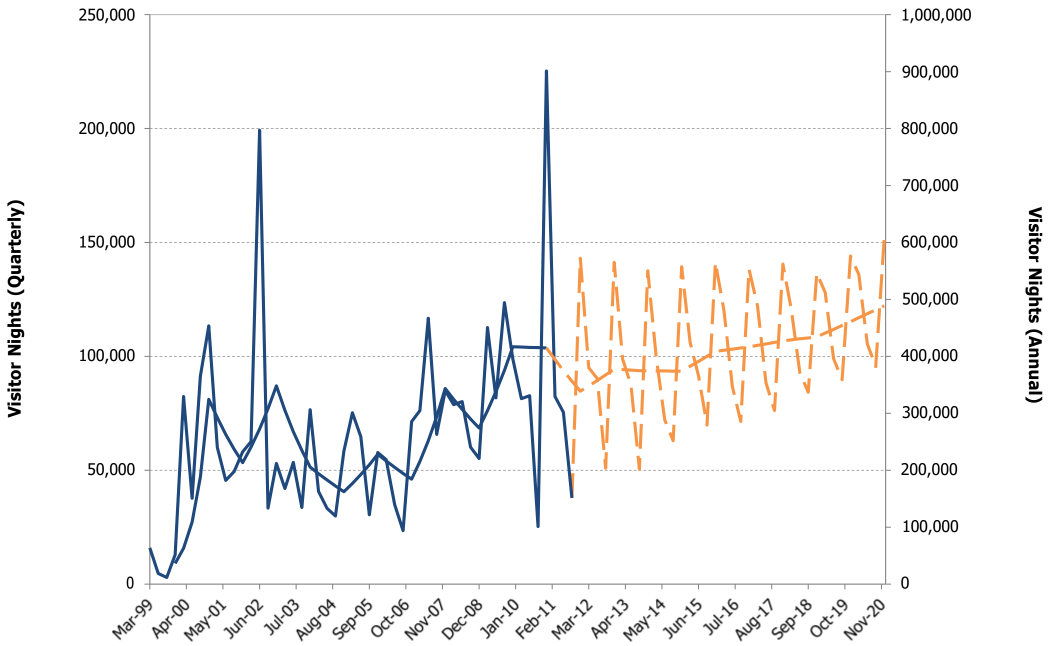
Figure 4.3: Domestic Visitor Nights Trend Projection, Augusta-Margaret River LGA, Mar 1998 to Dec 2020



Source: TRA (2011), AEC*group*

Although domestic visitor nights to the Augusta-Margaret River LGA declined since 2005, international visitation remained steady from 1998 to 2006, with a slight increase on 2006 levels through to 2011. Additionally, the average length of stay of international visitors (which is longer than that of domestic visitors) has been growing steadily since 2003. The increase in visitors and average length of stay translates into a much stronger projection for international visitor nights in comparison to domestic visitor nights. This is shown in Figure 4.4.

Figure 4.4: International Visitor Nights Trend Projection, Augusta-Margaret River LGA, Mar 1998 to Dec 2020

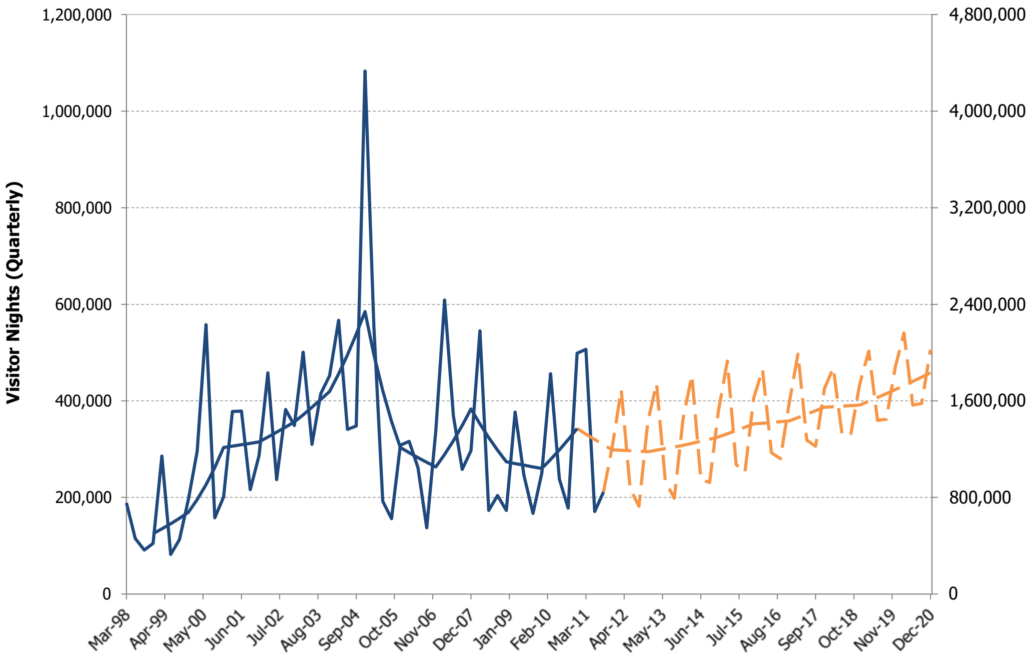


Source: TRA (2011), AEC*group*

4.1.3 Aspirational Projection

AEC*group* has produced aspirational forecasts of domestic and international visitor nights for the Augusta-Margaret River LGA based on the trend projections and targeted growth rates of visitation and average length of stay. The aspirational domestic visitor nights projection is based on an assumed 30% increase in holiday or leisure tourism and a 30% increase in business visitation by 2020. This is coupled with an assumed 15% increase in the average length of stay for all visitor types. These aspirational targets have used the trend scenario as a base. The result is a much stronger forecast of domestic visitor nights stayed in the LGA through to 2020, as shown in Figure 4.5.

Figure 4.5: Domestic Visitor Nights Aspirational Projection, Augusta-Margaret River LGA, Mar 1998 to Dec 2020



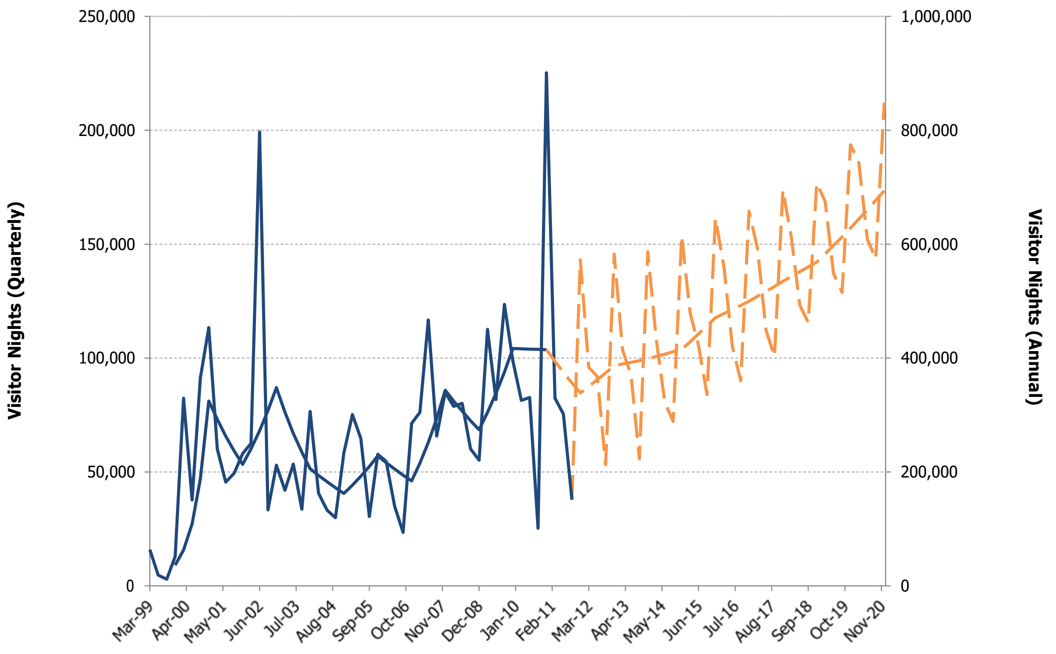
Source: TRA (2011), AEC*group*

These aspirational growth rates are based on the following assumptions:

- Holding 12 business events with 200 participants each in 2012 and then increasing events by 20% per year;
- A general 30% increase in holiday and leisure travellers based on increasing of tourism product and experiences as well as more proactive marketing; and
- Transitioning 6.5% of current visitation from weekends to during the week.

Applying the same aspirational targets to international visitation and average length of stay of international visitor’s, results in a very strong projection of international visitation to the LGA. This is shown in Figure 4.6.

Figure 4.6: International Visitor Nights Aspirational Projection, Augusta-Margaret River LGA, Mar 1998 to Dec 2020

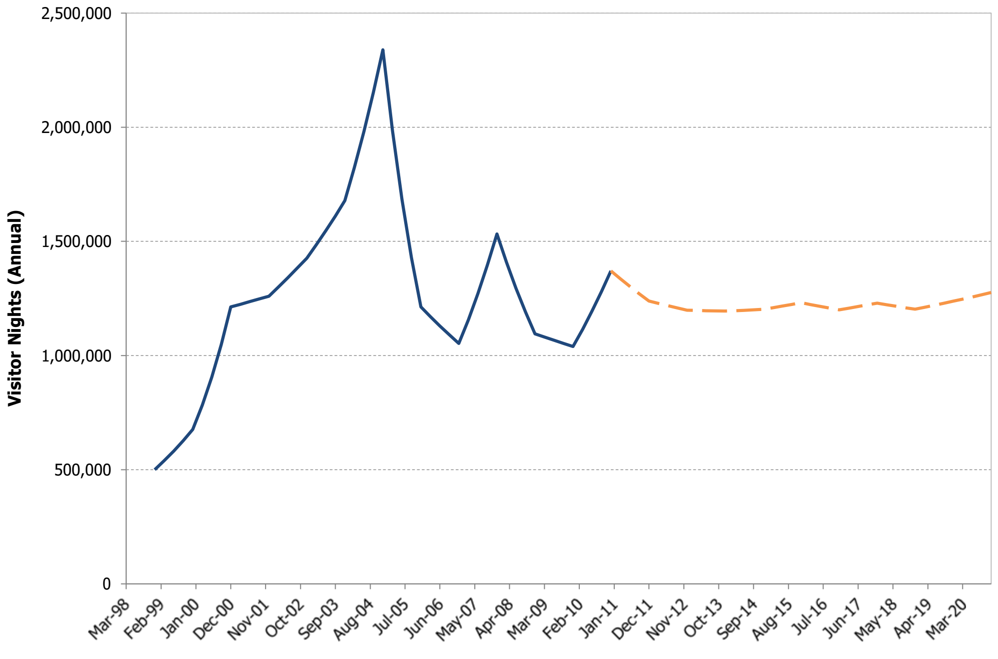


Source: TRA (2011), AEC*group*

4.1.4 Most Likely Scenario

AEC*group* has produced weighted forecast scenario based on an equal weight of the TRA forecast, trend and aspirational scenario. Total visitor nights stayed by domestic visitors under the weighted scenario can be seen in Figure 4.7.

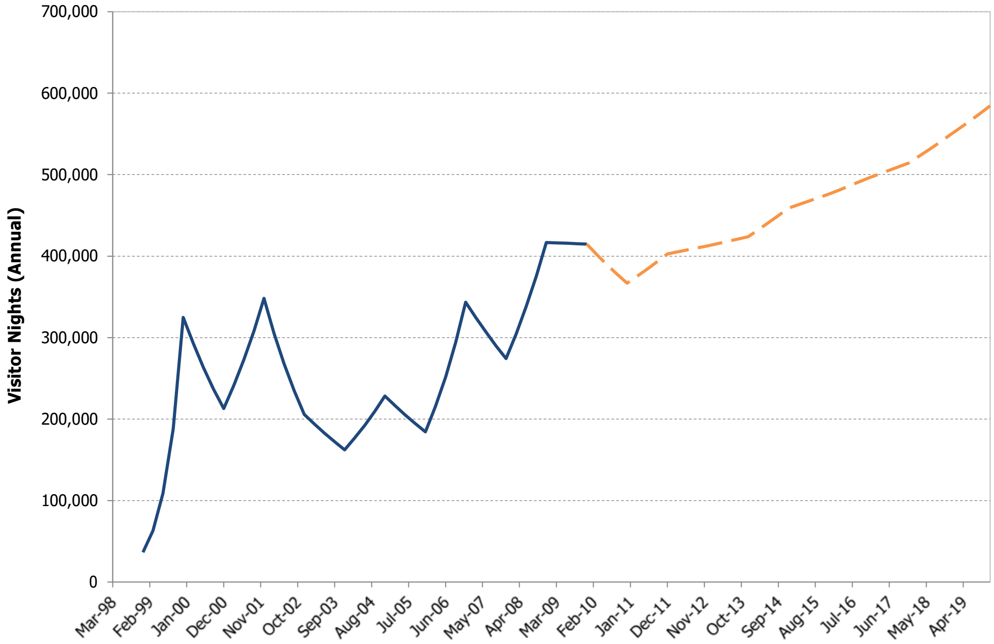
Figure 4.7: Domestic Visitor Nights Weighted Projection, Augusta-Margaret River LGA, Mar 1998 to Dec 2020



Source: TRA (2011), AEC*group*

Nights stayed by international visitors under the weighted scenario is found in Figure 4.8.

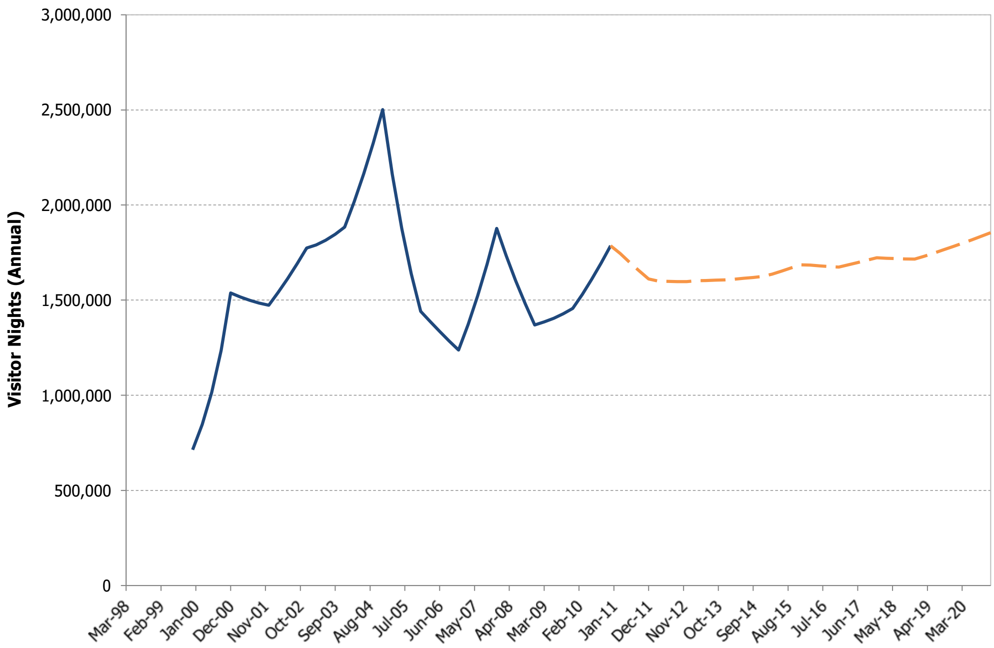
Figure 4.8: International Visitor Nights Weighted Projection, Augusta-Margaret River LGA, Mar 1998 to Dec 2020



Source: TRA (2011), AEC*group*

Since international visitors make up a smaller proportion of the total visitation number to the LGA, the projected strong increase in the number of international visitors makes only a small impact on the total visitation projection. Although the total weighted visitation projection is showing growth, it is only slight as shown in Figure 4.9.

Figure 4.9: Total Visitor Nights Weighted Projection, Augusta-Margaret River LGA, Mar 1998 to Dec 2020



Source: TRA (2011), AEC*group*

Comparison of all of the projected scenarios demonstrates high levels of variability, with the most likely scenario showing very modest growth. As the aspirational scenario demonstrates, efforts to attract more business travellers and week-long holiday makers would have a dramatic impact on the overall demand for visitation. Holiday and leisure visitation make up the largest visitor type proportion to the LGA and hence, the LGA's accommodation, service, and amenity will be predominantly geared to host this visitor type. Facilitating an increase in this visitor type will help the profitability of those existing service providers dependent on holiday and leisure tourism, while also driving a number of flow-on benefits to the LGA's economy as discussed in Section 2.3. Facilitating an increase in business visitation is also important for the LGA. This visitor type will assist the LGA to drive a diversification of expenditure seen within the LGA.

In order to demonstrate the impacts of growth in various visitor types, AEC*group* has determined the expected change in total visitors in terms of percentage growth (assuming a 1% increase), based on the visitor composition seen over the 2011 financial year. As show in the table below, all increases have an overall impact, however, increasing length of stay has the largest impact.

Table 4.1: Change in Visitor Growth, Augusta-Margaret River LGA, 2010 to 2011

Change in Visitor (Growth)	Change In Total Visitor Nights (Number)	Change in Total Visitor Nights (Growth)
+1.00% in Holiday and Leisure Visitor Number	+0.76%	+13,378
+1.00% in Business Visitation	+0.20%	+3,535
+1.00% in Average Length of Stay of All Visitors	+1.00%	+17,624

Source: TRA (2011), AEC*group*

4.2 Key Findings

AEC*group* constructed four tourism visitation demand scenarios based on TRA forecasts, historical trends, aspirational targets and finally, a most likely scenario, which is a weighted average scenario of the three projections.

The most likely scenario should be used for tourism planning purposes, however, the potential growth in the aspirational scenario should also be noted and demonstrates potential growth if tourism product, visitor experiences and proactive marketing could be enhanced to attract business travellers, convert some weekend visitors to week-long visitors and generally increase holiday and leisure traffic.

For example, current plans to develop a new conference venue is a development that will drive demand in the business segment, if it proves successful in attracting events. Equally, proactive marketing could be successful in attracting more visitors.

With these possibilities in mind, the most likely scenario should be used for tourism planning purposes but contingencies should be made to accommodate the aspirational demand scenario. This combination provides minimum levels of planning for the most likely outcome, however, can make adjustments for potential future growth.

5. Opportunities & Gaps

This section provides a competitive assessment of the Augusta-Margaret River Local Government Area (LGA) based on the 5 A's of tourism. This assessment looks at the competitive edge offered by the LGA under each of the competitive elements, as well as any issues the LGA faces in achieving any of the criteria. This assessment is also supplemented by an assessment of the opportunities and gaps which exist in the tourism accommodation product offering within the LGA based on recent supply audits.

5.1 Competitive Assessment

5.1.1 The 5 A's of Tourism

The 5 A's of tourism represent the essential requirements for successful tourism, as put forward by Tourism Western Australia (TWA). The Augusta-Margaret River LGA must strive towards achieving a suitable combination of the five factors. The five factors include:

1. Accommodation;
2. Amenities;
3. Attractions;
4. Activities; and
5. Access.

The Shire of Augusta-Margaret River LGA Tourism Strategy (the Strategy) has presented strengths, weaknesses, opportunities and threats associated with achieving each of the 5 A's listed above. This report seeks to build on this analysis to supplement the Strategy's findings.

5.1.2 Accommodation

5.1.2.1 Current Offerings

The Augusta-Margaret River LGA offers visitors a range of accommodation facilities to choose from. Most accommodation offerings (refer to Section 3.2) can be categorised under one of the following criteria: camping ground; caravan park; chalet; bed and breakfast; resort or motel; hotel; holiday house; apartment; or retreat. The majority of accommodation facilities in Margaret River can be categorised as a resort or motel, with few five-star resort or hotel offerings available in the area. The quality of offering within the area is also falling, becomes largely out-dated.

The price of accommodation in the region starts at less than $25 per night for camping ground accommodation and exceeds $450 per night for higher quality retreat style accommodation.

5.1.2.2 Competitive Advantages

The diverse accommodation on offer in Margaret River enables the town to attract market segments that seek budget, moderate and quality accommodation. The ability to attract a diverse range of visitors to the town reduces dependence on one market segment and therefore enables increased visitation to the area.

5.1.2.3 Challenges

Occupancy rates for tourism accommodation in the Augusta-Margaret River LGA currently experience a high level of seasonality. This results in tourism expenditure and demand for tourism driven infrastructure, amenity and services within the area also highly volatile.

The strong Australian dollar is increasing the purchasing power of Australians in overseas markets. Holiday destinations such as Bali offer five-star, luxurious accommodation for significantly less than similar quality accommodation would cost in Australia. On average, holiday accommodation in the Gold Coast area is also cheaper than the average accommodation price in Margaret River. Increased competition for tourists from domestic and international service providers make it difficult for the Augusta-Margaret River LGA to actively compete if services continue to be offered at current prices.

Additionally, high operational and development costs, coupled with falling visitation, is hindering tourism accommodation feasibility. This is limiting prospects for new developments within the area or for redevelopment of existing product.

5.1.3 Amenities

5.1.3.1 Current Offerings

The Augusta-Margaret River LGA currently offers a number of local facilities and natural amenity. The LGA has a number of parks, community areas, a renowned beach and caves as well as a full range of restaurants, cafes, bakeries and other hospitality offerings.

5.1.3.2 Competitive Advantages

The amenities in the Augusta-Margaret River LGA create the safe, relaxing, quality atmosphere that area is renowned for. The amenities assist to differentiate the region from other holiday destinations and provide an attractive alternative holiday destination for tourists.

5.1.3.3 Challenges

Augusta-Margaret River LGA provides very similar amenity offering to areas such as Broome and Cairns. Margaret River may therefore find it difficult to differentiate itself from other Australian tourist destinations based on amenities alone.

5.1.4 Attractions/Activities

5.1.4.1 Current Offerings

The natural scenery and environment in Margaret River is one of the region's major tourist attractions, including its surfing beaches, Jewel Cave, and whale watching. Other major regional attractions include local wineries, fresh produce and Cape Leeuwin Lighthouse.

5.1.4.2 Competitive Advantages

Augusta-Margaret River has a number of emerging tourism industries including water-based activities such as surf schools and kite-boarding; helicopter scenic tours; mountain biking; and 4WD adventure tours. These new offerings combined with the existing attractions of the area will help Augusta-Margaret River LGA to become a more competitive tourist destination. Also, as a dominant wine tourism region, the addition of the coastal activities differentiates itself from other wine regions.

5.1.4.3 Challenges

Many of Augusta-Margaret River LGA's tourist attractions are seasonal and primarily attract visitors over the spring and summer seasons. Seasonality of visitation results in large variations in the value the Margaret River LGA can generate directly and indirectly from tourism. It would be advisable to create and market tourist activities to attract more visitors in the non-peak season.

5.1.5 Access

5.1.5.1 Current Offerings

The Augusta-Margaret River LGA is the furthest wine region from a major population. Visitors can access the region by coach or by car. The lack of an airport and regular passenger transport (RPT) however, limits the potential of the area to capture the international and interstate tourism market.

5.1.5.2 Competitive Advantages

Since the Augusta-Margaret River LGA is the furthest wine region from a major population centre in Australia, high-end accommodation will do well catering for the wine tourism market.

5.1.5.3 Challenges

The Augusta-Margaret River LGA is located approximately 272km from the Perth Metropolitan area (approximately a three hour drive). Whilst the location is close enough to entice people living or holidaying in Perth to visit the area, the length of travel time is likely to reduce the frequency of day trip visits.

Perth-Shire, Intra-Shire and South West-Shire transport options are dominated by the private automobile. It is more difficult to access the Augusta-Margaret River LGA and surrounding areas without a car, which may make it difficult for some tourists to travel within the region. The increase in price of fuel may also impact the level of visitation from Perth to the South West, as will cheap flights overseas. Additionally, access across the Bussell Highway can be challenging for visitor given its status as a major highway.

A summary of the competitive assessment findings are shown in the figure below:

Figure 5.1: Competitive Assessment, Augusta-Margaret River LGA

Competitive Element	Competitive Edge	Regional Issues
Accommodation	• Wide range including caravan parks, chalets, B&Bs, motels, hotels, holiday houses, apartments and retreats • Price ranges target different market segments, reducing over-reliance on one	• Very few 5-star hotel offerings; majority are motels • This plus strong AUD reduces local accommodation image/competitiveness vs. destinations such as Bali and Gold Coast
Amenities	• High-amenity temperate rural location • Safe, relaxing, quality atmosphere • Local knowledge and awareness of need for future recreational/tourism infrastructure • Significant plans in the pipeline • Accessible and well-maintained facilities and attractions, e.g. recycled water on golf course • Good infrastructure provision/government investment versus Bali, e.g. waste disposal, roads, public facilities	• Relatively low number and diversity of amenities versus, e.g., Gold Coast • Lack of differentiation to destinations such as Broome
Attractions/Activities	• Natural scenery and environment, e.g. surf beaches, caves, whale watching • Cape Leeuwin Lighthouse • Local wineries and fresh produce • Emerging tourism industries, e.g. water-based activities, helicopter scenic tours, mountain biking, 4WD adventure tours	• Inherent seasonality of activities creates volatile visitation levels • This hinders value potential of local tourism • Large number and more diverse attractions in competitor destinations such as Bali and Gold Coast, e.g. theme parks, elephant safari tours
Access	• Relatively close proximity to Perth • Accessible via car/coach for many visitor segments/demographics • Successful overnight visitation destination	• Distance from Perth hinders day trip visits • Limited non-car transport options • This is exacerbated by high fuel prices, large number of heavy haulage vehicles on Bussell Highway, and poor access to some coastal areas

Source: AMRTA (2011), AEC*group*

5.1.6 International Competitiveness

As mentioned, the strong Australian Dollar has made overseas travel relatively more attractive for both international and domestic visitors. Those international holiday destinations which can be accessed easily and cheaply by Western Australian residents pose a real threat to the continued attraction of holiday and leisure tourism to the Augusta-Margaret River LGA.

AEC*group* has assessed the cost for a three person family living in Perth to travel to and holiday in the Augusta-Margaret River LGA compared to doing the same in Bali. As part of this assessment, a number of considerations were made, including that the family:

- Drives to Margaret River or flys to Bali;
- Uses own vehicle to drive to Margaret River;
- Stays in 4-5 star accommodation in both destinations;
- Stays at the destination for a total of seven days;
- Consumes three meals per day in restaurants local to the destination; and
- Participates in two family friendly tourist activities offered by the destination each day; and
- Quotes of prices are based on travel and stay within the first week of March 2012, using an exchange rate of AUD to IDR of 9750.

5.1.6.1 Travel Costs

A total travel distance to/from Margaret River and Perth of 544km is assumed. Whilst staying at Margaret River, a further 140km is travelled to/from the daily activities which the family participate in. A total of 684km is travelled under an assumed cost of travel of $0.74 per km (ATO recommended deduction rate for 1.6L to 2.6L vehicle travel).

Travel costs to Bali from Perth were based on the average cost of airfares flying three major airlines, with consideration for travel insurance cost. In addition, an average of AUD$15 per person was assumed to be spent per day on travel whilst in Bali.

5.1.6.2 Accommodation Costs

Three tourist accommodation venues were chosen within both locations which are of 4-5 star quality. Accommodation venues were required to be within a short distance from the city/town centre. The daily cost of accommodation was averaged over the three establishments with a seven day visit assumed. The trip is assumed on quoted costs of stay over.

5.1.6.3 Daily Costs

Restaurants offering breakfast, lunch and dinner, which were located close to the city/town centre, were chosen. The family was assumed to eat all meals at the chosen restaurants for each day of the trip. Two tourist activities were undertaken each day within both localities. Daily costs include the total of average daily expenditure over the seven day holiday.

5.1.6.4 Total Costs

As can be seen in Table 5.1, although the travel costs associated with travel to and from Bali are much greater than to and from Margaret River, the daily costs and accommodation costs associated with travel to Margaret River make the total cost for Bali the cheaper option. While there are numerous factors that impact a visitor’s choice in destinations, the current cost differential will place Margaret River in a challenging competitive position and places considerable pressure on the quality of the experience.

Table 5.1: Travel Cost Comparison, Margaret River vs Bali, March 2012

Cost	Margaret River	Bali
Travel	$506.16	$1,568.00
Accommodation	$1,615.00	$991.67
Daily	$2,702.70	$1,929.38
Total	***$4,823.86***	***$4,489.04***

Note: Daily costs refer to total of seven day expenditure that excludes travel and accommodation but includes meals and activities.
Source: AEC*group*

5.2 Accommodation Supply Assessment

In addition to the competitive assessment detailed above, AEC*group* has assessed the current accommodation supply within the Augusta-Margaret River LGA based on a number of criteria in order to identify opportunities and gaps in the areas accommodation supply offering. The first assessment has categorised the accommodation within the area based on the level of service provided and the daily room rate charge as per the Margaret River Visitor Centre (2012). As the level of service provided by the accommodation establishment increases, the daily room rate charge is also expected to increase. Deviations away from this trend may indicate an opportunity and gap in the market offering.

The second assessment has categorised the accommodation based on the capacity of accommodation and the travel distance that accommodation is away from the centre of the Margaret River town (Corner of Bussell Highway and Wallcliffe Road used as a reference). Data on accommodation establishments as put forward by AMRTA (2011) was used for this assessment. Accommodation establishments which offer a high capacity should be located close to the town centre, while those with a low level of accommodation should be located away from the town centre. Again, deviations away from this trend may indicate an opportunity and gap in the market offering.

5.2.1 Accommodation Service to Price

Accommodation supply based on that advertised by the Margaret River Visitor Centre (2012) was collated and categorised as per the level of service offered. It was assumed that the level of service offered by the establishment is reflected by the type of establishment. The order of accommodation types (which corresponds with an order from lowest service offering[1] to highest service offering) includes:

1. Caravan Park;
2. Chalet;
3. Bed and Breakfast;
4. Hotel and Motel;
5. Apartment and Holiday House; and
6. Retreat.

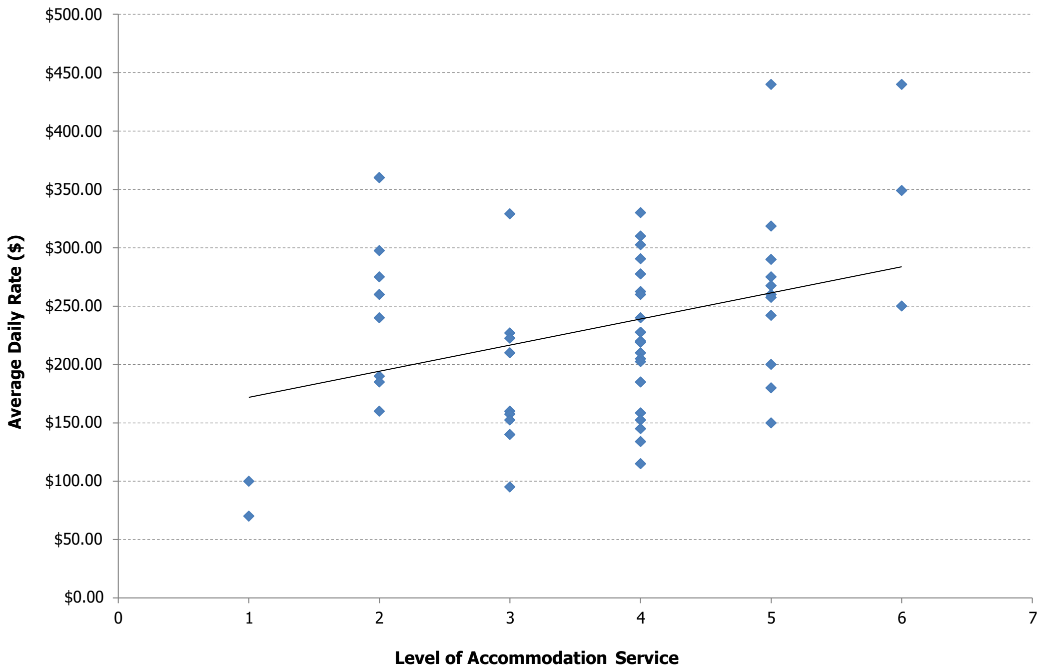
Note that the low ranking of Chalet above is subject to debate, as this form of accommodation often provides products and services from the site (e.g. food), as well as typically higher levels of amenity associated with their seclusion and/or rural environment. The level of service provided need not relate to only labour-intensive service. That is, although a hotel or motel may offer services such as a reception or concierge, an apartment or holiday house would offer a higher level of infrastructure, as it is likely that accommodation of this type would have a full-service kitchen, laundry, etc.

Also note that the accommodation establishments presented as part of this analysis are not intended to be an exhaustive list of the available accommodation within the Augusta-Margaret River LGA. Rather the accommodation presented is intended to provide a snapshot of the relationship between rates and accommodation service levels within the LGA.

The reported high and low daily rates as published by the Margaret River Visitor Centre (2012) were averaged in order to find a comparable daily rate between each establishment. Results are shown in Figure 5.2.

[1] Service offering refers to the amount and number of various services that are offered by accommodation type, for example, food and beverage, linen services, internet, spa, gym facilities, etc.

Figure 5.2: Accommodation Price to Service Comparison, Augusta-Margaret River LGA



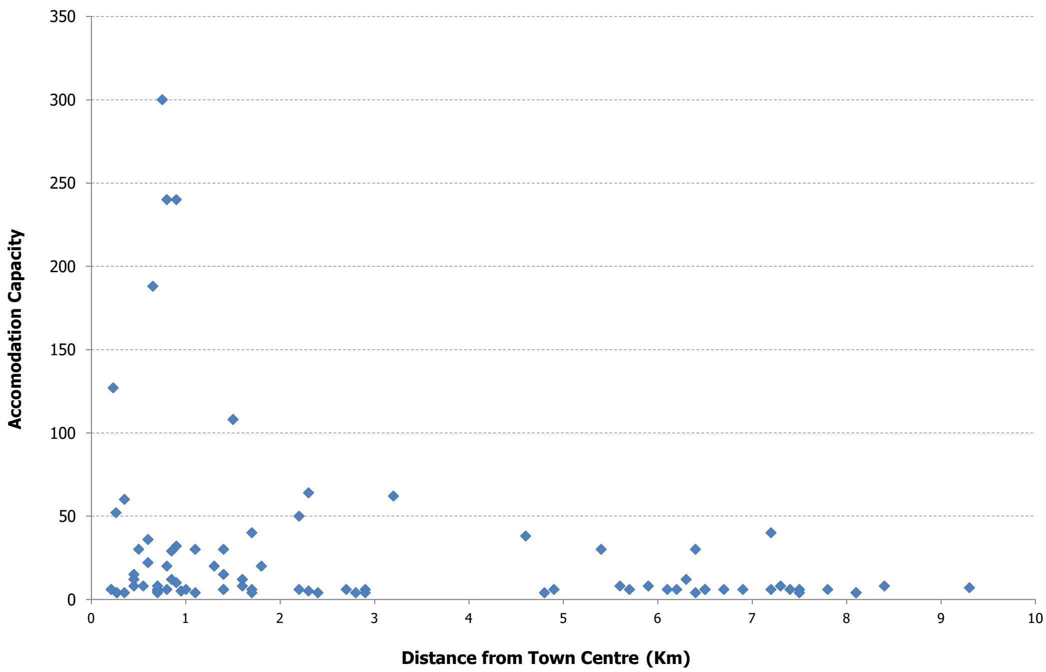
Note: 1 – caravan park; 2 - chalet; 3 – bed and breakfast; 4 – hotel and motel; 5 – apartment and holiday house; 6 – retreat.
Source: Margaret River Visitor Centre (2012), AEC*group*

As expected, a positive relationship is held between the level service provided by the accommodation establishment and the daily rate charged. There are some noticeable outliers however, firstly, chalet accommodation establishments in the LGA, on average, charge a higher daily rate than what their level of service suggests is reasonable. Secondly, apart from the outlier apartment or holiday house which has a charge rate of over $400 per night, the apartments and holiday houses within the area are generally priced below what their service level suggest is reasonable.

5.2.2 Accommodation Capacity to Location

Accommodation travel distance from the centre of the Margaret River town (Corner of Bussell Highway and Wallciffe Road used as a reference) was measured using Google Maps (Google, 2012). The travel distance of each accommodation establishment was compared against the establishment's capacity as put forward by the Augusta-Margaret River Tourism Association.

Figure 5.3: Accommodation Capacity to Location Comparison, Augusta-Margaret River LGA



Source: AMRTA (2011), AEC*group*

Figure 5.3 shows the relationship between accommodation capacity and travel distance. Excluded from this assessment are a number of caravan parks that are outside the town centre, which have considerable capacity. However, from an overall accommodation perspective, this assessment shows that the majority of accommodation options are located with proximity to the town centre. Naturally, as the industry grows, it will be important to offer a range of accommodation options across the Shire. Matching specific accommodation options with the local environment, amenity, attractions and access will be important. For example, caravan parks may offer a good way to enjoy the natural beauty of the area and relax in a relatively remote natural setting, whereas a chalet development near a coastal settlement may prove an effective way to capitalise on that specific location.

5.3 Key Findings

The Shire of Augusta-Margaret River LGA Tourism Strategy (the Strategy) has presented strengths, weaknesses, opportunities and threats associated with achieving each of the 5 A's essential requirements for successful tourism. Building on this assessment, points were raised in regards to Augusta-Margaret River LGA's current offering, competitive advantage and challenges, in regards to its accommodation, amenity, attractions, activities and access.

Challenges raised as part of this assessment point to the Augusta-Margaret River LGA's currently high amount of seasonality of tourism visitation, which also translates to a high amount of volatility in demand for tourism related infrastructure, amenity and services provided by the area. Additionally, points were raised that the LGA offers similar (particularly natural) amenity and attractions to other regional Western Australian areas, and also that the access to the area may be largely restrictive to facilitating interstate and overseas visitation.

AEC*group* assessed the international competitiveness of the Augusta-Margaret River LGA's tourism offering against that of Bali. It was found that even though travel costs associated with accessing Bali from Perth were greater, the higher accommodation and daily costs associated with staying in Margaret River make Bali the cheaper alternative.

The accommodation supply assessment conducted by AEC*group* indicates that chalet accommodation establishments in the LGA, on average, charge a higher daily rate than what their level of service suggests is reasonable. Secondly, the apartments and holiday houses within the area are generally priced below what their service level suggests is reasonable. As expected, the majority of tourism accommodation capacity is located less than one kilometre from the town centre.

6. Accommodation Feasibility

This section outlines the current factors affecting the feasibility of accommodation within the Augusta-Margaret River Local Government Area (LGA) as well as providing some feasibility modelling results with scenario tests and sensitivity analysis.

6.1 Model & Assumptions

AEC*group* has utilised a purpose built Discounted Cash Flow Model (DCFM) model in order to conduct the accommodation feasibility assessment. The types of accommodation developments assessed under the feasibility model are classified under four categories, including:

- Hotel;
- Chalets;
- Caravan Park; and
- Camp Site.

Each category has a particular construction cost structure which is dependent on the requirements of that development type. The operational costs and revenue structure also varies between development types. A number of assumptions are also made in regards to cost of debt, project life, borrowing term, land appreciation and changes in construction and consumer price indexes over time. Generic feasibility assumptions are shown below, while **Appendix A** presents specific assumptions associated with each development type.

Table 6.1: Generic Feasibility Assumptions

Assumption	Input
Project Life	20 years
Borrowing Term	20 years
Debt (% of Initial Capital Cost)	50.0%
Debt Interest Rate	8.5%
Project Evaluation Discount Rate	15.0%
Land Appreciation Index	2.5%
Construction Index	5.0%
Consumer Price Index	3.0%

Source: AEC*group*

The DCFM balances the revenue and costs associated with each project type, providing a comparison in terms of Net Present Value (NPV) and Internal Rate of Return (IRR). Those projects with the highest NPV and IRR are said to offer the optimal trade-off between revenue, cost and timing of cash-flows. Generally speaking, investors or developers of accommodation will require at least a 15% return on investment (i.e. IRR) in order to proceed with a project.

6.2 Development Feasibility

6.2.1 Hotel

A feasibility assessment of a 4-star standard hotel was conducted. Inputs into the hotel feasibility assessment were based on analysis of data obtained from the Australian Bureau of Statistics (ABS) and Tourism Research Australia (TRA) with qualitative adjustments made as per AEC*group*'s consultation with accommodation operators in the area. It was found that occupancy rates for hotels within the Augusta-Margaret River LGA have a high amount of seasonality, ranging from as low as 35% in the low, off-season periods, to as high as 90% in the high season periods. This assessment used a similar monthly occupancy rate profile, which provided an annual average occupancy rate of 65%. While this annual occupancy rate is higher than the Shire has experienced over the recent past, it is commonly the benchmark in regional areas that would indicate a shortage of hotel rooms and thus the need for new investment. Additionally, consultation with local industry generally found that hotels often reported operating at higher occupancy rates than reported by the ABS.

Average daily room rates charged by hotels within the LGA also vary dramatically, both between establishments and also between the low, off-season periods and high, on-season periods. Rates which vary from as low as $100 to as high as $380 were found across the variety of hotels in the area. For the purpose of this assessment, an average daily room rate of $240 was used, which is the average of the low and high rates from consultation. Additional assumptions on sources of additional revenue outside room revenue and assumptions of operating costs as a proportion of revenue have also been made.

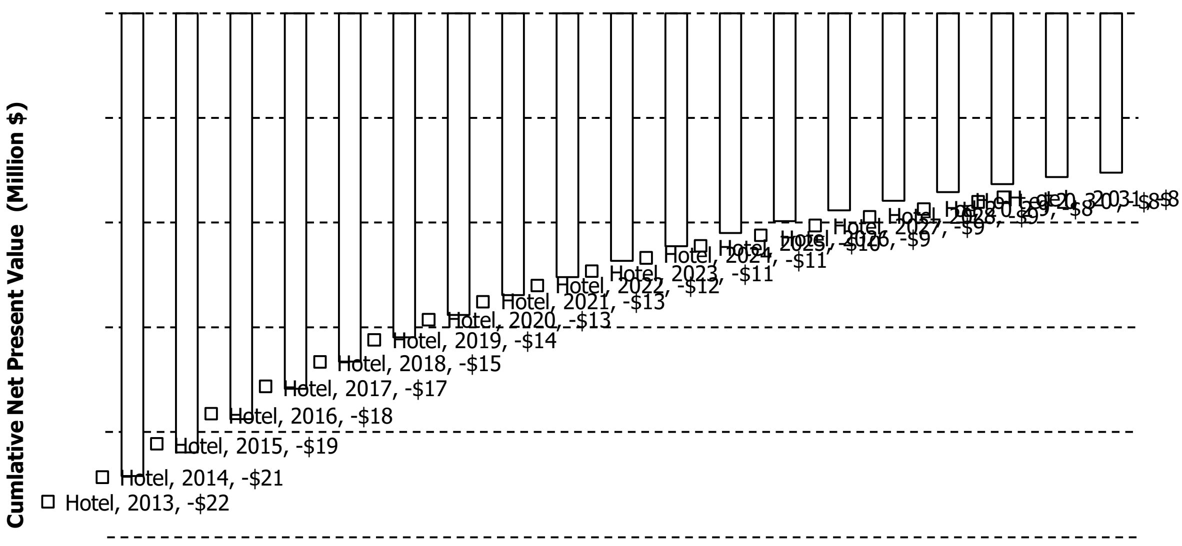
Table 6.2: Hotel Feasibility Assumptions

Criteria	Assumption
Average Annual Occupancy Rate	65%
Average Daily Room Rate	$240
Other Revenue (% of Room Revenue)	20%
Operating Costs (% of Revenue)	60%

Source: AEC*group*

Under the prescribed assumptions, the feasibility results of developing and operating a hotel accommodation establishment within the Augusta-Margaret River LGA indicate a NPV of -$13 million and an IRR of -0.6%. Figure 6.1 shows the annual cumulative NPV over the life of the project, and reflects the fact that the present value of the annual returns to such a development is not enough to offset the present value of the large initial capital outlays. The feasibility of new, stand-alone hotel development in the Shire is currently very challenging.

Figure 6.1: Hotel Feasibility Results, Augusta-Margaret River, 2013-2031



Source: AEC*group*

6.2.2 Chalets

Inputs into the chalet feasibility assessment were based on available historic data and consultation findings. It was found that occupancy rates for chalets within the Augusta-Margaret River LGA are generally lower than that of hotels. The seasonality component still exists for this establishment type, ranging from as low as 30% in the low, off-season periods, and as high as 85% in the high on-season periods. This assessment used a similar monthly occupancy rate profile, which provided an annual average occupancy rate of 60%.

Average daily room rates charged by chalets within LGA also vary dramatically. Rates which vary from as low as $100 to as high as $330 were found. For the purpose of this assessment, an average daily room rate of $235 was used. As with the previous accommodation type, additional assumptions on sources of additional revenue outside room revenue and assumptions of operating costs as a proportion of revenue have also been made.

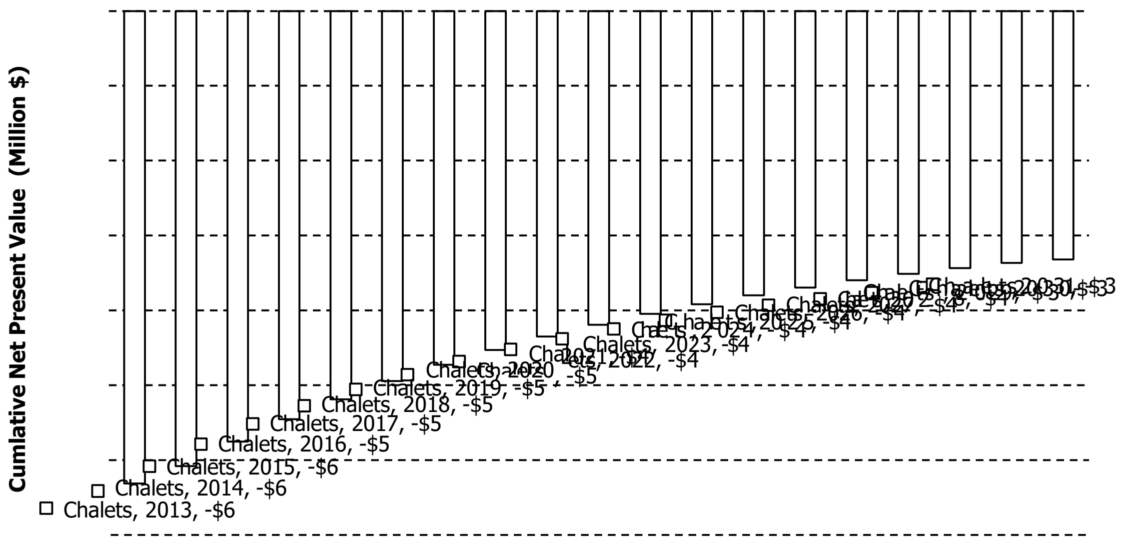
Table 6.3: Chalets Feasibility Assumptions

Criteria	Assumption
Average Annual Occupancy Rate	60%
Average Daily Room Rate	$215
Other Revenue (% of Room Revenue)	10%
Operating Costs (% of Revenue)	60%

Source: AEC*group*

Under the prescribed assumptions, the feasibility results of developing and operating a chalet accommodation establishment within the Augusta-Margaret River LGA indicate a NPV of -$4.5 million and an IRR of -2.0%. Figure 6.2 shows the annual cumulative NPV over the life of the project, again reflecting the fact that the present value of the annual returns to such a development is not sufficient to offset the present value of the large initial capital outlays. The development of new, stand-alone chalets for accommodation purposes is currently very challenging in the Shire.

Figure 6.2: Chalets Feasibility Results, Augusta-Margaret River, 2012-2031



Source: AEC*group*

6.2.3 Caravan Park

Inputs into the caravan park feasibility assessment were based on available historic data and consultation findings. It was found that occupancy rates for caravan parks within the Augusta-Margaret River LGA are generally lower than that of hotels and chalets. Again, the seasonality component still exists for this establishment type, ranging from as low as 30% in the low, off-season periods, and as high as 80% in the high on-season periods. This assessment used a similar monthly occupancy rate profile, which provided an annual average occupancy rate of 52.9%.

Average pitch rates charged by caravan parks within LGA also vary dramatically. Rates which vary from as low as $20 to as high as $60 were found. For the purpose of this assessment, an average rate of between $31.25-$41.25 was used, depending on the site. As with previous accommodation types, additional assumptions on sources of additional revenue outside room revenue and assumptions of operating costs as a proportion of revenue have also been made.

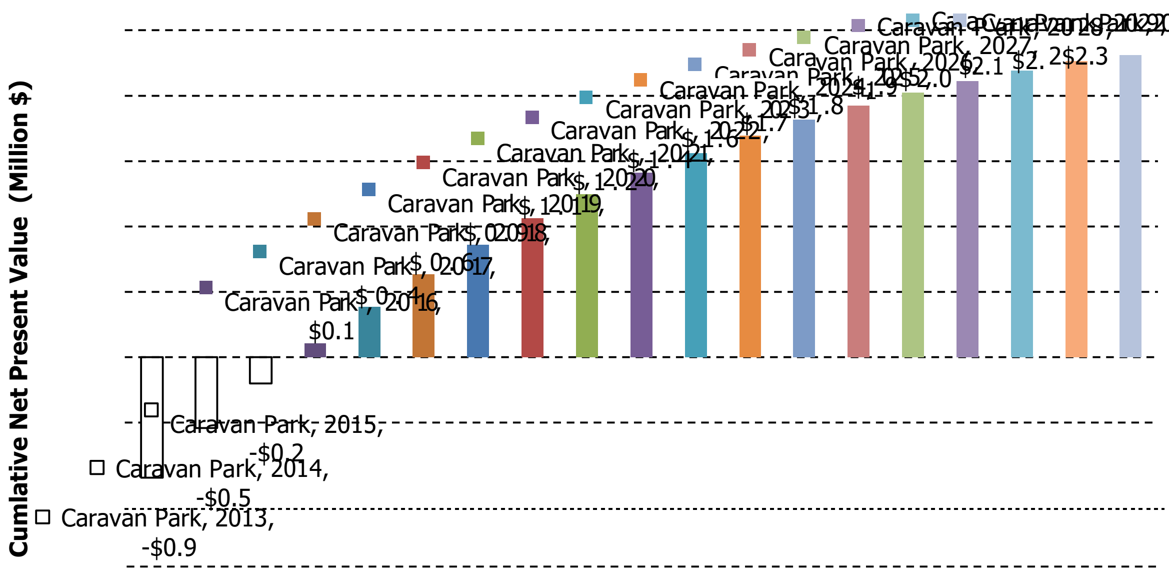
Table 6.4: Caravan Park Feasibility Assumptions

Criteria	Assumption
Average Annual Occupancy Rate	52.9%
Average Daily Rate	$31.25-$41.25
Other Revenue (% of Room Revenue)	10%
Operating Costs (% of Revenue)	65%

Note: Average daily rate depends on a powered or unpowered site.
Source: AEC*group*

Under the prescribed assumptions, the feasibility results of developing and operating a caravan park accommodation establishment within the Augusta-Margaret River LGA indicate a NPV of $1.3 million and an IRR of 9.0%. Figure 6.3 shows the annual cumulative NPV over the life of the project and reflects the fact that the present value of the annual returns to such a development will outweigh the present value of the initial capital outlays by 2031, delivering a positive NPV. The positive results here are a function of the much lower capital expenditure requirements associated with this style of development. However, it should be noted that a 9% return may be too low to attract investment.

Figure 6.3: Caravan Park Feasibility Results, Augusta-Margaret River, 2012-2031



Source: AEC*group*

6.2.4 Camp Site

Inputs into the camp site feasibility assessment were based on available historic data and consultation findings. It was found that occupancy rates for camp sites within the Augusta-Margaret River LGA are the lowest of all accommodation sites. Again, the seasonality component still exists, ranging from as low as 25% in the low, off-season periods, and as high as 70% in the high on-season periods. This assessment used a similar monthly occupancy rate profile, which provided an annual average occupancy rate of 47.5%.

Average pitch rates charged by camp sites within the LGA also vary dramatically. Rates which vary from as low as $15 to as high as $35 were found. For the purpose of this assessment, an average daily pitch rate of between $14.60-$22.00 was used, depending on the site. As with previous accommodation types, additional assumptions on sources of additional revenue outside room revenue and assumptions of operating costs as a proportion of revenue have also been made.

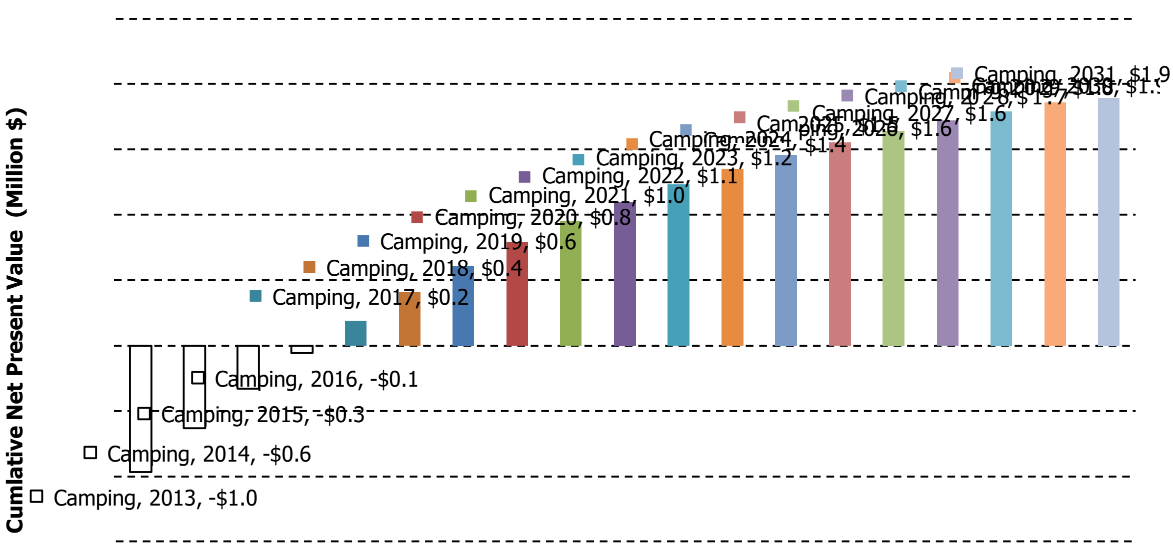
Table 6.5: Camp Site Feasibility Assumptions

Criteria	Assumption
Average Annual Occupancy Rate	47.5%
Average Daily Pitch Rate	$14.60-$22.00
Other Revenue (% of Room Revenue)	10%
Operating Costs (% of Revenue)	65%

Note: Average daily rate depends on a powered or unpowered site.
Source: AEC*group*

Under the prescribed assumptions, the feasibility results of developing and operating a camp site within the Augusta-Margaret River LGA indicate a NPV of $1 million and an IRR of 7.8%. Figure 6.3 shows the annual cumulative NPV over the life of the project, reflecting the fact that the present value of the annual returns to such a development will outweigh the present value of the initial capital outlays by 2031, delivering a positive NPV. The positive results here are a function of the much lower capital expenditure requirements associated with this style of development. However, it should be noted that a 7.8% return may be too low to attract investment.

Figure 6.4: Camp Site Feasibility Results, Augusta-Margaret River, 2012-2031



Source: AEC*group*

Table 6.6 provides a summary of the feasibility assessment results provided above. As can be seen, the camp site is the most feasible option, whilst the hotel is the least feasible. Development costs play a large role in reducing feasibility for both the hotel and chalet options. Both of these options have construction costs which are multiples above that of the caravan and camp site options. The hotel and chalet relies on high average room rates and occupancy rates in order to recover their associated development costs. At the assumed room and occupancy rates, the operational return does not warrant construction of these establishment types within the Augusta-Margaret River LGA.

Table 6.6: Feasibility Assessment Summary, by Establishment Type, Augusta-Margaret River

Establishment Type	10-Year NPV	10-Year IRR
Caravan Park	$1,290,141	9.0%
Camping	$986,458	7.8%
Chalets	-$4,507,841	-2.0%
Hotel	-$13,051,543	-0.6%

Source: AEC*group*

6.3 Scenario Analysis

Through scenario testing, AEC*group* has provided variations in feasibility results based on changes in occupancy rate, room rate and mix of accommodation. The drivers of these scenarios are comparable to the various future tourism demand results put forward in Section 4, which outlines the future tourism demand results. That is, the trend demand projection highlighted in Section 4 is likely to result in a lower average annual occupancy and room rate than that put forward under the above feasibility assessments. Whilst the targets driving the aspirational demand projection are likely to push the average annual occupancy and room rate higher than that put forward under the above feasibility assessments. This is intended to provide an indication of how variations in tourism demand and mix of accommodation translate to development feasibility within the area.

6.3.1 High Demand Scenario

The high demand scenario is based on the aspirational projection put forward in Section 4. Under this scenario, the average annual occupancy rate for all establishments is assumed to be 5% higher than that put forward in the feasibility results above. The average room rate for all establishments also increases in excess of inflation under this scenario, by a rate of 5% for each year post completion of the development.

Table 6.7 provides a summary of the feasibility assessment results for this scenario. The results demonstrate that while additional demand and pricing assists the feasibility, the viability of the development has not largely changed, which is due to the seasonality of the demand.

Table 6.7: Feasibility Assessment Summary – High Demand Scenario, by Establishment Type, Augusta-Margaret River

Establishment Type	NPV	IRR
Caravan Park	$1,627,775	10.1%
Camping	$1,310,575	8.9%
Chalets	-$4,233,108	-1.5%
Hotel	-$11,778,396	0.0%

Source: AEC*group*

6.3.2 Low Demand Scenario

The low demand scenario is based on the trend projection put forward in Section 4. Under this scenario, the average annual occupancy rate for all establishments is assumed to be 5% lower than that put forward in the feasibility results above. The average room rate for all establishments increases by a rate which is 5% below the assumed inflation rate, representing a declining real value of revenue produced by each establishment.

Table 6.7 provides a summary of the feasibility assessment results for this scenario. As expected, with lower levels of demand and pricing, the feasibility of development deteriorates further, which shows the important of future demand levels. It should be noted that these market conditions mirror the actual experience of recent years.

Table 6.8: Feasibility Assessment Summary – Low Demand Scenario, by Establishment Type, Augusta-Margaret River

Establishment Type	NPV	IRR
Caravan Park	$973,337	7.9%
Camping	$683,110	6.6%
Chalets	-$4,766,070	-2.6%
Hotel	-$14,250,324	-1.2%

Source: AEC*group*

6.3.3 Mix of Accommodation

This scenario adds a level of residential development together with the accommodation in order to demonstrate the impact of adding a more profitable property class. It should be noted that residential development is often easier to finance due to lower levels of perceived risk and the project receiving cash flow earlier in the development cycle through pre-sales.

In this scenario, only the hotel is assessed. In addition to the 90 hotel rooms another 90 residential units have been added to the feasibility. This represents a mix of 50% between the accommodation and residential aspects of the project. These elements should be separated formerly in the development. For the modelling, the following assumptions have been used for the residential components.

The results of this analysis demonstrate the dramatic impact that including residential development can have on the overall development feasibility. While a 12.0% return on investment may still not be high enough to attract investment, it would be expected that individual developers or investors would be able to create a project that would yield higher results than these generic assessments.

Table 6.9: Feasibility Assessment Summary – Mix of Accommodation Scenario, Augusta-Margaret River

Establishment Type	NPV	IRR
Hotel	-$13,051,543	-0.6%
Hotel and Residential	$11,016,573	12.0%

Source: AEC*group*

6.4 Feasibility Issues

There are a number of feasibility issues associated with developing tourism accommodation establishments within the Augusta-Margaret River LGA. Some of these issues are local to the LGA and with an appropriate Tourism Strategy, could be minimised or eliminated. Other factors remain external to the LGA, based on wider State, national and global macroeconomic and financial relationships. Some of the feasibility issues identified by AEC*group* through consultation and from analysis of the presented data include:

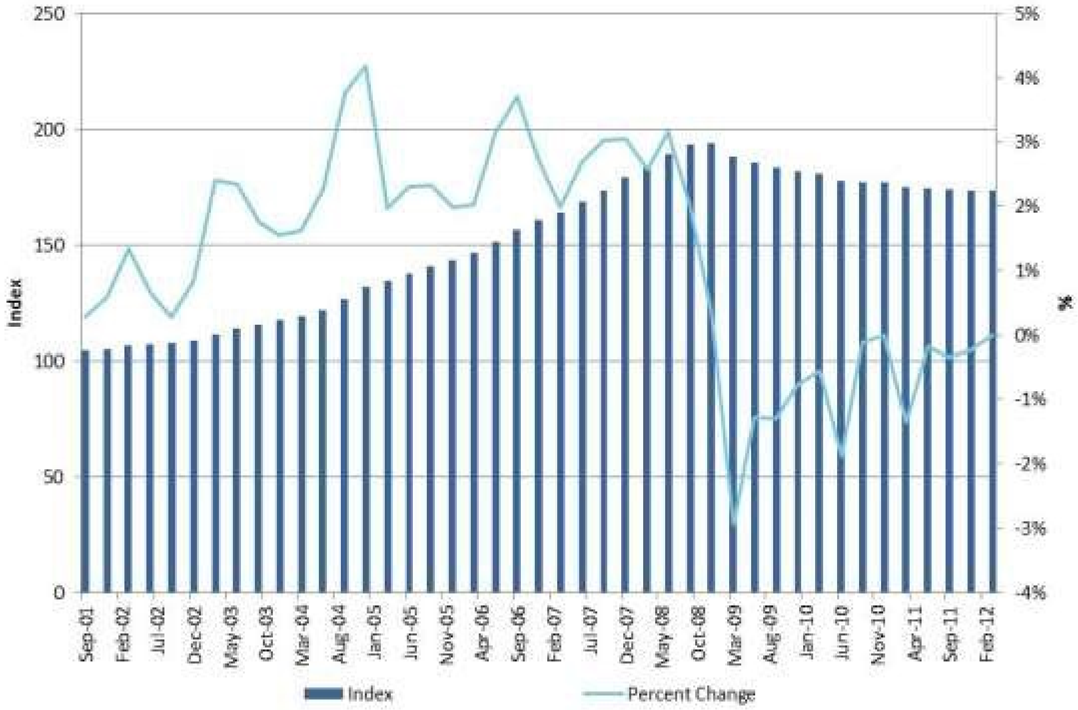
- **High construction costs**: Due to the strong growth in the resource sector and infrastructure investment over the last decade, construction costs are considerably more today than they were a decade ago.
- **Seasonality of demand**: Tourism visitation (and demand for accommodation) varies greatly throughout the year, producing significant volatility in accommodation market statistics. The low demand during the off season drags down the overall performance of the sector, producing somewhat lacklustre results, which can discourage investment.
- **Rates**: Beyond the impact of seasonality on daily overnight rates, the relationship between construction costs and rates does not provide sufficient return on investment to warrant additional investment. Construction costs are too high and rates are not high enough to compensate and provide a return on investment.
- **Access to finance**: Tourism is less favoured by investors as other types of property development, namely residential and commercial development. Access to finance and/or finding an investor is a major constraint to tourist accommodation development in Australia.
- **Competition of land use**: Given that tourism accommodation developments must compete for land with other property asset classes (i.e. residential and commercial) and that hotels generally provide lower return on investment compared to these other project types, tourism accommodation is thus not as attractive for these lands as other property classes.
- **Demand**: Falling levels of demand for visitation across the Augusta-Margaret River LGA provide a disincentive for investment in new tourism accommodation. Similarly, increasing levels of visitation will provide an incentive for investment.

- **Accommodation operational issues**: Many types of accommodation, most namely hotels and chalets, operate from a high cost basis due to the levels of service that must be provided. This high cost basis makes it very difficult to operate during the non-peak tourism period.
- **Competition from other destinations**: The Augusta-Margaret River LGA competes against numerous domestic and international destinations. Competition for visitors in Australia has become intense, particularly against a setting of a high Australian dollar and lacklustre economic conditions in the US and UK (two primary source markets for Australia). Destinations are investing heavily in product and experience development to attract visitors.

6.4.1 High Costs

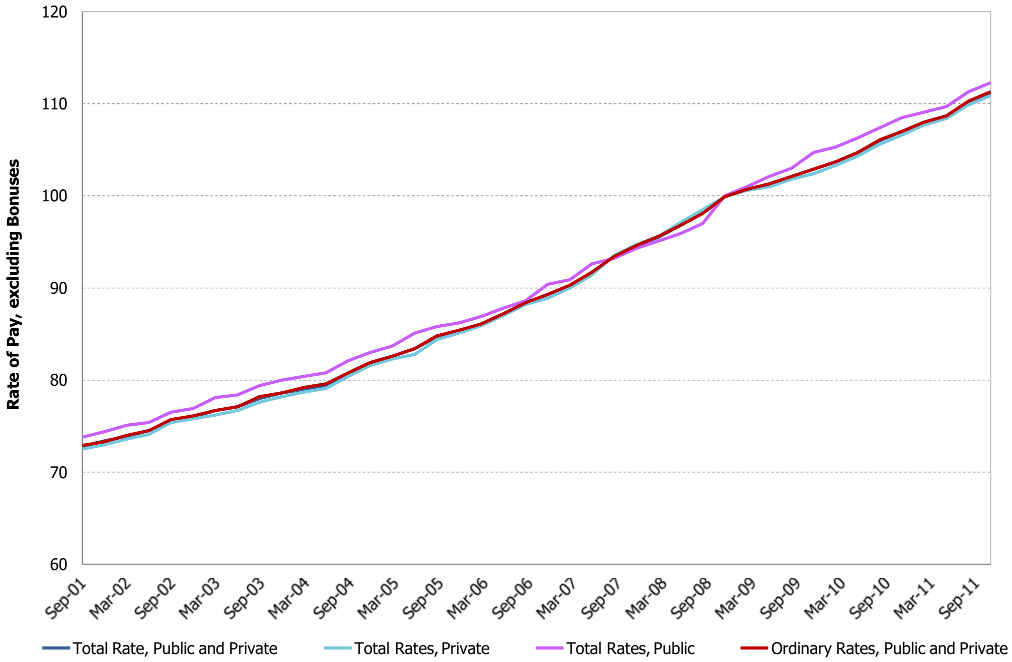
AEC*group* has used current market pricing for land, construction and operational costs. In most cases the high capital expenditure required is too much for the future revenues to overcome in a financial sense. As accommodation operations are very labour intensive, price pressures also impact development feasibility.

Figure 6.5: Non-Residential Building Materials Prices, by Index and Percentage Change, by Quarter, Perth, Sept 2001 to March 2012



Source: ABS (2012)

Figure 6.6: Hourly Rates of Pay Indices, by Quarter, WA, Sep 1997 to Dec 2011



Source: ABS (2012)

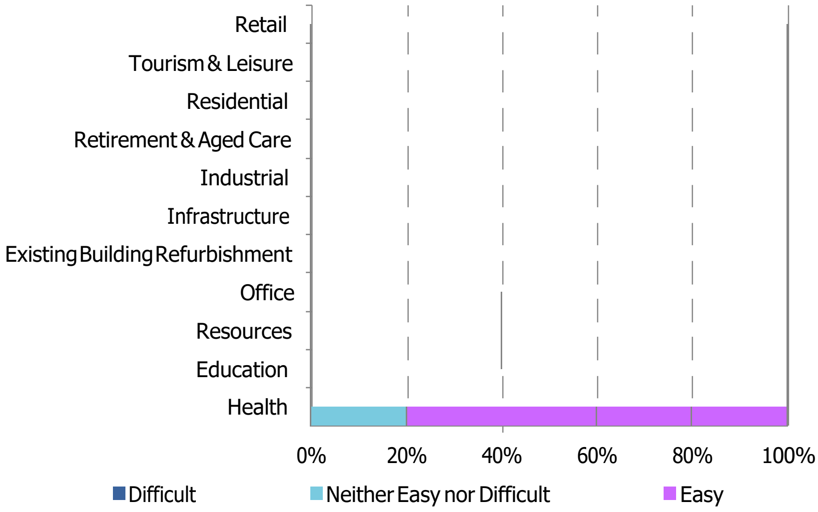
In terms of land values, it should be noted that the permitted use of the land or its zoning is very important. The zoning of the land as well as its location and current market conditions will have the greatest impact on its value. Higher yielding developments, such as residential or commercial, can drive up the value of land. Accommodation developments often have to compete with these other types of land uses.

6.4.2 Access to Finance

Accommodation development functions differently from residential and commercial development due to the ability of the latter to generate earlier cash flows through pre-sales or pre-commitment of commercial space. Additionally, the value of an accommodation property is directly linked to the business operating within the property, as opposed to the property itself. Due to these factors, access to finance for accommodation development can often be difficult.

It should also be noted that accommodation developments often need to access debt financing. In order to obtain debt financing, a valuation of the future development is required. These valuations are very sensitive to current and expected future market conditions. With the current market, it is likely the many proposals for new accommodation development would struggle to get the needed finance.

Figure 6.7. Access to Finance by Sector



Source: Davis Langdon (2011)

6.5 Key Findings

AEC*group* has utilised a purpose-built DCFM in order to conduct a feasibility assessment of developing and operating four accommodation establishments within the Augusta-Margaret River LGA. A range of assumptions were made in terms of revenue and cost drivers based on current market conditions. Based on these assumptions, it was found that the hotel and chalet accommodation development would return negative NPVs, while the caravan park and camp site developments would return slightly positive NPVs. This indicates that under current market conditions, a typical hotel or chalet development would not be feasible to develop and operate within the LGA and that returns for a caravan park or camp site may not be high enough to encourage investment.

There are a number of barriers to development for accommodation in the Augusta-Margaret River LGA. Many of these factors are market based and beyond the control of the Shire, however, there are numerous areas where the Shire can have an impact on the development feasibility, most notably through investments in marketing and infrastructure to drive demand as well as through the use of planning tools.

7. Recommendations

This section presents recommendations based on the significant research, consultation and analysis conducted for this project. Based on these findings, a number of recommendations are put forward to achieve a successful tourism strategy. The implications of the report findings are also related to the strategic tourism sites identified by the Shire of Augusta-Margaret River.

7.1 Recommendations

Based on the results of the analysis and consultation conducted as part of this report, a number of recommendations have been put forward so that the Augusta-Margaret River LGA may achieve successful outcomes from its Tourism Strategy. These recommendations are organised under the following headings:

- **Future Tourism Demand**: encouraging higher levels of visitation to the region;
- **Infrastructure**: investing in infrastructure that will encourage further visitation and higher levels of expenditure in the future; and
- **Planning**: ensuring an overall planning environment that encourages investment in and growth of the tourism sector in the Shire.

Future Tourism Demand

1. Concentrate on **attracting more international visitors** to the Augusta-Margaret River LGA by working with Tourism Western Australia and local stakeholders on marketing the unique amenity and high level of service offered within the area.

   Rationale: International visitation trends are rising for Australia and international visitor expenditure is typically higher than domestic. Attracting more international visitors will diversify the existing tourism market and increase economic activity, jobs and expenditure.

2. Develop and implement a **strategic marketing campaign** designed to emphasise the strengths of the Augusta-Margaret River LGA, with particular focus on increasing visitation outside of the peak summer period.

   Rationale: Domestic overnight visitation has been very volatile and on a long term trend basis is falling. This segment is the largest component of the overnight visitor market and very important in terms of the overall visitor expenditure in the economy. Marketing efforts need to be made to ensure this segment grows in the future.

3. Ensure a **proactive marketing program** to generate visitation.

   Rationale: Visitation is a very important driver for the accommodation industry. Ensuring that efforts are taken to proactively engage with prospective visitors will be important to ensuring marketing efforts are successful. Increasing visitation levels to the Shire is important for the future of the accommodation industry and the wider economy.

4. Continually development, augment and amend **visitor experience and tourism product** to grow visitation, including growing the number of week-long holidays.

   Rationale: Ensuring that the visitor experience continually improves and changes by adapting existing tourism product and adding new products and experiences is important to growing visitation. Experiences and product will enable the local destination to increase levels of visitation from existing core segments as well as to tap into new segments.

5. Improve on the already high value-add offered from the Augusta-Margaret River LGA's **agriculture industry** to both domestic and international visitors in order to grow demand.

   Rationale: Part of the visitor experience is the wine and food currently available in the region. Building on this strength and broadening the offer will assist in growing visitation.

6. Increase the capacity of the Augusta-Margaret River LGA to host **business events** and the capacity of the region to provide a regional business event destination.

   Rationale: The local visitor market is dominated by holiday and leisure travellers. Increasing business events will allow the area to grow the business traveller market, thereby decreasing the reliance on the holiday/leisure market and its seasonality as well as increasing the sustainability of the tourism industry through diversification of market segmentation.

7. Attract, establish and promote **regular events** particularly during the low season to provide an ongoing, year-round flow of people to the Augusta-Margaret River LGA including a golf tournament, music festival (including numerous vineyards) and a food festival.

   Rationale: Promoting regular events is another way to drive visitation, particularly if events can be scheduled outside of the traditional tourism season. This will allow the season to lengthen, thereby increasing the value of the industry locally and assisting the accommodation industry to better deal with the traditional drops in occupancy associated with the low season.

Infrastructure

8. Ensure a **mix of accommodation product and options** that are sustained, including availability of a range of accommodation types (hotels, motels, serviced apartments, caravan parks).

   Rationale: Ensuring that there is sufficiently broad range of accommodation opportunities will allow the Shire to attract a broad range of visitors and to not shut out any visitor segments. The appropriate mix needs to reflect the current and aspirational visitor mix.

9. Facilitate **infrastructure to unlock business travellers** (i.e. convention centre).

   Rationale: In order to facilitate more business travellers and increase the ability to hold more business events, the appropriate infrastructure is needed. The development of a convention centre to host events will be important to tapping into this visitor market.

10. Invest in and support broad investment in **tourism infrastructure** (i.e. Surfer's Point, Town Centre Redevelopment) to drive future visitation.

    Rationale: Increasing tourism infrastructure such as Surfer's Point and the Town Centre Redevelopment will allow for greater levels of visitation and provide a stimulus to ensure the visitor experience is continually improved, which will assist in generating greater levels of future visitation.

11. Encourage **refurbishment of accommodation** supply over new build in the short-term due to current supply levels and availability of old product.

    Rationale: As identified in this report, the feasibility of new, green field accommodation development can be very challenging. Given the existing supply and demand assessment, the refurbishment of existing accommodation could provide a stimulus to increase visitation as a recently refurbished property could better meet the existing and future potential visitor profile. The refurbishment would not lead to any additional oversupply but at the same time allow for higher levels of expenditure and visitation.

12. Improve **transport connections between accommodation establishments and activities** offered within the Augusta-Margaret River LGA.

    Rationale: Accommodation provision is scattered throughout the with concentrations of hotel/motel accommodation in the town centre and caravan parks spread across the region. Much of the activities in the area are based spread across the LGA and access to many of them from the town centre is limited without the use of a personal vehicle. Improving access will improve the visitor experience and lead to higher levels of visitation and spending.

13. **Proactively engage with investors and owners** regarding refurbishment of existing properties and identify ways in which the local government planning process can encourage reinvestment in existing properties.

    Rationale: The Shire needs to proactive engage with investor regarding development or redevelopment of accommodation properties. Without direct engagement, it will be difficult to action many of the recommendations in this report.

Land-use Planning

14. Invest in improving the **quality of public spaces** (e.g. landscaping and facilities), building upon natural assets of the LGA.

    Rationale: The area is well known for its naturally beauty. Improving the quality of public space was mentioned during consultation and would lead to ensuring a positive (and improving) visitor experience, which in turn will lead to higher visitation levels and greater visitor spending.

15. Prioritise **pedestrian access and movement within the town centre**. This includes promotion of pedestrian permeability of developments along the Bussell Highway.

    Rationale: During consultation, pedestrian movements in the town centre were mentioned as a current weakness. Ensuring pedestrian permeability would increase visitor experience in the town centre and benefit the accommodation establishments in and around the town centre.

16. Encourage **commercial office development** (including its auxiliary services such as conference and meeting facilities) to reduce the seasonality in demand for services and accommodation in the Augusta-Margaret River LGA.

    Rationale: In addition to looking at business events, growing the professional business segment will also help to drive demand for business visitation. By encouraging commercial office development (as well as other investment attraction activities) would help to increase business visitation.

17. Support and facilitate **staged redevelopment of major sites** in the Augusta-Margaret River LGA, particularly those that are too large to be developed in one stage (either due to feasibility or market saturation issues). This includes the facilitation of mixed-use developments.

    Rationale: Facilitating the staged development of major sites as well as allowing a greater mix of uses will assist the feasibility of development by reducing capital expenditure requirements and diversifying revenue streams.

18. Identify and release **State and Augusta-Margaret River LGA owned sites** onto the market to facilitate LGA revitalisation through private sector partnership.

    Rationale: Leveraging government held property is a proven way to encourage accommodation development. It allows the overall capital expenditure requirements to reduce, thereby increasing the viability of development.

19. Consider **allowing greater levels of residential development** within tourism accommodation developments on a case by case basis to increase future investment in tourism accommodation.

    Rationale: Increasing the levels of residential development improve the feasibility of accommodation development by allowing a more profitable land use to be incorporated into the overall development. Also, cashflows on residential products tend to happen much quicker than for accommodation, which greatly improves the financial feasibility.

When implementing these recommendations, the Shire of Augusta-Margaret River should be aware of the tourism accommodation supply and demand balance. The Shire should not encourage new development, which might provide an oversupply of accommodation and drive occupancy and rates lower. The Shire should monitor the accommodation market in order to be well informed of the supply and demand balance. In the short-term refurbishment may be more likely than new development.

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Appendix A: Feasibility Input Assumptions

Hotel

Assumption	Input
Site Footprint (sqm)	3,000
Bedrooms	90
Bedroom Cost (per room)	$215,963
Fit Out Cost (per room)	$30,000
Office/Admin Space	200
Office/Admin Space Cost (sqm)	$600
Office/Admin Space Fit Out Cost (sqm)	$150
Car Parks	100
Car Park Cost (Aboveground) (per car park)	$5,000

Chalet

Assumption	Input
Site Footprint (sqm)	3,000
Chalets	24
Chalet Cost (per chalet)	$220,000
Fit Out Cost (per chalet)	$40,000
Office/Admin Space	150
Office/Admin Space Cost (sqm)	$500
Office/Admin Space Fit Out Cost (sqm)	$100
Car Parks	30
Car Park Cost (Aboveground) (per car park)	$5,000

Caravan Park

Assumption	Input
Site Footprint (sqm)	4,000
Caravans	70
Office/Retail Facilities (sqm)	150
Office/Retail Facilities Cost (sqm)	$300
Office/Retail Fit Out Cost (sqm)	$100
Shower/Toilet Areas (sqm)	75
Shower/Toilet Areas Cost (sqm)	$400
Shower/Toilet Areas Fit Out Cost (sqm)	$150
Car Parks	25
Car Park Cost (Aboveground) (per car park)	$1,000

Camping Ground

Assumption	Input
Site Footprint (sqm)	4,000
Camp Sites	75
Office/Retail Facilities (sqm)	150
Office/Retail Facilities Cost (sqm)	$300
Office/Retail Fit Out Cost (sqm)	$100
Shower/Toilet Areas (sqm)	75
Shower/Toilet Areas Cost (sqm)	$400
Shower/Toilet Areas Fit Out Cost (sqm)	$150
Car Parks	25
Car Park Cost (Aboveground) (per car park)	$1,000

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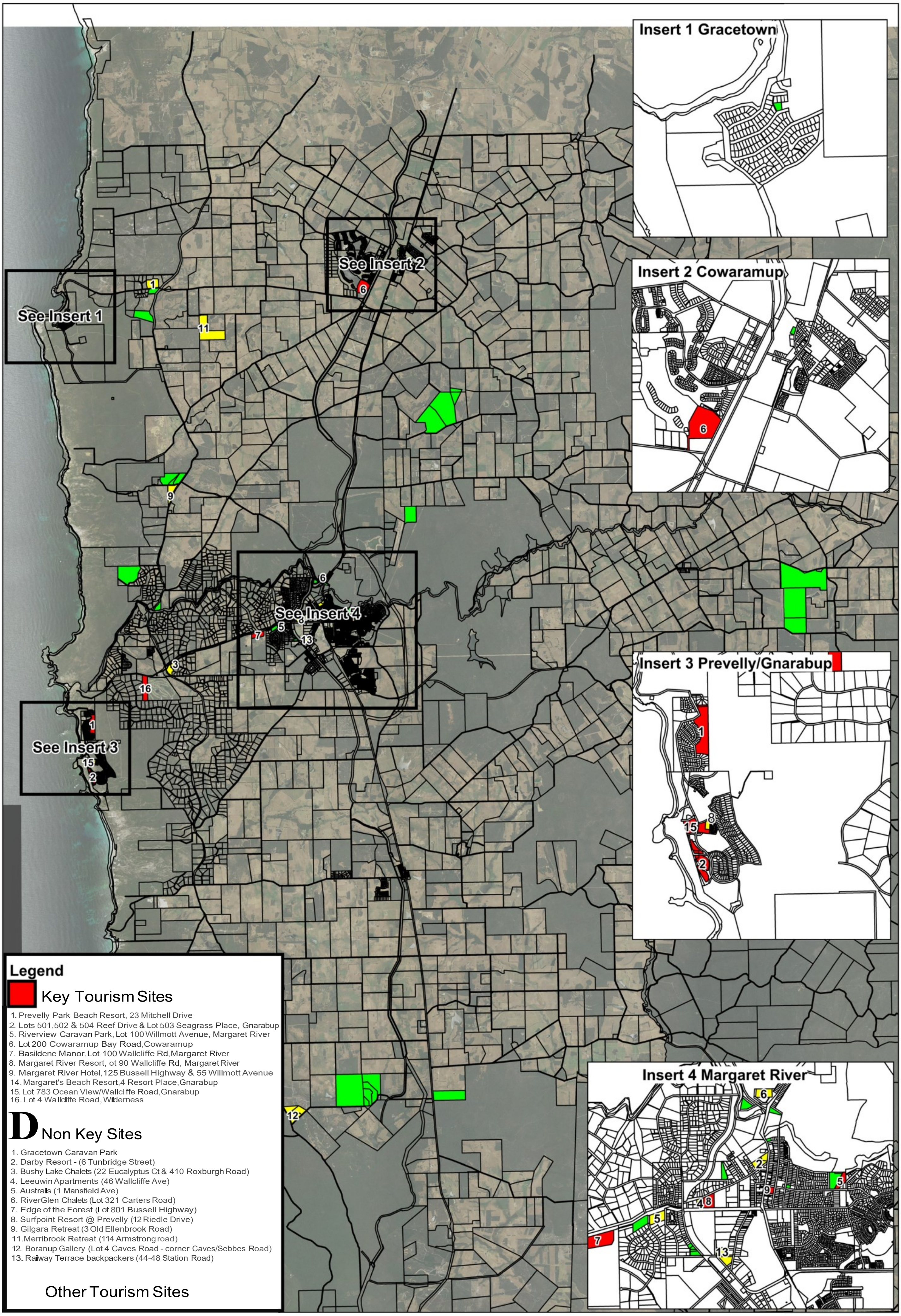
SHIRE OF AUGUSTA MARGARET RIVER

APPENDIX 5

TOURISM SITES

Identified Tourism Sites For Shire of Augusta Margaret River - North



Identified Tourism Sites For Shire of Augusta Margaret River - South