

**DEFERRED
IMPLEMENTATION**

until 18 November 2024



Department of Planning,
Lands and Heritage



Position Statement:

Planning for Tourism and Short-term Rental Accommodation

September 2024

The Department of Planning, Lands and Heritage acknowledges the traditional owners and custodians of land and waterways across Western Australia. The Department is committed to reconciliation to improve outcomes for Aboriginal and Torres Strait Islander peoples and to work together to provide a culturally-safe and inclusive environment

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1. Policy intent

The intent of this Position Statement is to guide the appropriate location and management of tourism and short-term rental accommodation land uses through the planning framework and:

- facilitate acceptable development of new and evolving tourism opportunities;
- provide a high-level of amenity in tourism areas; and
- deliver quality land use planning outcomes.

2. Planning for tourism in Western Australia

Western Australia's many natural and man-made features and attractions provide substantial opportunities for tourism, which is a significant contributor to the State and local economies, particularly in regional areas. Tourism encompasses an array of development types, sizes and locations, and includes accommodation, attractions, facilities, infrastructure and other ancillary services.

Appropriate planning and management of tourist areas and uses is necessary for their promotion and retention, to prevent encroachment from incompatible land uses,

to protect the amenity, environmental and landscape values of tourist areas, and to address potential land use conflict. In some areas demand for tourism infrastructure, particularly accommodation, can also come from other needs such as medical, business and educational travel.

Planning for tourism must be capable of adapting to changes in the sector and the consideration of value-add opportunities.

Local governments are encouraged to consult with Tourism Western Australia and other relevant State Government agencies, tourism associations, local operators and the local community when undertaking planning for tourism as described within this Position Statement.

3. Application of this Position Statement

This Position Statement applies to all tourism and short-term rental accommodation proposals within all regions of Western Australia and should be applied in conjunction with the *Planning for Tourism and Short-term Rental Accommodation Guidelines* (the Guidelines).

In this Position Statement the term 'tourist accommodation' refers to all traditional forms of tourist accommodation land uses provided within the Planning and Development (Local

Planning Schemes) Regulations 2015 (LPS Regulations), aside from those broad use types listed under Section 3.1 – Exclusions.

Similarly, the term 'short-term rental accommodation' refers to hosted or unhosted uses of this specific type which will be reflected in new land use definitions under the LPS Regulations.

3.1 Exclusions

This Position Statement is not intended to capture the following forms of short-term and temporary accommodation, which are often subject to either alternative guidance and legislation or approaches by local government (further information is available in section 4 of the Guidelines):

- lodgers and boarders;
- house swapping and housesitting;
- personal use of a holiday home or the sharing of a holiday home with the owner's family and friends;
- student exchange accommodation;
- workforce accommodation; and
- residential parks, park home parks, lifestyle villages.

4. Policy objectives

The policy objectives for planning for tourism and short-term rental accommodation are to:

- Provide a strategic approach to the sustainable development and management of tourism and short-term rental accommodation land uses by ensuring decision-making is guided by a local planning strategy which reflects the demand for local and regional tourism.
 - Identify opportunities and protect locations, tourism precincts and sites (existing and potential) where demand for future tourism land use and development have been identified. The character, landscape, visual amenity, economic, social, cultural and environmental values of natural and/or built features that may have future tourism potential should be protected; any negative impacts minimised; and, where possible, values enhanced.
 - Plan appropriate infrastructure and services necessary to support tourism development and ensure new and expanded tourism development has secure access to services/infrastructure.
 - Recognise that the commercial sustainability of tourism may require flexibility in product mix, site design and risk mitigation approaches.
- Promote the co-location of complementary and compatible tourism land uses to create identifiable tourism precincts that benefit tourism amenity.
 - Ensure land use impacts between tourism and short-term rental accommodation activities and other land uses (including residential areas) are appropriately managed.
 - Manage the effects of tourism and short-term rental accommodation on local housing markets, including:
 - Demand for accommodation for tourism industry workers;
 - Impacts on housing supply; and
 - The availability of dwellings for long-term rental.

5. Policy measures

Local governments are best placed to plan for tourism and short-term rental accommodation within their communities, with local knowledge of tourism activity, opportunities, constraints, including potential impacts and what requirements should be placed on tourism or short-term rental accommodation proposals.

5.1 General measures

In general, strategic and statutory planning decisions should:

- Encourage a range of tourist accommodation, including short-term rental accommodation, choices and experiences as required.
 - Encourage sustainable ecotourism that recognises and complements Western Australia's unique and sensitive natural environment, heritage and Aboriginal culture.
 - Give effect to this Position Statement and Guidelines, and the *State Government Strategy for Tourism in Western Australia 2020* (as amended).
 - Be consistent in the use of tourism land use and accommodation definitions contained in the LPS Regulations and State Planning Policy 7.3: Residential Design Codes.
 - Promote the location of tourist accommodation in areas with the highest tourism amenity (for example beach access, views, facilities, availability of services) and adequate separation from, or management of, any interface with residential land uses.
- Ensure areas used exclusively for strategic tourism sites and precincts are zoned as Tourism or Special Use.
 - Ensure that new and proposed caravan park sites are zoned to facilitate long-term security for continued use, preferably through a Tourism or Special Use/ Special Use – Caravan Park zone, while providing for a range of appropriate incidental uses and tourism accommodation types.
 - Maintain and support existing tourism and special use sites. Rezoning should only be supported if it is demonstrated that a tourism site is unfeasible in the long-term because of a lack of tourism demand, sustainable tourism function and a long-term decline of all tourism activities and accommodation types in the region.

The inclusion of any land uses other than tourism land uses on tourism zoned land should be considered on a case-by-case basis. Consideration should include whether there is appropriate infrastructure and a planning framework that supports uses other than tourism on tourism zoned sites. The inclusion of permanent residential uses requires close consideration to ensure tourism remains the primary use of a site and a quality tourism outcome is achieved in conjunction with any residential component.

Where permitted, tourism uses on agricultural or rural land should be secondary to agricultural and/or rural uses to protect the primacy of the land for rural uses (for example farm stay, restaurant at vineyard, farm gate sales) as provided by *State Planning Policy 2.5: Rural Planning*. Proposals in areas subject to natural hazards (bushfire, coastal, cyclone and flood prone areas) are to meet the requirements set out in the relevant State planning policies (2.6: *State Coastal Planning*, draft 2.9: *Planning for Water*, 3.4: *Natural Hazards and Disasters* or 3.7: *Bushfire*).

Where coordination is required (for example across multiple sites, stages or for infrastructure provision), proposals within tourism precincts or sites should be informed by the preparation of a structure plan and/or local development plan as appropriate. These plans should be required prior to subdivision or development approval.

5.2 Local planning strategy considerations

The local planning strategy provides the long-term planning directions and actions to manage the change and development of a local government area. The local planning strategy also provides the line-of-sight between state-wide strategic planning and policy to the local framework and decision-making. Local governments are encouraged to address tourism as a planning issue/

opportunity to ensure strategic tourism needs are planned for. The extent to which tourism and short-term rental accommodation is examined within the local planning strategy should be proportionate to the significance of tourism to the community and local economy. The tourism component of the local planning strategy should:

- Reflect on the existing planning framework (including the local planning scheme and relevant local planning policies) and whether it is fit-for-purpose and achieving the tourism and short-term rental accommodation outcomes being sought.
- Discuss current and emerging tourism trends and issues, including the provision of information on existing tourism, aspirations for long-term tourism and existing problems related to tourism.
- Where tourism and/or short-term rental accommodation is significant to the locality or region, the local planning strategy should include substantial detail on issues such as accommodation supply and demand, the rationale for determining future land allocation (site size and location), suitable planning controls and anticipated tourism infrastructure needs.
- Identify suitable tourism sites and precincts in accordance with locational criteria developed by the local government and ensure these are

located appropriately to townsites and in proximity to the features and attractions they are intended to serve. Locations identified for tourism should be consistent with other existing policies.

- Outline suitable planning controls to guide and manage tourism and short-term rental accommodation uses that will need to be incorporated in the local planning scheme.
- Be consistent with this Position Statement.

5.2.1 Caravan parks

Caravan parks are a fundamental component of the tourism accommodation mix and can experience competing demands from tourists, long-stay tenants, temporary workers and people seeking alternatives to traditional rental accommodation. In addition, the demand for land in tourist locations has contributed to numerous caravan park closures throughout Western Australia.

Strategic planning for caravan parks should:

- ensure development and long-term retention of caravan parks as a form of short-stay (affordable) accommodation primarily for leisure tourists;
- recognise that the commercial sustainability of caravan parks requires some flexibility in product mix, site design and risk mitigation approaches; and

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- ensure any new caravan parks are located appropriately for their context and intended market and function.

5.2.2 Short-term rental accommodation

Short-term rental accommodation is the collective name given to holiday homes, units or apartments offered for short-term letting, often through an online booking platform or management agent. Short-term rental accommodation is either hosted (where a permanent resident (host) is present) or unhosted (where guests have exclusive use of an entire house, unit or apartment). Commonly, they can be:

- a family holiday home, periodically offered as a short-term rental;
- a property purchased for the sole intent of operating a short-term rental operation; and
- spare bedrooms and areas within a home, offered to let on a short-term basis.

The success of online booking platforms offering short-term rental accommodation has seen a rapid increase in short-term rentals, with high concentrations occurring in popular tourist locations. Demand can also be high in localities attracting non-tourism related travel, such as medical, education and business travel. In some cases, the rapid

growth in the short-term rental market has placed management and compliance stress on local governments and can have a variety of negative flow on effects.

Local government should consider whether detailed attention needs to be given to short-term rental accommodation in the local planning strategy. In areas where short-term rentals are in low demand and do not cause significant community concern, addressing the topic within the local planning strategy may be unnecessary.

5.2.2.1 Supply, demand and pressures associated with short-term rental accommodation

To help understand current and emerging trends and issues, local governments are encouraged to undertake a short-term rental accommodation supply and demand analysis. A supply and demand analysis should include consideration of the short-term rental market, the relationship with permanent housing provisions and the traditional accommodation provision. This analysis could be undertaken as a sub-section of broader population and housing studies conducted as part of the local planning strategy, to ensure all relevant housing supply and demand matters are considered holistically.

Considerations may include:

- identification and assessment of current and future short-term rental demands informed by Tourism Western Australia data, the WA Government's short-term rental accommodation register, Australian Bureau of Statistics data, local government data as well as other planning documents;
- identification of short-term rental accommodation opportunities; and
- interaction between short-term rental accommodation demand and local housing objectives.

Evidence from other jurisdictions (and increasingly from tourism locations in the South West) indicates that a rapid growth in, or high supply of, short-term rentals may affect the availability of long-term rentals and housing choice for permanent residents of a community.

Local governments with areas subject to a high supply of short-term rental accommodation and relatively stable housing growth are encouraged to monitor the situation in their communities and adjust policy settings as appropriate.

5.2.2.2 Location of short-term rental accommodation

Short term rental accommodation should generally be a permitted use in tourism zones.

Outside tourism zones, consideration should be given to the appropriate location of short-term rental accommodation; specifically where it should be prioritised to further strategic planning objectives, enhance the tourism experience and avoid adverse impacts on surrounding land uses.

In seeking to guide the location of short-term rental accommodation outside Tourism zones, the following considerations may be relevant to the local government:

- Provision of, and access to, tourist amenity, proximity to social, cultural, and leisure attractions and accessibility to transport routes and public transport services.
- Localities where short-term rental accommodation may be particularly in demand for non-tourism needs, such as temporary workers accommodation and medical travel, and how these should be balanced with demand from tourism.
- Adequate standard of services and infrastructure necessary, for example reticulated or drinking water supply and service, capacity of on-site solutions.

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- Locations to minimise adverse interface issues, particularly amenity impacts on surrounding residential and other land uses (for example rural).
- Risk of natural hazards, particularly bushfire, and the extent of measures which may need to be in place to address the level of risk.
- Any other relevant planning consideration and/or policy instruments within the planning framework.

5.3 Bushfire planning requirements

There are no requirements within State Planning Policy 3.7 Bushfire (SPP 3.7) and Planning for Bushfire Guidelines (the Guidelines) for hosted or unhosted short-term rental accommodation.

Where a regional local government determines that a development application for short-term rental accommodation is required, and the development site is within a bushfire prone area, then the local government will need to specify any relevant bushfire requirements in a local planning policy.

5.4 Statutory planning considerations

The local planning scheme and supporting local planning instruments (such as local planning policies) give effect to local strategic planning through statutory land use and development control.

Broadly speaking, local planning schemes and amendments should:

- include a range of tourism, special use and mixed-use zonings allowing for tourism development and the permissibility of land uses in each zone, to provide for a diverse tourism industry consistent with the direction provided in local planning strategy;
- utilise land use definitions as set out in and LPS Regulations for tourism and short-term accommodation uses, as applicable;
- provide clear guidance as to the permissibility of tourism and short-term rental accommodation land use types in all relevant zones via the zoning table, in accordance with the guidance provided in this Position Statement and accompanying guidelines.

Where planning scheme provisions are inconsistent with this Position Statement, local planning schemes must be updated. To complement local planning scheme provisions and guide the exercise of

discretion, local government may utilise local planning policies to inform land use and development decisions.

The Guidelines provide further guidance on statutory planning considerations and approaches.

5.4.1 Caravan parks

To support the policy objectives a local planning scheme should:

- zone caravan park sites to secure continuing use of the site for caravan park and appropriate incidental uses, having regard for local context (Tourism and Special Use/Special Use – Caravan Park zones are preferred for this purpose);
- designate caravan parks as a permitted (P) or discretionary (D) use in the Tourism zone or designate sites as Special Use/Special Use – Caravan Park zones, and provide for a range of complementary incidental uses including additional tourism accommodation types where appropriate;
- consider designating caravan park as an Additional Use for specific sites outside the Tourism and Special Use/Special Use – Caravan Park zones where caravan and camping may be desired as a secondary offering to the primary use; and

- encourage the development and redevelopment of caravan parks in a manner that responds appropriately to the environment, economy and context.

The rezoning of Tourism or Special Use – Caravan Park zoned sites to residential, commercial or alike zones is generally considered inconsistent with the objectives of this Position Statement. However, if a rezoning is proposed it should be justified and assessed in the context of this Position Statement, the Guidelines and the relevant local planning strategy.

Where it can be demonstrated that a caravan park site is no longer required, and this is supported by the Western Australian Planning Commission (WAPC) in consultation with relevant stakeholders, including long-stay tenants, the WAPC may recommend that the Minister for Planning approve the rezoning; subject to all other relevant planning considerations.

5.4.2 Short-term rental accommodation

Short-term rental accommodation is considered a distinct land use class to traditional tourist accommodation and is divided into two categories: hosted and unhosted. Local planning schemes can manage the location of unhosted short-term rental accommodation through a combination of zoning and land use permissibility.

Development control measures can be set through local planning schemes and local planning policies to manage size, location, and potential amenity impacts. Short-term rental accommodation providers and decision-makers should also consider any broader legislative requirements that may apply such as smoke alarms, Residual Current Devices (RCDs), compliant barriers for private swimming pool and spas, food service requirements and requirements under the National Construction Code.

5.4.2.1 Hosted short-term rental accommodation

Hosted accommodation is considered a low-scale form of short-term rental accommodation because the host resides on the site and can manage any issues that may arise with respect to amenity, noise and other impacts. It may also be contended that the short-term rental accommodation use of the property is incidental to the permanent residential use.

It is intended that hosted accommodation, where the owner or occupier of the dwelling is present when guests are staying overnight, should not require a development approval, and should be represented as such in the zoning table.

5.4.2.2 Unhosted short-term rental accommodation

Local government should regulate unhosted short-term rental accommodation through its local planning framework to supplement broader State Government reforms on this matter.

It is acknowledged that there have traditionally been various approaches to the regulation of unhosted short-term rental accommodation currently undertaken across Western Australia. This Position Statement sets out considerations in both metropolitan and regional contexts. For the purposes of this section of the Position Statement, references to 'regional' areas includes the Peel region.

Perth Metropolitan Area

Within the context of the Perth Metropolitan Area, renting of a dwelling for 90 nights or less within a 12-month period, such as when the owner is on holidays from their primary place of residence, is considered to be low scale in impact and incidental to the primary use of the property. Therefore, short-term rental accommodation operators that let out their residence for 90 nights or less within a 12-month period will not need development approval.

This exemption will have effect wherever the Metropolitan Region Scheme applies and will be reflected in all applicable local planning schemes, via Schedule 2 'deemed provisions' of the LPS Regulations. It will also still apply within bushfire prone areas.

Where short-term rental accommodation is occurring as unhosted for more than 90 nights in a 12-month period, the intensity of the use and form of activity changes from a permanent residential dwelling. There is the potential for impacts on the locality, particularly in relation to residential amenity, as well as broader housing supply objectives. Accordingly, use of a dwelling as unhosted short-term rental accommodation for longer periods of time is considered a change of use from a residential dwelling.

For local governments within the Perth Metropolitan Area– zoning table provisions in all local planning schemes shall require development approval (i.e. a D or A use) for unhosted short-term rental accommodation uses outside of tourism zones exceeding 90 nights within a 12-month period.

This single set of rules for Perth will ensure greater consistency across the metropolitan area and will allow the local government to assess individual proposals on a case-by-case basis, allowing consultation to occur where deemed necessary.

Outside Perth Metropolitan Area (including Peel)

For local governments in regional areas (i.e., outside the Metropolitan Region Scheme) – zoning table and scheme provisions for unhosted short term rental accommodation will be at the discretion of the individual local government. This is in recognition of the need to provide greater flexibility for regional local governments, acknowledging that there are various approaches dependent on local community demographics, housing availability and tourism markets.

Local governments in regional areas are encouraged to update their schemes as soon as practicable to provide guidance on where short-term rental accommodation may or may not be acceptable within their municipality, and importantly where it would be beneficial for a development application to be received for these uses. Requiring a development approval will allow the local government to assess the impacts of a specific proposal on both the amenity of a locality and local housing markets, as well as the impacts on the local tourism economy of their area (if applicable). There should also be a focus on the use of a dwelling and how this relates to local planning objectives and amenity impacts.

General Local Planning Considerations

The regulatory and policy response of the local government toward unhosted short term rental accommodation should be proportional to the significance of the issues arising in a municipality, especially in regional areas.

In determining the appropriate way to further tailor unhosted short-term rental accommodation requirements, the following statutory planning mechanisms can be considered:

- Utilising the zoning table, and other scheme mechanisms to control the locations whereby unhosted short-term rental accommodation proposals may be designated. Short-term rental accommodation should only be prohibited (X) in areas with low residential amenity such as industrial zones. Guidance tailored to specific localities or planning considerations where short-term rental accommodation is discretionary can be provided through local planning policies or other appropriate scheme mechanisms.
- Capping guest numbers permitted within a short-term rental accommodation property through local planning policy and/or condition of a planning approval, to respond to constraints such as availability of vehicle parking, capacity of infrastructure (such

as onsite effluent disposal) or to maintain appropriate levels of amenity in line with expectations (such as concerns regarding “party houses”).

- Utilising a local planning policy to guide discretionary decision-making, which may include but not be limited to:
 - locational factors which may assist in determining appropriate locations for unhosted forms of short-term rental accommodation within residential areas (refer to the Guidelines for further information);
 - impact on local housing market, where this has been identified as an issue in the local planning strategy;
 - limits to the number of guests and/or rooms;
 - provision of car parking;
 - minimum stay or booking requirements (e.g. 2 nights);
 - minimum services such as potable water and reticulated sewerage;
 - preparation and approval of a Management Plan;
 - waste management;
 - whether pets of guests (such as dogs) are permitted;
 - managing for potential noise nuisance; and

- bushfire emergency procedures and options for evacuation.

If appropriate, initial development approval can be granted for a limited period (for example 12 months) and renewed on a longer basis (for example three to five years, or permanently) to ensure there is appropriate management of potential impacts on the amenity of neighbouring properties.

5.4.3 Other planning processes including structure plans, subdivisions and development applications

WAPC

Where appropriate, the WAPC will consider the application of this Position Statement in the assessment of structure plans, subdivision, strata, community titles and development applications on sites zoned for tourism purposes or where tourism or short-term rental accommodation uses can be considered.

In assessing proposals on land zoned for tourism purposes the WAPC will, among other things (including adopted plans and policies) consider whether the proposal will:

- Facilitate the development of a quality, sustainable tourism facility.

- Incorporate those facilities associated with tourist accommodation developments such as recreation, entertainment and integrated management.
- Provide for current and future tourism demand.
- Have the capacity to accommodate the necessary services, management and support facilities without compromising the character, development flexibility or tourism amenity of the site.
- 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 and the potential to accommodate current and future tourism demand.
- Result in the subdivision of a large tourism lot (for example, to separate the residential component from the tourism). This may result in tourism lots remaining undeveloped and future pressure to approve further residential components to finance development.

In the case of subdivision of an existing caravan park, subdivision is generally not supported. Excising a portion of a caravan park site may be supported if the excised portion is proposed to be developed for a compatible tourism use. Strata or community

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titling of caravan parks is not permitted as provided by the *Strata Titles Act 1985* and *Community Titles Act 2018*.

Local government

Local governments shall have regard to this Position Statement along with other relevant considerations in the assessment of development applications for tourism land uses and sites zoned for tourism purposes.