Southern Tasmania
Regional Land Use Strategy

Background Report No.10: Tourism and Land Use Planning

September 2010

This document is detailed supporting information for the Regional Land Use Strategy for Southern Tasmania.

Please visit www.stca.tas.gov.au or telephone the Southern Tasmanian Councils Authority on
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Acknowledgements

This paper has been prepared by Tourism Tasmania to assist the development of the Southern Regional Land Use Strategy 2010. It includes background information, regional indicators and issues with planning implications. For further discussion please contact Aletta Macdonald, Tourism Tasmania on 62 308127 or *aletta.macdonald@tourism.tas.gov.au*

Tourism Tasmania's research unit is able to supply up to date supply and demand information on request. Please telephone (03) 6230 8231 or email: *statistics@tourism.tas.gov.au* for the latest information.

Contents

Table Index

Figure Index

1. Introduction

Tourism in Tasmania has grown substantially in the nine years to June 2009, with the number of people visiting the state increasing by 68 per cent to 932,700, and the associated contribution to the economy almost doubling to $1.4 billion. With the addition of cruise ship passengers and crew, visitation jumps to 1.03 billion visitors.

Despite a decline in the average length-of-stay from 9.3 nights to 8.1 nights over the last nine years, the total visitor nights have increased by 50 per cent to 7.86 million during this period.

Key contributors to this growth were the introduction of low cost carriers, the introduction of Spirit of Tasmania I and II, and the strength in the Australian economy through wages growth, low interest rates and decreasing unemployment.

Research indicates that travellers are seeking a variety of experiences. Whether they actively participate in all available experiences is immaterial when considering most destinations, but having choice is important, and for repeat visitors having a reason to return is also a key driver.

Tasmania also enjoys a repeat visitor rate of 66 per cent. This statistic points to an ongoing need for new product to continue to encourage their return.

Careful management of the landscapes and characteristics within the region that contribute to the tourism experience, as well as how tourism developments are handled through the planning process is important to this key economic activity. In addition land uses associated with tourism also need to be managed to ensure that they do not detract from the value of the region as a living environment

2. Background

2.1 Current contribution of tourism to the economy (satellite accounts)

The Tourism Satellite Accounts prepared by the Sustainable Tourism Cooperative Research Centre (STCRC) estimates the contribution of tourism to the economies of each state and the mainland territories. These are benchmarked against the National Tourism Satellite Account prepared by the Australian Bureau of Statistics (ABS).

Table 1: Tourism Employment and Gross State Product (GSP) for Tasmania in 2007–08

TSA Estimates	2007-08 Estimates	per cent Contribution to Tasmania's Workforce or Gross State Product (GSP)
Direct tourism employment	14,150	6.2%
Indirect tourism employment	11,520	5.0%
Total tourism employment contribution	25,670	11.2 %
Direct tourism GSP	$1.06 billion	5.0 %
Indirect tourism GSP	$783 million	3.7 %
Total tourism GSP	$1.84 billion	8.7 %

Comparisons with other states and territories show that with the exception of the Northern Territory, tourism in Tasmania contributes a larger share to the Tasmanian economy in terms of employment and GSP, than in all other states and territories.

Table 2: Proportion of direct tourism employees attributed to industry sectors in Tasmania in 2007-08

Industry	Proportion of direct tourism workers
Retail trade	27%
Cafes, Restaurants and Bars	16%
Accommodation	13%
Travel Agents and Tour Operators	11%
Transport	10%
Manufacturing	8%
Other industries	15%

2.2 Visitor Categories

Categories of visitors range from local day-trippers, to Tasmanian residents staying overnight, or the more commonly considered category of interstate and overseas visitors.

Tourism visitation impacts the infrastructure and service needs of an area, with types of accommodation, attractions and service facilities influenced by visitor categories.

Some locations service through-traffic (for example, Sorrell), some are home to iconic products (for example, Port Arthur Historical Site) and others are multiple-attraction destinations, where the place itself can also be the attraction (for example, Richmond).

Planning and physical layout considerations are not the same for all locations. Similarly, the impact, number and type of businesses that directly and indirectly benefit from tourism activity vary. Locations that function as a service centre to a nearby tourist attraction (for example, national parks) often see a clustering of facilities such as restaurants, fuel, ATMs, pharmacies, and other retail needed by visitors and the surrounding community.

Critically, tourism in Tasmania is highly dispersed with most towns directly benefiting from the industry. However, the capacity of all locations to benefit is not equal. Understanding the variations in potential to develop and the impact of possible developments is important.

Equally critical is an understanding of the variation in type of visitor likely to be attracted by a particular location for example, caravanners, shack-owners and high-end visitors will all have distinctly different needs and impacts. A location's ability to successfully attract each different group must be considered in the planning process.

2.3 Southern Tasmanian Tourism Industry Snapshot (June 2009)

(Forecasts prepared by BDA Marketing Planning)

For accurate infrastructure planning it is essential to consider the level of current visitation and future visitation forecasts as they may be significantly different to the population growth forecasts. State-wide there are approximately 2 visitors a year for every Tasmanian resident however this is not evenly distributed across the state. The southern region has a ratio of about 4:1. However, the West Coast visitor to population ratio is closer to 33:1.

Tasmania has been outperforming the other states in key markets. The interstate leisure market is Tasmania's largest tourism market and substantial gain in market share has ensured strong overall growth even throughout the Global Financial Crisis. Figure 1 highlights Tasmania's recent share gains and the potential for significant continued growth.

BDA Marketing has identified 4 different scenarios in their tourism forecasting to 2017, these are highlighted in Figure 2. The most likely scenario is the share gain scenario.

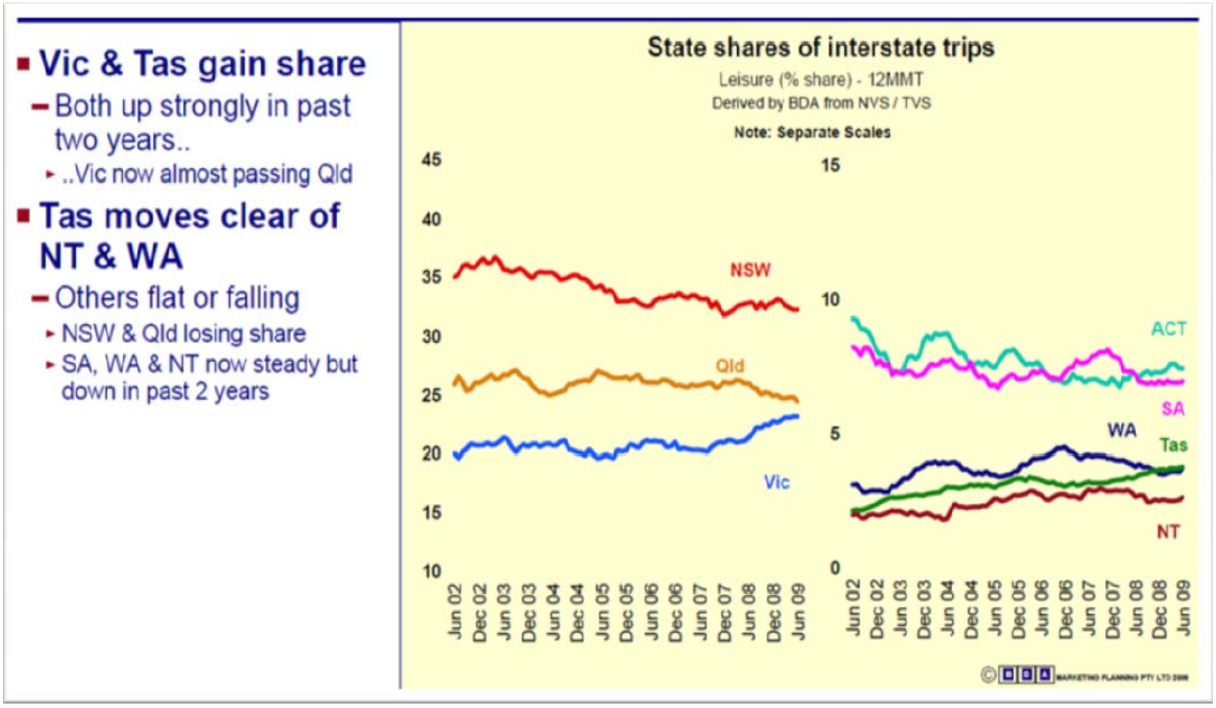

Figure 1: State Share of interstate trips

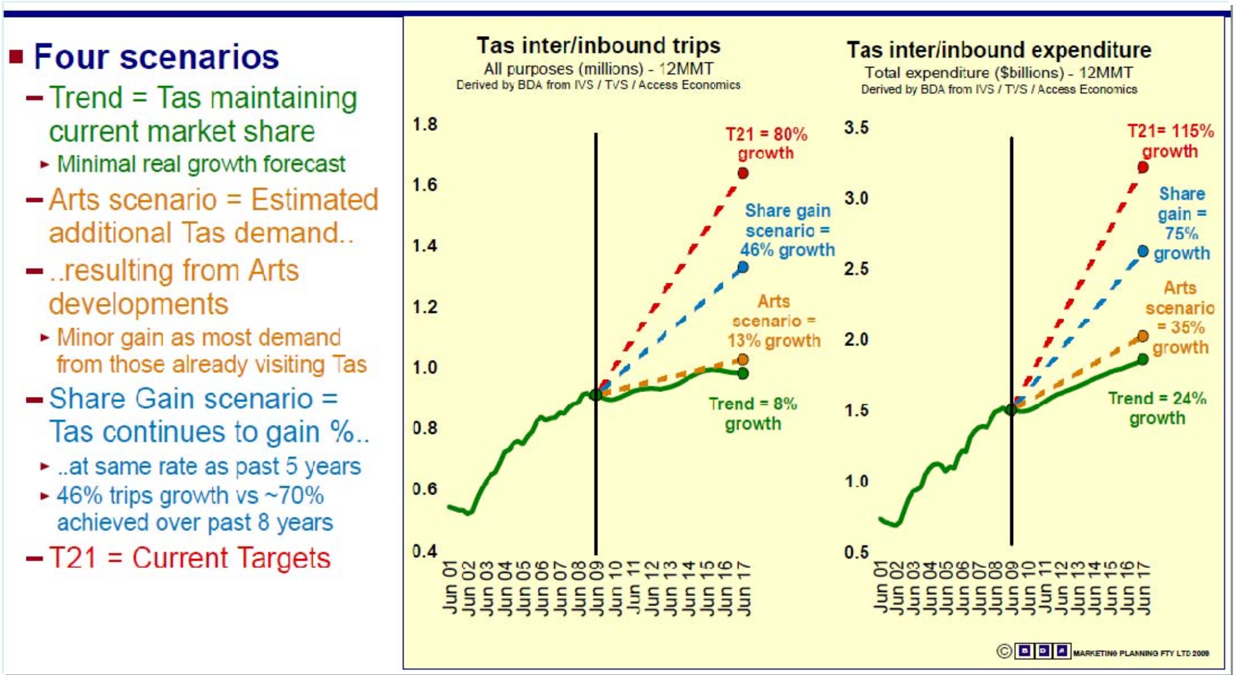

Figure 2: Tourism Forecasting Scenarios

The Share Gain scenario is derived by assessing share gains made by Tasmania in interstate and international markets over the last 5 years and projecting these forward to 2017. This has resulted in a projected increase in interstate market share from 3.4 per cent to 4.5 per cent of trips (visitors) taken nationally and a gain from 2.7 per cent to 3.8 per cent of market share of all international trips to Australia. This scenario predicts 46 per cent visitor growth and 75 per cent expenditure growth in the next 8 years which, compares to 70 per cent trips growth achieved over the past 8 years.

The share gain scenario is equivalent to 5.75 per cent (trips) and 9.37 per cent (expenditure) growth each year to 2017. This is a feasible scenario, given that despite that global financial downturn and in a year where there was a national decline in interstate overnight visitors (-6 per cent), and visitor spend (-8 per cent), Tasmania achieved 7 per cent growth in overnight visitors (excluding cruise ships) and 4 per cent growth in expenditure for the 2008/2009 financial year.

2.4 Key growth markets

In Tasmania 70 per cent of tourism leisure visitors are on a touring holiday. The Big Tour (1–3 weeks) is the most popular style of holiday in Tasmania with 42 per cent of our visitors choosing this category of holiday. Importantly, 66 per cent of travellers are repeat visitors to Tasmania.

Key to the industry's continued growth is a deeper consumer understanding of Tasmania's tourism offer. Tourism Tasmania's Perceptions Study showed that while potential visitors to the State articulate some aspects of Tasmania well, for example our natural wilderness, our clean and green environment, and our good wine and produce, they don't have a depth of knowledge about Tasmania or its other diverse offerings.

Tourism Tasmania's Zone Marketing strategy is targeted at providing a greater depth of awareness and appreciation of the unique experiences available in each zone.

In the year ending June 2009, 51 per cent of visitors to the Hobart and Surrounds marketing zone were on a Big Tour or Short Tour of the State. Among all zones the Hobart and Surrounds Zone receives the highest proportion of Short Break visitors, and this increased to 16.9 per cent in the year ending June 2009.

In common with all zones, the majority of visitors to the Hobart and Surrounds zone are in the Older Lifestage groups (62.2 per cent). The Hobart and Surrounds zone attracts the highest proportion in the Young group (19.9 per cent), however the proportion in the Affluent with Kids group reduced 6.7 per cent. The older age-groups are expected to continue to be a key growth area over the next 10 years as the baby boomers retire and caravan and touring holidays become even more popular.

2.5 Key upcoming demand drivers

Hobart City and the Tasman Peninsula have the most potential for significant short-to-medium term growth with several key opportunities for development in 2010 to 2012.

The forecast scenario table above highlights the expected new demand generated by several Arts developments around Hobart. The most significant of those are MONA (the Museum of Old and New Art) and the redevelopment of the Tasmanian Museum and Art Gallery (TMAG). However, several other proposals need to be considered, including the Glenorchy Arts and Sculpture Park, the redevelopment of Princes Wharf 1 as a flexible, multi-use arts and events space, and the development of the arts and cultural precinct of Salamanca. The planned revitalisation of the whole Hobart Waterfront area is also expected to drive demand for the city.

The proposed Three Capes Track in the Tasman Peninsula promises to significantly drive demand for Southern Tasmania. This 5 night/6 day walking experience is planned to include water-based journeys featuring Cape Raoul, Cape Pillar and Cape Hauy on the Tasman Peninsula.

Similarly, the Tasman’s World Heritage Area nomination may also significantly alter the profile of the area (together with other areas included in the south such as Cascade Female Factory, Coal Mines and Maria Island).

Together with the addition of recent tourism products and planned new ventures (for example, Federal Hotel Group), these proposed developments will work to alter the Tasman Peninsula from a major day trip destination to a significant overnight location, enhancing the local employment opportunities.

2.6 Accommodation Supply and Demand in Greater Hobart

In November 2009, Tourism Tasmania commissioned BDA Marketing Planning to examine the trends in supply and demand for accommodation in the Greater Hobart area. The purpose of this work was to assess the current level of demand and identify likely future supply requirements. The Greater Hobart area encompasses Hobart, Clarence and Glenorchy local government areas and includes Richmond, Sorell, New Norfolk and Kingston. BDA used the four demand scenarios outlined in Figure 2 above.

According to BDA’s report, accommodation in the Greater Hobart area is approaching its practical capacity and it's likely that the industry is missing out on further new visitors during peak periods.

A reasonable assumption based on this research would be that tourism growth in Hobart is likely to lie somewhere between the arts scenario and the share gain scenario depending on Tasmania’s ability to continue to make competitive gains. The Arts scenario predicts a requirement of approximately 800 new rooms, and the Share Gain scenario suggests approximately 1600 new rooms will be required by 2017 to meet the expected demand, and keep occupancy levels at their current rates. This means building between 111 and 230 rooms per year for the next seven years.

Developments that are currently under construction and those that have been proposed with planning applications will provide approximately 10% growth, only meeting requirements for the trend scenario.

Historically, Hobart has grown at an average of 70 rooms per year for the last seven years. A substantial increase in the rate of construction, a range of development sites and the redevelopment of existing sites will be required to achieve either the art or share gain scenarios.

Further work needs to be undertaken to understand the investment barriers in order to ensure the private sector is able to realise the potential for future tourism growth in Hobart

3. Planning Implications

3.1 Preservation of local sense of place

Tourism development provides social, environmental and economic benefits for communities. Tourism provides regional communities with a diversity of industry that through visitor expenditure, has extensive flow-on benefits for a towns various businesses. Visitors want to experience the authentic use of place. In locations that have seen significant increases in visitation numbers, the development of visitor services, accommodation and attractions should complement traditional land use. One possible approach is through the use of Local Area Plans (LAP's) which enable communities to be involved in enhancing the distinctive characteristics of an area through appropriate preservation and development strategies. Local Area Plans are an important for allowing planning schemes to remain flexible in their response to planning for special areas. Tourism has proved to be a significant sector in helping to revitalise local heritage including private or public buildings.

3.2 Settlement hierarchy

When considering the settlement hierarchy, it is essential to also consider the visitor population and the transient holiday-home population. This is of particular relevant for locations with a high daily visitation base which places a high demand on infrastructure and service provision. Settlement hierarchy frameworks often apply generic principles and policies evenly to all locations. In tourism, one of the most critical aspects is indentifying and allowing each destination's character and distinctiveness to be developed and valued. This underpins local community identity and it is an important part of why people choose to live and visit particular places. New tourist products and developments should build upon these features. Technological innovations such as self-contained power, water and sewerage and the engagement of planning restrictions to minimise visual landscape issues, has resulted in less problematic developments occurring outside settlement areas. This is of particular importance for operations offering wilderness or eco experiences, rural or agricultural tourism experiences or remote coastal experiences.

3.3 Protected area development

Tasmania's wild and natural places and experiences are core to the Tasmanian brand, and the associated nature-based consumer experiences are drivers of Tasmanian tourism. It is therefore vital that Tasmania continues to develop its world-class nature based experiences.

High value tourism land is typically in close proximity and with accessibility to areas of high environmental, cultural and scenic value or other locations of strong tourism interest.

In Tasmania, access for investment to locations close to significant natural and cultural areas and reserved land is inherently difficult due to planning issues and interest group views. Consequently, Tasmania's opportunity to gain a competitive advantage through its reputation for 'clean and green' and 'wilderness' remains largely unfulfilled. Other states are now moving towards better ways to facilitate appropriate development on natural and protected sites to the benefits of the environment as opposed to the detriment of the area. Examples of such programs include Western Australia's Naturebank Program or Queensland's seven-site ecotourism plan. In order for Tasmania to stay competitive a similar approach will need to be undertaken whereby new and innovative developments are integrated into natural and protected areas. Issues such as coastal protection, bushfire management, climate change and other environmental issues require comprehensive assessment in order to adequately address these issues. There is a trend towards eco-tourism developments where developments are located outside of existing settlements which usually has significant impacts upon the environment. Impacts upon adjoining land is also of concern, particularly reserves, coasts and other environmentally significant areas.

3.4 Visual landscapes

Landscapes have an integral role in planning assessments as they raise important issues including preserving iconic images that appeal to tourists through an appropriate response to tourism operations. Tasmanian cities and towns are afforded with high quality natural surrounds. Hobart is a prime example of such as case whereby the connection is made between the river, city and the mountain which provides for an iconic landscape that is marketed to visitors. However, with residential development encroaching towards the fringes, and land prices increasing, there has been significant pressure places on the fringe areas currently free of development on and around the Derwent River. This situation highlights the importance of planning for the protection of significant visual landscapes and how this is crucial in enhancing Tasmania's visitor appeal. There has been an identified need for a more consistent approach to the definition, identification and management of important visual landscapes in Tasmania. As a priority, clear principles need to be established for the protection of significant skylines and landscape areas with particular importance to be places upon those visual landscapes visible from major tourism routes and tourist attractions. Generally, planning schemes identify significant skylines and scenic landscapes through the application of landscape and skyline conservation zoning. This in conjunction with regional tourism strategies would ensure that these areas are managed to reflect the community values as well as maximising the tourism potential.

3.5 Short-term accommodation

A re-occurring concern has been raised over the provision of short-term accommodation, which is currently largely unregulated. Planning authorities remain the regulative authority as tourism accommodation is an issue addressed under planning schemes. Each planning scheme currently applies different definitions of such a use. It is evident that a consistent approach is required in order to simplify the development process.

3.6 Coastal planning, fire management and climate change

Pressing environmental issues in the future including coastal, fire management and climate change planning are addressed through the land-use planning process. Many of Tasmania's tourism attractions are located on or near the coast and projected sea level rise will impose significant implications on existing and developing tourism enterprises, particularly for sites that may be exposed to future inundation or geomorphological changes including coastal erosion. Furthermore, projected increases in temperature and high rainfall events in the western half of Tasmania will increase the prevalence of bushfire events which will potentially threaten many wilderness and forest-based tourism experiences.

3.7 Access - ports, transport, rail and roads

Access is critical to allow visitors to experience particular locations. Consideration must be given to a variety of access modes to tourism assets and attractions such as the provision of adequate car parking and an acceptable road network and alternate transport modes to major tourism attractions.

3.8 Zoning of tourism land uses

Tourism consumption bridges many industries and contributes to resilient and diverse communities. It is therefore important that tourism as a land-use be considered appropriately to ensure development opportunities are not hindered.

Tourism is often excluded by specific land use zoning. Tourism is zoned into either tourism operation or tourism accommodation. The nature of the tourism industry is such that it is often compatible with the objectives of other land use zones and is therefore more appropriately considered as an integrated allowable or discretionary use rather than to create specific tourism zoning.

Some rural zones restrict the number of dwellings allowed on a title, impinging on potential farm stay accommodation. Rural zones also sometimes have tourism excluded as an allowable use, even though the option of farm tour experiences and products in agricultural or rural zones provides the business with a viable second stream of income. Alternative means to diversify income streams through tourism operations are important to increasing the resilience of farm bonniness's without compromising the primary agricultural use of the land.

Some planning schemes also restrict tourist accommodation in residential zones resulting in some towns that rely heavily on the tourist economy forcing developments further from the town centre. This has the negative effect of further decentralising commercial districts and the demand for infrastructure.

An accommodation or function centre may support other business in a commercial zone, and leisure facilities or tourism activity businesses may increase the overall amenity of a residential zone. This may also allow for mixed-use development where a mix of residential and tourism accommodation is needed to ensure the viability of the development. Increasingly mixed developments that combine residential and hotel accommodation with services such as restaurants, retail and office space are being favoured. The potential for the ratio of the uses to vary through the life of the building is also important for its viability.

Furthermore, the consistent definition and application of the visitor accommodation use definition as provided under the Common Key Elements Template (Planning Directive Number 1) and in what instances a visitor accommodation use is triggered. The issue is also raised as to what extent visitor accommodation shall be applied. The majority of Council's to date require a change of use for development associated with short-term visitor accommodation. Arguably, this type of short-stay accommodation through the renting of shacks is maintaining a residential use and should not require planning approvals. This is a different situation to purpose built accommodation and consistency across planning schemes in the definition and application of requirements in these circumstances would be beneficial.

Major integrated tourism developments, particularly eco-tourism development, are often difficult to accommodate within planning schemes, because they are strongly market driven and spatially predicting the locations of such development is difficult to identify in advance. Given that planning schemes should be drafted to deal with average circumstances, it should therefore be recognised that appropriate planning processes to assess such major tourism developments exists outside of planning schemes

(Section 43A of the Land Use Planning and Approvals Act 1993), and that the need to consider a tourism development in accordance with these processes is not a reflection of its merits or otherwise, and therefore the inability of a planning scheme to accommodate such a development should not be justification for its refusal or non-consideration. Important in recognising the role of other planning approval processes such as a Section 43A application, is the need to develop a consistent set of stringent performance standards for major tourism developments in non-urban areas to address matters such as the size and design of facilities, necessity of the location, the design and visibility of access roads and servicing details. These standards will provide greater certainty as to the acceptability of the development and should be utilised in the assessment processes

3.9 Protection of Agricultural Land Policy

Agri-tourism and food and wine tourism are growing sectors, and as the agricultural industries are facing difficult times, alternative sources of income through visitor facilities on farms is becoming more popular as a means to ensure the economic sustainability of some farming businesses.

The *State Policy on Protection of Agricultural Land 2009* aims to conserve and protect agricultural land so it remains available for the sustainable development of agriculture. However, it does not preclude tourism activities on agricultural land, as detailed in Principal 3: *"Use or development, other than residential, of prime agricultural land that is directly associated with, and a subservient part of, an agricultural use of that land is consistent with this policy."*

As this policy is applied through planning schemes, consideration should be made to complementary tourism uses including farm-stay accommodation and food tourism experiences. These help to build brand loyalty and the development of interstate and international markets for Tasmanian food products including wines, berries, apples, cheese, meats and seafoods.

Southern Tasmania

REGIONAL PLANNING PROJECT

The Southern Tasmania Regional Planning Project
is a joint initiative of the State of Tasmania, the Southern Tasmanian Councils Authority,
the 12 Southern Councils and the Sullivans Cove Waterfront Authority