1 June 2007

The Executive Officer
Rural and Regional Committee
Parliament House
Spring Street
MELBOURNE VIC 3002

By facsimile transmission: rrc@parliament.vic.gov.au

Dear Sir/Madam,

**Formal Submission**

**Inquiry into Rural and Regional Tourism**

We refer to the Inquiry into Rural and Regional Tourism. Detailed below is our formal submission in relation to the inquiry. Our submission specifically addresses:

- Potential impediments to sustained growth of regional tourism, economic activity and jobs

By way of background the BCR Group has been a major investor and developer of tourism assets throughout regional Victoria. BCR has invested in excess of $200 million into tourism in Victoria, recent projects include:

- The redevelopment of Mount Hotham and Falls Creek ski resorts including the development of the Mount Hotham Airport
- The redevelopment of Erskine House, Lorne into one of regional Victoria’s largest conference resorts
- The redevelopment of Luna Park, Melbourne

BCR is proceeding with a number of tourism based projects in regional Victoria both in alpine areas at Mount Hotham and also at key coastal locations including Phillip Island on the east coast and Apollo Bay and Torquay on the west coast. These latter two locations are the state government’s designated growth nodes on the west coast.
BCR is in the process of seeking planning approvals for tourist/caravan parks at these locations which are within close proximity to metropolitan Melbourne. These tourism developments will provide high quality, affordable accommodation and will be developed using sustainable design principles.

These proposed tourism projects are intended to directly redress the strong trend over recent years which has resulted in the closure and redevelopment of several coastal caravan parks reducing the amount of affordable tourist accommodation in the State. This has resulted in the decline in the number of caravan parks whilst at the same time there continues to be a strong growth in demand for such tourist facilities fuelled by various other projects such as the Geelong By-Pass.

For a number of reasons, including a lack of suitable land and the high cost associated with acquiring residentially zoned land, it is virtually impossible to develop tourist/caravan parks in urban areas. The only viable alternative is to develop these types of projects on rural land which ideally is in close proximity to its township.

In the new recently introduced rural zones such as the farming and rural conservation zones. ‘Group Accommodation’ is required by condition to be undertaken in conjunction with Agriculture, Rural Industry or a Winery, while Caravan and Camping is arguably prohibited. Under previous planning provisions this type of tourist accommodation was an ‘as of right’. The new planning changes have made it extremely difficult to develop these types of tourist facilities on rural land.

The BCR Group requests that the new rural zones be amended to enable ‘Group Accommodation’ to be a permitted use without the need for it to be associated with Agriculture, Rural Industry or a Winery as well as reintroducing Caravan and Camping in the new rural zones as a permit required use. This is particularly important for rural land which due to its size is no longer viable for farming activities and is better suited to being available for alternative uses including tourism.

In the absence of such changes, it would seem that the existing situation will be maintained where to develop tourist/caravan parks in regional Victoria will be unnecessarily prohibitive given recent planning law changes. To develop these types of tourist facilities under current planning law will be very expensive and high risk and will require effectively a four to five year lead time to seek a rezoning and obtain a planning permit. We believe that was not the intention of the recent planning law changes. The recent rural zone changes add an unnecessary constraint in developing high quality tourist facilities in regional Victoria and make little sense in the context of making Victoria a competitive tourist destination compared with other states.
Our proposed projects alone represent a direct investment in excess of $150 million in Victoria’s regional tourism industry and are significant for each of these three local economies in terms of job creation and the multiplier effects for other business in these regions. BCR has considerable experience in developing high quality tourist facilities and these projects will build on BCR’s track record of being a major investor in regional tourism in Victoria.

We seek the State Government’s assistance to address this issue in the interests of the State’s tourism industry and welcome the opportunity to discuss this with the Committee in greater detail.

Yours Faithfully,

[Signature]

Dr R.C. Bassett
Executive Chairman