

# Karri Mia Resort Development Plan

Mt Shadforth Road  
Shire of Denmark



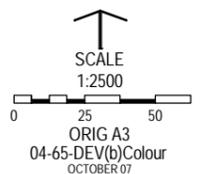
## LEGEND

- Short Stay House Sites
- Permanent House Sites
- Landscape/Irrigation Areas
- WWTP Waste Water Treatment Plant
- SP Sewer Pump Station
- Existing Vegetation
- Proposed Vegetation

ALL AREAS AND DIMENSIONS ARE SUBJECT TO SURVEY



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Attachment 8.1.7 a)

## APPENDIX XIII - SCHEDULE OF TOURIST ZONES (Cont'd)

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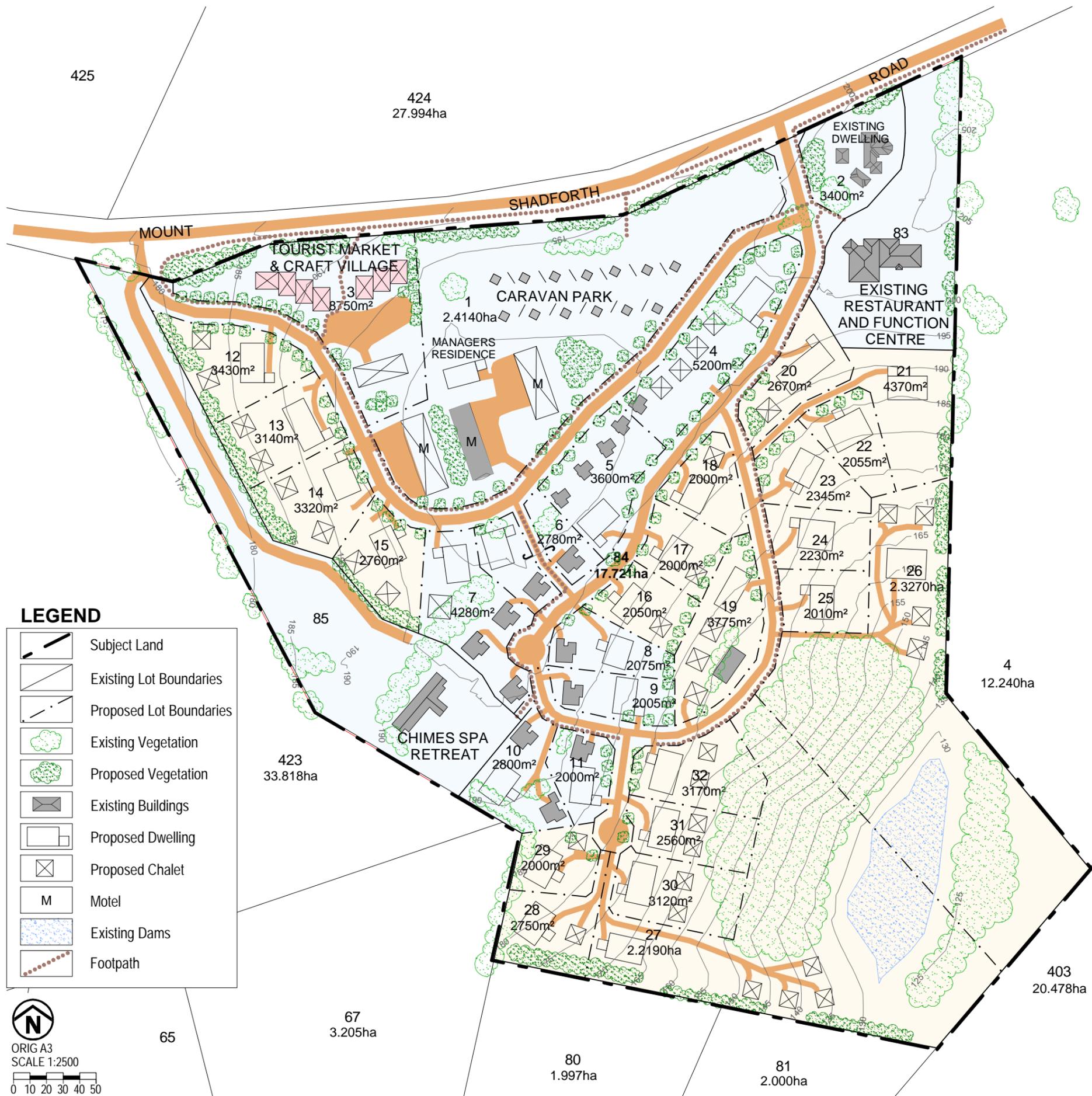
PARTICULARS OF THE LAND		TOURIST USE	CONDITIONS OF TOURIST USE
T 1.	Denmark Town Lot 6 of Pt Lots 404 and 424 (Vol 1400/Fol 743)	Karri Mia Resort	<p>i) Notwithstanding any other provisions of the Scheme, the only permitted uses (P) within the Karri Mia Resort are those related to a tourist resort and as shown on the Karri Mia Resort Development Plan (No. 92/71/2A) or any minor variation thereto approved by Council and may include:</p> <ul style="list-style-type: none"> <li>a) Holiday Accommodation</li> <li>b) boarding House (including Beauty Salon)</li> <li>c) Caretaker's/Manager's Residence</li> <li>d) Office</li> <li>e) Cinema/theatre (must be within building 36 on Plan 92/71/2A)</li> <li>f) Function Centre - maximum capacity 200 persons</li> <li>g) Art/Craft Display (must be within building 36 on Plan 92/71/2A)</li> <li>h) Restaurant - maximum capacity 100 persons</li> <li>i) Public Exhibition (must be within building 36 on Plan 92/71/21A)</li> <li>j) Home Occupation</li> <li>k) Private Recreation</li> <li>l) Utilities Room</li> </ul> <p>No other use is permitted unless with the consent of Council and only when in the opinion of Council the use is ancillary to the permitted uses above.</p> <p>ii) Development shall be generally in accordance with the Karri Mia Resort Site Plan (92/71/2) or any variation to that plan approved by Council.</p> <p>iii) Site landscaping shall be in accordance with an overall Landscape Plan approved by Council referring to specifies location, density and type.</p> <ul style="list-style-type: none"> <li>a) Setbacks shall be 20m from the side and rear boundaries of Lot 6 Mt Shadforth Road, Denmark.</li> <li>b) Setbacks shall be planted as landscape buffers consisting of trees and maintained as a low fuel zone. Landscape buffer shall not be connected to adjacent larger areas of natural or planted stands of timber.</li> </ul> <p>iv) Vehicular access to the zone shall be limited to nominated points on Mount Shadforth Road as approved by Council.</p> <p>v) Development shall be connected to onsite water supply and effluent disposal systems installed to the satisfaction of the Health Department, the Wilson Inlet Management Authority and Council.</p> <p>vi) All buildings constructed within the zone shall be sympathetic to the existing landscape in terms of location, scale, height, building materials and colour.</p> <p>vii) Suitable fire control measures being implemented to the satisfaction of Council.</p> <p>viii) No pets shall be permitted within the Karri Mia Resort.</p>

## APPENDIX XIII - SCHEDULE OF TOURIST ZONES (Cont'd)

PARTICULARS OF THE LAND		TOURIST USE	CONDITIONS OF TOURIST USE
T 1.	Denmark Town Lot 6 of Pt Lots 404 and 424 (Vol 1400/Fol 743) (Continued)	Karri Mia Resort	<p>ix) The development of Lot 6 (Pt Lots 404 and 424) Mt Shadforth Road for the purposes of tourist accommodation is undertaken with the full knowledge that rural pursuits and practices are conducted adjacent to the development site and that owner(s)/ manager(s) and patron(s) of the tourist development are fully aware of this situation.</p> <p>x) Development shall comply with the requirements of the Department of Environmental Protection Noise Abatement Regulations.</p> <p>xi) The following requirements will apply to the strata titling of the Karri Mia Resort:</p> <p>a) Restriction of length of stay to 3 months in any one year.</p> <p>b) An agreement between the applicant and Council to ensure a management system is in place to ensure accommodation is made available for rent by the general public when not in use by the owners, and development within common property is completed to the satisfaction of Council (including manager's residence and reception access, joint use effluent and drainage systems, tennis courts, etc) prior to sale of Strata lots.</p> <p>c) Fencing of Strata lots is not permitted.</p> <p>d) The external form of the development to be of uniform and complementary architectural theme, character, colours and materials.</p> <p>(vii) a) All external illumination shall be of low level, controlled spill lighting, with any variations requiring Council approval;</p> <p>b) Resort facilities such as the tennis court shall not be illuminated by flood lighting;</p> <p>c) External illumination associated with the Restaurant and the Function Centre shall occur for more than 15 minutes after these uses cease operating at night; and</p> <p>d) On-site street lighting shall not be illuminated later than 10.00 pm.</p>
T 2.	Pt Hay Location 1425 comprising Lot 102 Peppermint Way, Peaceful Bay	Chalet Development	<p><del>(i) Development shall generally accord with Strata Plan No. 95/98/3 or any variation thereto subject to Council approval.</del></p> <p><del>(ii) The duration of permanent occupancy of any chalet shall be limited to a maximum of three (3) months in any twelve (12) month period.</del></p> <p><del>(iii) Buildings shall not exceed one (1) storey in height.</del></p> <p><del>(iv) Site landscaping and tree retention shall accord with an overall Landscape Plan approved by Council.</del></p> <p><del>(v) Suitable fire control measures shall be implemented to the satisfaction of Council.</del></p> <p><del>(vii) Any chalet, when not in use by its owner(s), shall be made available for rent by the general public. This shall be ensured via ongoing management established by way of an agreement between the owner(s) and Council.</del></p>

# KARRI MIA TOURIST ZONE DEVELOPMENT PLAN

## Lots 83, 84 & 85 Mount Shadforth Road Shadforth, Shire of Denmark



### PRECINCT "A" TOURISM

Lot No.	Current Development	Future Possible Additions
1	10 Motel Units 26 Caravan Bays with Ensuites 1 Tennis Court	Owner/Managers Residence 30 Motel Units 5 Max 100sqm Chalets
2	Residence 2 Unit Accommodation Building	2 Max 100sqm Chalets Upgrade existing accommodation - Unit to 2 Bed Chalet
3	Nil	7 Market Units - Tourism related and or Hotel
4	1 Single Bed Unit	4 Additional Chalets 1 Owners / Manager's Accommodation
5	4 Single Bed Units	1 Owners / Manager's Accommodation
6	2 Two Bed Bungalows	1 Owners / Manager's Accommodation
7	3 Two Bed Bungalows	1 Max 200sqm bungalow 1 Owners / Manager's Accommodation
8	1 Two Bed Bungalow	1 Owners / Manager's Accommodation
9	1 Two Bed Bungalow	1 Owners / Manager's Accommodation
10	2 Two Bed Bungalows	1 Owners / Manager's Accommodation
11	1 Two Bed Bungalow	1 Owners / Manager's Accommodation
83	Existing Restaurant / Function Centre	
84	Existing Chimes Spa Retreat	

### PRECINCT "B" TOURIST / RESIDENTIAL

Lot No.	Area m <sup>2</sup>	Future Possible Use & Density
12	3430	1 Owners Residence 2 Chalets @ 120sqm
13	3140	1 Owners Residence 2 Chalets @ 120sqm
14	3320	1 Owners Residence 2 Chalets @ 120sqm
15	2760	1 Owners Residence 2 Chalets @ 120sqm
16	2050	1 Owners Residence 1 Chalets @ 100sqm
17	2000	1 Owners Residence 1 Chalets @ 100sqm
18	2000	1 Owners Residence 1 Chalets @ 100sqm
19	3775	1 Owners Residence 3 Chalets @ 120sqm
20	2670	1 Owners Residence 1 Chalets @ 120sqm
21	4370	Single Residence
22	2055	Single Residence
23	2345	Single Residence
24	2230	Single Residence
25	2010	Single Residence
26	23270	1 Owners Residence 4 Chalets @ 120sqm
27	22190	1 Owners Residence 4 Chalets @ 100sqm
28	3750	1 Owners Residence 1 Chalets @ 100sqm
29	2000	1 Owners Residence 1 Chalets @ 100sqm
30	3120	1 Owners Residence 2 Chalets @ 100sqm
31	2560	1 Owners Residence 2 Chalets @ 100sqm
32	3170	1 Owners Residence 2 Chalets @ 100sqm

**Notes**

- Siting of proposed development shall be at the discretion of Council.
- Where stand alone tourist development has been developed on Lots 1 & 3, further subdivision to accommodate such uses as the caravan park and individual motels, will be supported.
- All new residences in Precinct "B" can at the owners' discretion be used as a B&B, holiday home or short term rental.

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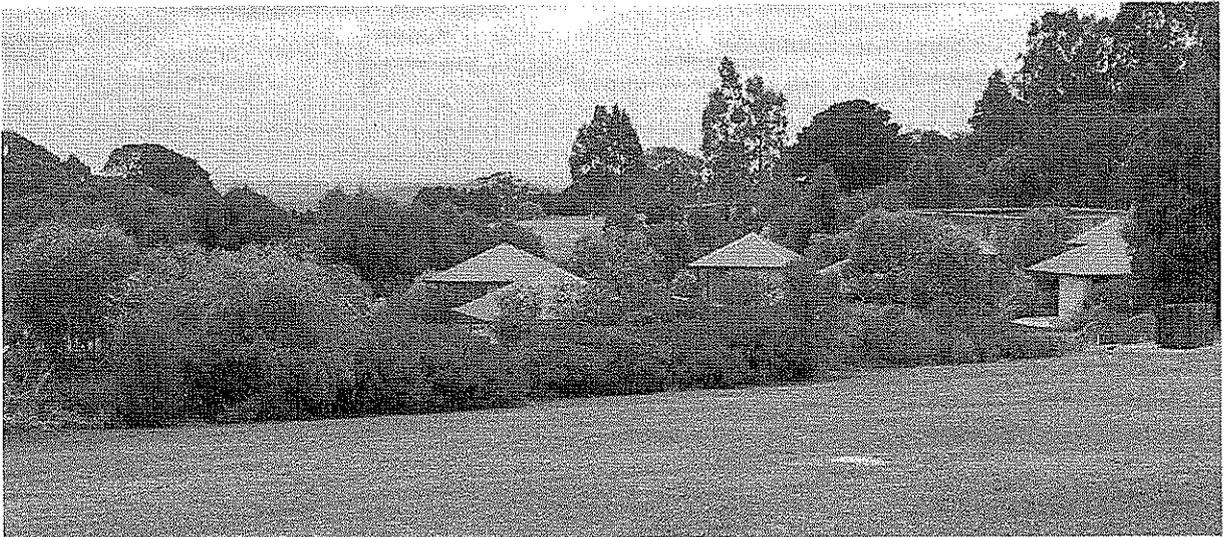
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# SHIRE OF DENMARK

## TOWN PLANNING SCHEME NO. 3

### AMENDMENT NO. 131



**AYTON BAESJOU**  
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11 Duke Street  
Albany WA 6330  
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**MINISTER FOR PLANNING**

**PROPOSAL TO AMEND A TOWN PLANNING SCHEME**

LOCAL AUTHORITY:

**SHIRE OF DENMARK**

DESCRIPTION OF LOCAL  
PLANNING SCHEME:

**TOWN PLANNING SCHEME No. 3**

TYPE OF SCHEME:

**DISTRICT SCHEME**

SERIAL No. OF AMENDMENT:

**AMENDMENT No. 131**

PROPOSAL:

*To amend Appendix XIII of the Scheme Text– Schedule of Tourist Zones-  
Tourist Zone 1, to provide for a revised Development Plan and associated  
special conditions.*

## **TOWN PLANNING SCHEME No. 3**

### **AMENDMENT No. 131**

#### **CONTENTS**

1. RESOLUTION
2. REPORT
3. EXECUTION

March 2011

**PLANNING AND DEVELOPMENT ACT 2005**

**RESOLUTION DECIDING TO AMEND A  
TOWN PLANNING SCHEME**

**SHIRE OF DENMARK**

**TOWN PLANNING SCHEME No. 3**

**DISTRICT SCHEME**

**AMENDMENT No. 131**

RESOLVED that the Council, in pursuance of Section 75 of the Planning and Development Act 2005, amend the above town planning scheme by:

*Amending Appendix XIII of the Scheme Text– Schedule of Tourist Zones-  
Tourist Zone 1, to provide for a revised Development Plan and associated  
special conditions.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**

**SHIRE OF DENMARK**

**TOWN PLANNING SCHEME No. 3**

**AMENDMENT No. 131**

**PLANNING REPORT**

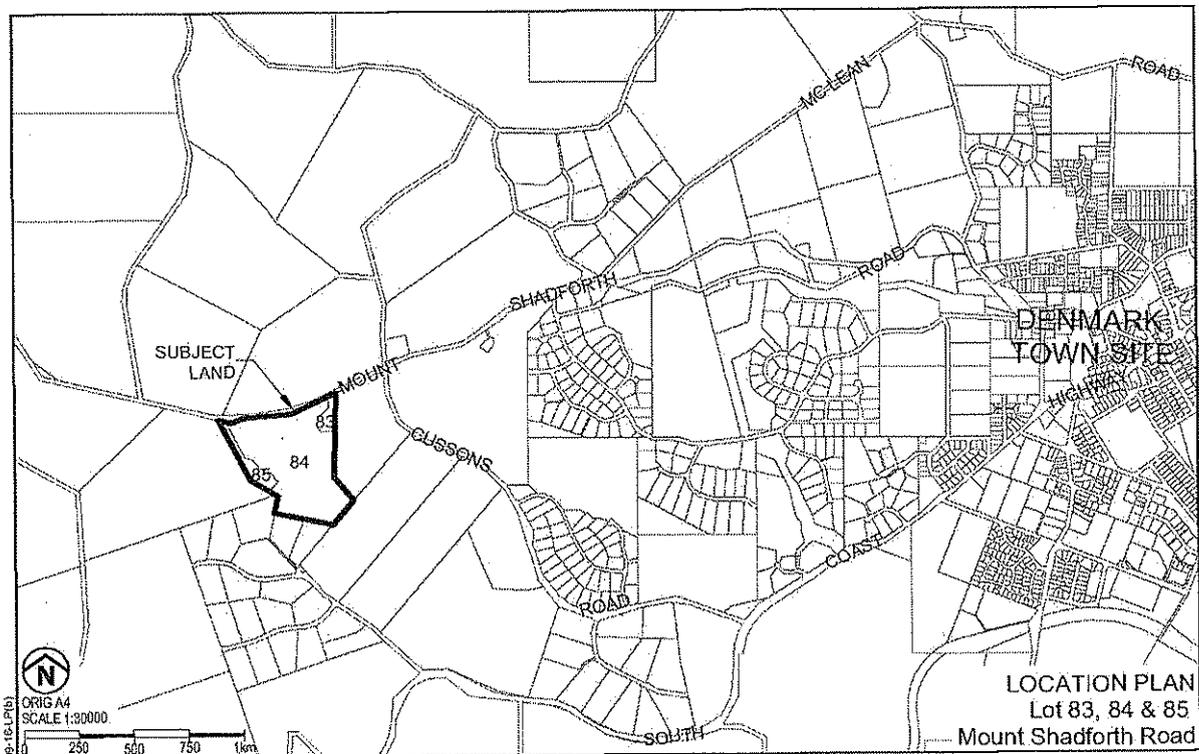
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## 1. INTRODUCTION

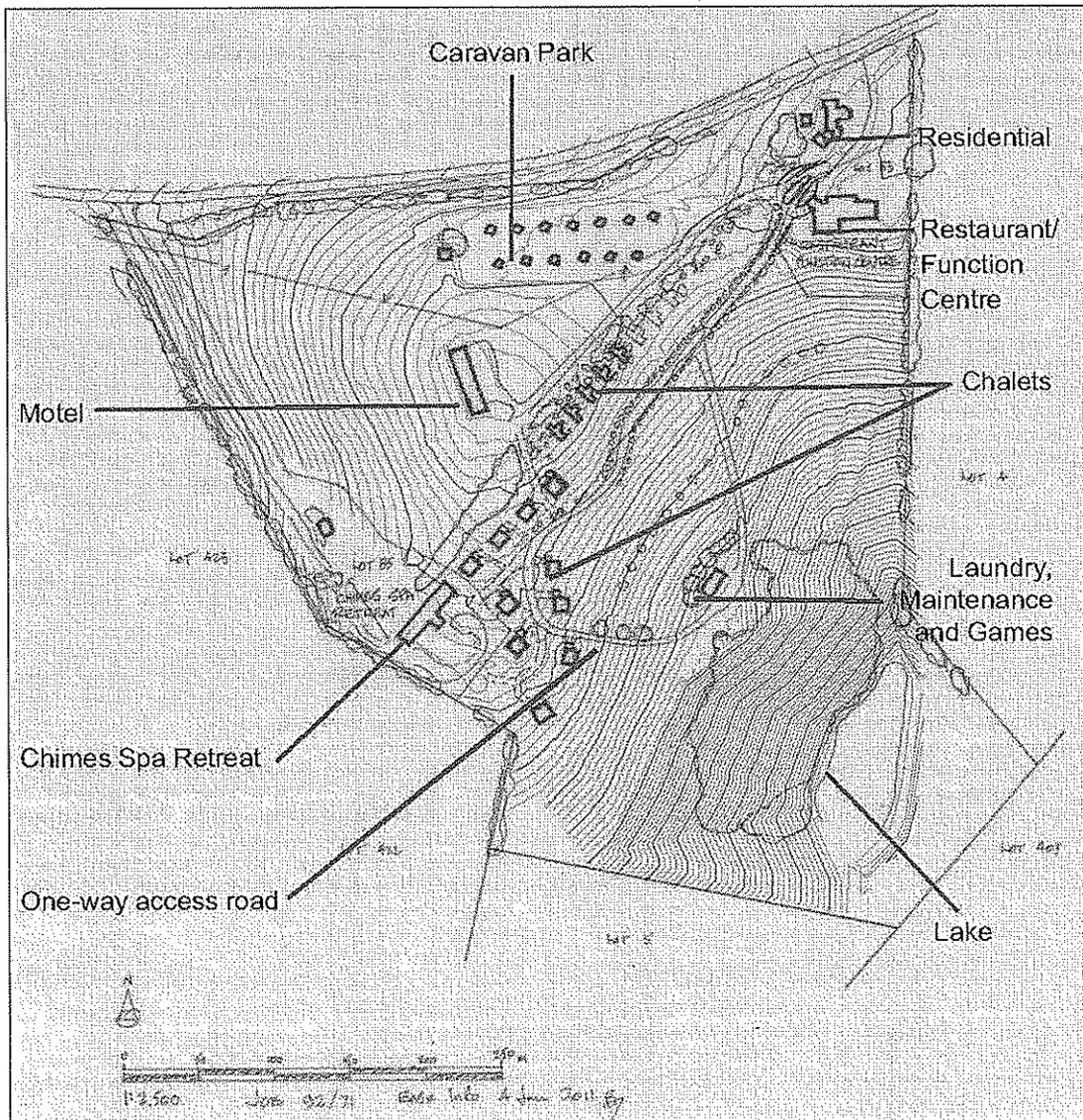
This Scheme Amendment has been prepared to allow for a modified Development Plan for the former Karri Mia Resort on Lot 84 Mount Shadforth Road, Denmark. Following the closure of the Resort, a number of options for its future use have been investigated. This proposal has been developed in consultation with the Shire of Denmark and the Department of Planning and proposes to ensure all the existing tourist infrastructure and most valuable tourist land is retained for tourism development. The balance of the land will also remain zoned tourism and will allow for a mix of residential and tourist development.

The development plan provides for a range of medium and micro-scale tourist enterprises, consistent with contemporary business models and current market trends. This, combined with updated provisions, provides both Council, and future landowners with clear direction and certainty.



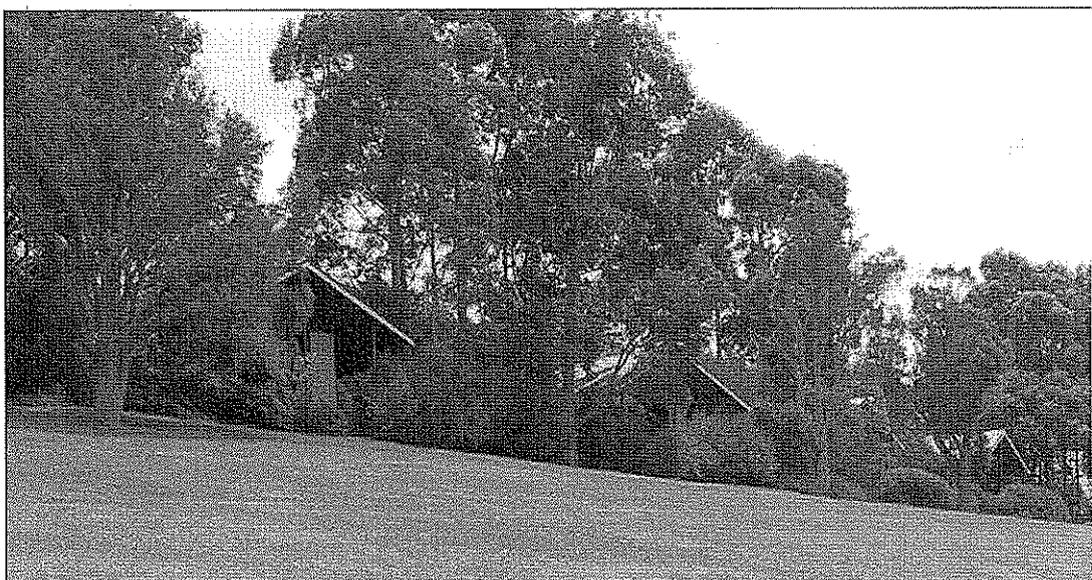
## 2. BACKGROUND

Lots 83, 84 and 85 were originally one lot, being Lot 6 and contained the development known as the Karri Mia Resort. The Chimes Spa Retreat (Lot 85) and Restaurant/Function Centre (Lot 83) were subsequently subdivided off from the present lot and are now independently operated. The balance of the property, Lot 84, contained the reception, manager's house, 36 bay caravan park, ten motel units and fifteen holiday chalets. Refer site plan overleaf. Initiatives over a fifteen year period to make the resort viable have been unsuccessful and as a result the resort was closed in May 2009. Attempts to on-sell the property have met with no success, consequently, in order for the site to be re-opened, a new Development Plan is needed.

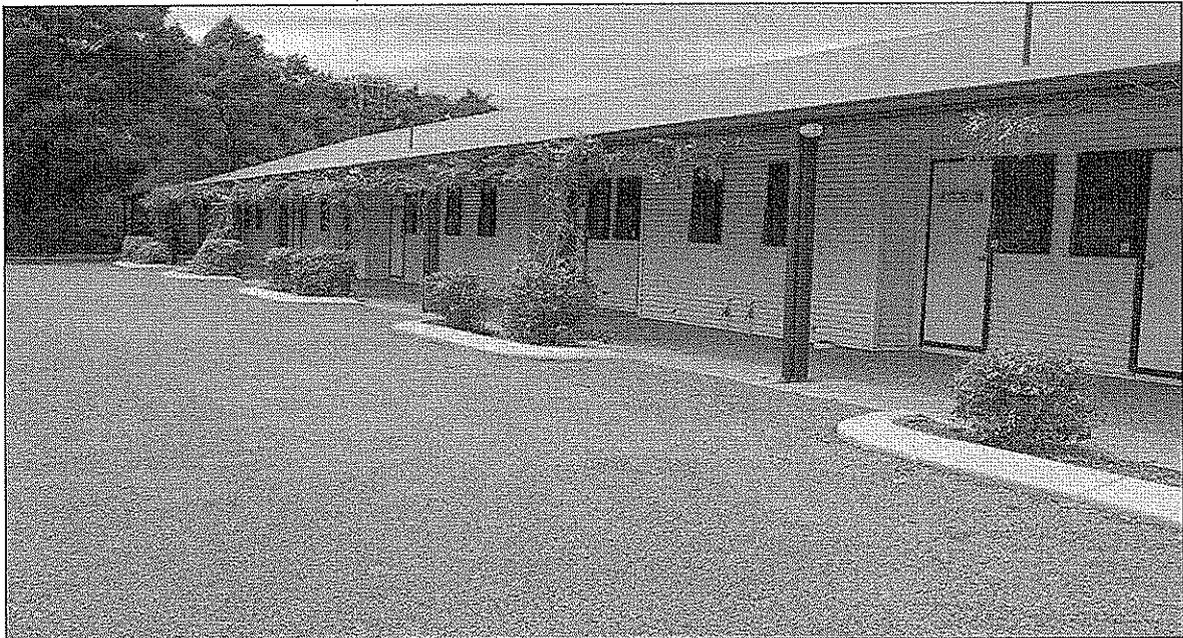


A number of options have been considered including “Special Residential” development and a “Country Active Lifestyle Village”. However, none of these options have been supported and Council’s preference is to retain the site for tourist use.

It is acknowledged that the site is not a “Strategic Tourist” site and that a large resort style tourist development has proved to be unviable. The difficulty of successfully establishing tourist development in Denmark has been outlined by Professor Fiona McKenzie in her independent assessment of the site. Refer Appendix A.



An analysis of Tourism Australia's Summary of 'Tourism Business in Local Government Areas', June 2007, indicates that tourism businesses in Denmark are predominantly focussed on "non employing businesses" or "micro businesses" employing between 1 – 4 employees. Together these categories comprise 129 business or 77% of tourist businesses in Denmark. Small businesses employing between 5 – 19 employees comprise 36 businesses (21%) and medium to large businesses employing 20 or more employees number 3 or 2% of tourist businesses. The former Karri Mia Resort fell within the small business category employing between 5 – 19 employees. In line with experience elsewhere in Denmark, the only successful components of the original Karri Mia Resort development are the Chimes Spa Retreat and Observatory Restaurant/Function Centre which were subdivided off as separate small or "micro businesses". Even these businesses are struggling to survive in today's market and closure of the tourist accommodation on lot 84 has not helped.



It is considered that the realistic focus for Denmark's Tourism Strategy for the foreseeable future is on "non employing businesses", "micro businesses" and "holiday homes" which form the bulk of the existing industry.

### 3. PROPOSED DEVELOPMENT

A copy of the revised Development Plan for Karri Mia is attached overleaf.

The essential elements of the plan are:

- To retain the existing tourist zoning over the whole site.
- To retain the existing tourist infrastructure on the site.
- To retain landscaping and remnant vegetation.
- To capitalize on the views, aspect and attributes of the site.
- To move from the concept of a large tourist resort site, which has proved to be unviable, to providing a range of smaller sites that can be used for a variety of medium and micro scale tourist uses.
- Acknowledge that enterprises which can be managed on a family basis are more likely to be sustainable in the local tourist market.
- To create two precincts A & B, with Precinct 'A' fronting Mt Shadforth Road and containing all the existing tourist development; and Precinct 'B' encompassing the vacant more steeply sloping and constrained land to the rear. The two precincts are described in more detail below.

#### **Precinct A**

Precinct 'A' consists of over half the site (10.2ha) and includes the whole frontage to Mt Shadforth Road which is a high exposure tourist route. It also includes the flatter land at the top of the ridge which enjoys the spectacular views to the ocean and Wilson Inlet, as well as attractive views of the hinterland to the north. As such it is the most valuable portion of the tourist zone given its prime position in relation to Mt Shadforth Road, the landform and views of the surrounding countryside. Not surprisingly it is within this precinct that all the existing tourist development has been concentrated.

Precinct 'A' is dedicated to consolidation of tourism development. In order to facilitate the re-opening of the existing tourism product on the site, it is proposed to provide for the Precinct to be further subdivided into a range of lot sizes which will enable them to be managed and further developed in a more sustainable manner.

# KARRI MIA TOURIST ZONE DEVELOPMENT PLAN

## Lots 83, 84 & 85 Mount Shadforth Road Shadforth, Shire of Denmark

### PRECINCT "A" TOURISM

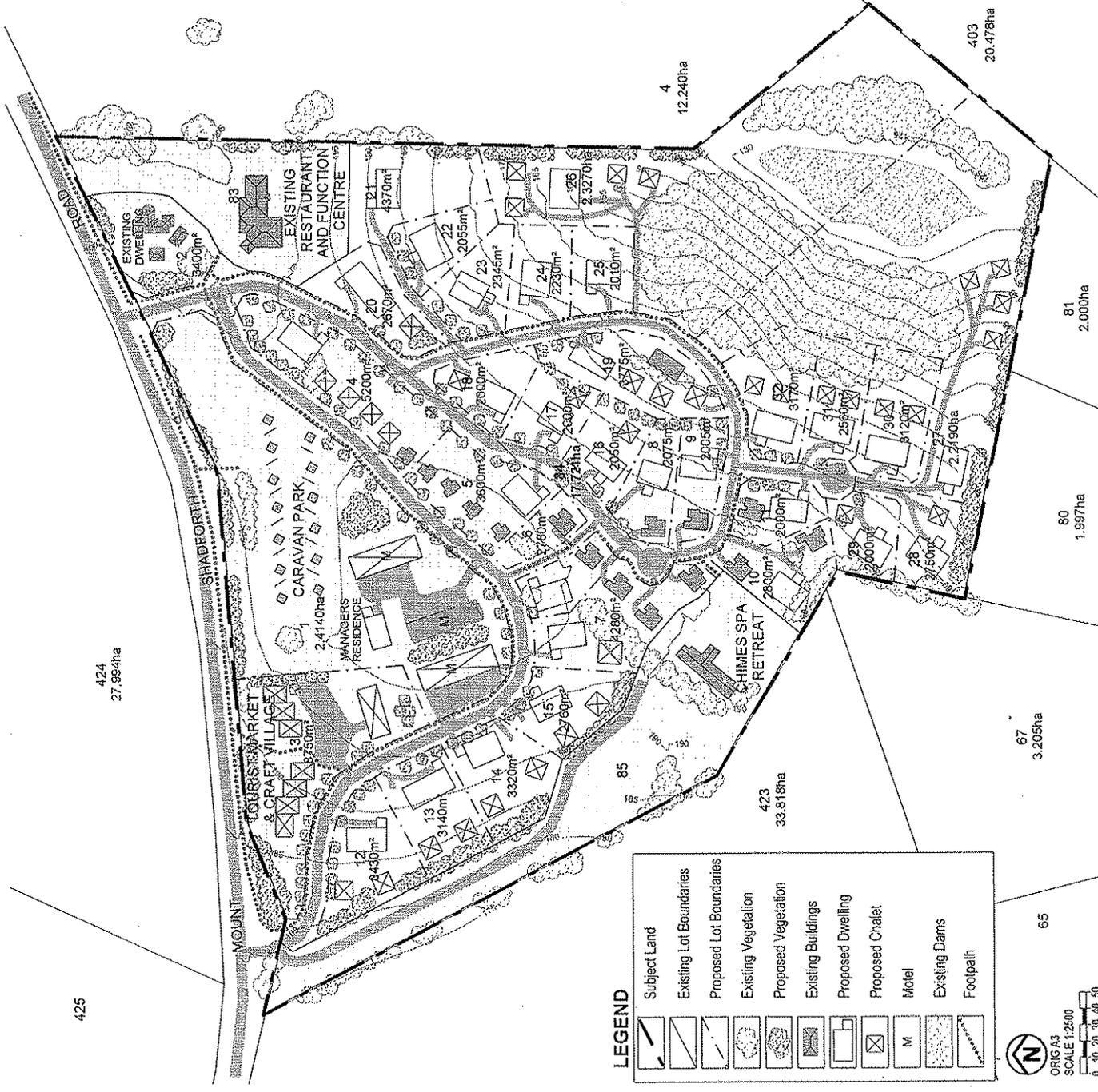
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2	1 Residence 2 Unit Accommodation Building	2 Max 100sqm Chalets Upgrade existing accommodation 1 Unit to 2 Bed Chalet
3	Nil	7 Market Units - Tourism related and/or Hotel
4	1 Single Bed Unit	4 Additional Chalets
5	4 Single Bed Units	1 Owners / Manager's Accommodation
6	2 Two Bed Bungalows	1 Owners / Manager's Accommodation
7	3 Two Bed Bungalows	1 Max 200sqm bungalow
8	1 Two Bed Bungalow	1 Owners / Manager's Accommodation
9	1 Two Bed Bungalow	1 Owners / Manager's Accommodation
10	2 Two Bed Bungalows	1 Owners / Manager's Accommodation
11	1 Two Bed Bungalow	1 Owners / Manager's Accommodation
63	Existing Restaurant / Function Centre	1 Owners / Manager's Accommodation
84	Existing Chimes Spa Retreat	

### PRECINCT "B" TOURIST / RESIDENTIAL

Lot No.	Area m <sup>2</sup>	Future Possible Use & Density
12	3430	1 Owners Residence 2 Chalets @ 120sqm
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- Notes
- Siting of proposed development shall be at the discretion of Council
  - Where stant alpine tourist development has been developed on Lots 1 & 3, further subdivision to accommodate such uses as the caravan park and individual motels, will be supported.
  - All new residences in Precinct "B" can at the owners' discretion be used as a B&B, holiday home or short term rental.

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**LEGEND**

- Subject Land
- Existing Lot Boundaries
- Proposed Lot Boundaries
- Existing Vegetation
- Proposed Vegetation
- Existing Buildings
- Proposed Dwelling
- Proposed Chalet
- Motel
- Existing Dams
- Footpath

425 27.994ha

424 27.994ha

423 33.818ha

65 3.205ha

67 3.205ha

80 1.997ha

81 2.000ha

403 20.478ha

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Lots 83 & 85 have already been developed and subdivided from the original parent lot and provide an effective example of the proposed strategy.

The two largest proposed lots are Lots 1 & 3 which front Mount Shadforth Road. Lot 1 is 2.4ha in area and includes the Caravan Park and motel and has provision to accommodate 2 additional motels of a similar scale to the existing one, together with up to 5 chalets and an owner/manager's residence.

Lot 3 is 8750m<sup>2</sup> in area and is set aside to accommodate a Tourist Market/Craft Village and possible hotel. A variety of tourist orientated activities could be considered by Council within this lot.

Lot 4 occupies the prime site within the precinct in terms of amenity and aspect and provides for a further 3 short stay studio units to be added to the existing unit on the site. Provision is also made for an owner/manager's residence.

Lot 5 includes four existing studio units in a prime location and has provision to include a manager's residence which is sited so that it will not impact on views from the units.

Lots 2 & 6-11 all include between 1 to 3 existing holiday chalets and make provision for an owner/manager's residence.

Within the larger Lots 1 & 3, subdivision of stand alone tourist activities such as the caravan park, motels and hotel, will be supported where it will facilitate the on going sustainability of tourism in the area.

### **Precinct 'B'**

Precinct 'B' is marginally smaller than Precinct 'A' (10ha) and consists of the steeper land down slope from Precinct 'A'. A large portion of the precinct is covered in remnant vegetation and a large lake. In comparison to Precinct 'A' the land is considered to be of secondary significance in terms of its tourist attributes and is currently vacant apart from an access road, laundry/maintenance shed and landscaping.

It is proposed to create 21 tourist/residential lots within which permanent accommodation will be a permitted use. This is required to underpin the overall cost of developing the infrastructure to service both precincts such as:

- Extension of scheme water;
- Construction of access roads and a new entrance and exit onto Mount Shadforth Road;
- Underground power;
- Stormwater drainage and landscaping.

It is however considered that Precinct 'B' has considerable capacity to develop further tourist product given the location, aspect, land capability and tourist zoning.

The two larger lots, both over 2ha, have the capacity to accommodate up to 4 chalets each, together with an owner/manager's residence. Apart from 5 smaller lots on the steepest land which are only designated to accommodate a single residence, the remainder of the lots will have the capacity to accommodate between one to three chalets and an owner/manager's residence.

Provision is made for all residences in Precinct 'B' to be used either as B & B's, short term rentals or holiday homes.

#### 4. STATUTORY REQUIREMENTS

Council's Town Planning Scheme No. 3 requires all development in tourist zones to be in accordance with a Development Plan approved by Council and conditions of development to be in accordance with Appendix 13 – Schedule of Tourist Zones.

As the existing conditions in the Schedule for the Karri Mia site relate to the previous development plan, modifications are required. These include:

##### Permitted Uses

Council's scheme currently allows for a wide range of uses which could be approved in the Tourist zone, some of which are considered inappropriate. It is recommended that the following uses be available for consideration by Council.

Precinct 'A'	
Arts & Crafts Display	AA
Boarding House (including Beauty salon)	AA
Caravan Park	AA
Cottage industry	AA
Fast food outlet	SA
Function Centre	AA
Gallery restaurant	AA
Holiday Accommodation	AA
Hotel	SA
Market	AA
Microbrewery	AA
Motel	SA
Office	IP
Private Recreation	P
Public Amusement	AA
Restaurant	AA
Shop	AA
Single House	IP
Winery	AA

Precinct 'B'	
Holiday Accommodation	AA
Holiday Home	P
Home Occupation	AA
Single House	P

As Precinct 'A's primary purpose is to consolidate tourism development, a single house is designated as an 'IP' use, i.e. a use that is ancillary to the main use of the site for tourist purposes.

Within Precinct 'B' a single house is designated as a 'P' use. The use of the house as a B & B, short stay rental or holiday home remains at the discretion of the owner. The majority of lots within Precinct 'B' also have the potential to develop one or more holiday chalet(s).

**Notifications on the Title.**

Provision is made for a notification to be placed on the title so that prospective purchasers are advised that the site is zone 'Tourism' and associated uses may result in increased levels of noise and vehicular movement.

**Provision for Permanent Accommodation**

Within Precinct 'A', which incorporates the high value tourist land, tourism development will be the primary use. Permanent residential accommodation will only be permitted where tourism development has already been established on each lot.

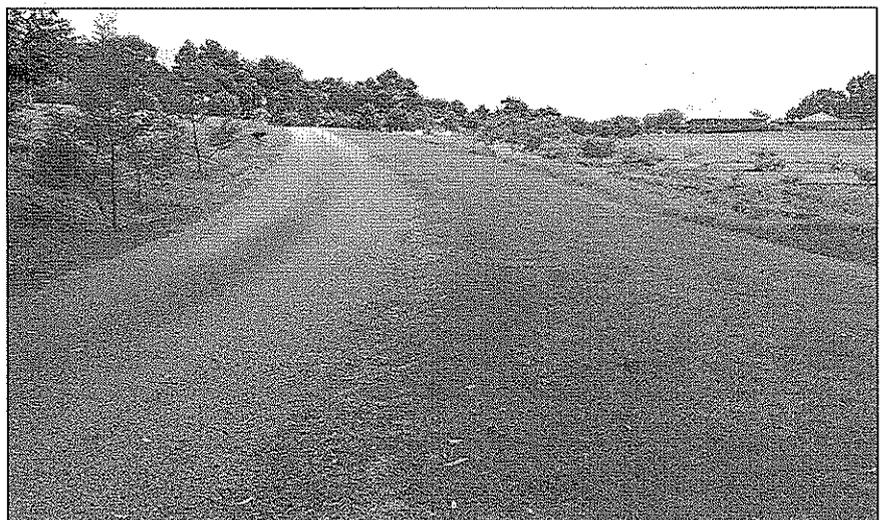
Within Precinct 'B', a single residence will be permitted on all lots but with the opportunity for all to be used for short stay purposes.

Provision for single houses to be approved on all proposed lots within Precinct 'B' is fundamental to the objective to support the reinstatement and consolidation of tourism on the more viable land within Precinct 'A'.

## 5. SERVICING

All essential services such as power, telecommunications, scheme water and road access are available or are capable of being extended to accommodate the proposed development.

While scheme sewer is not available, the land capability is suitable for on site effluent disposal. Approval has previously been granted for 93 survey strata lots on the site using onsite effluent disposal which demonstrates the capability of the site. The proposed development comprises 32 lots with the potential to create a further 41 chalets and 31 owner/manager residences.



## 6. CONCLUSION

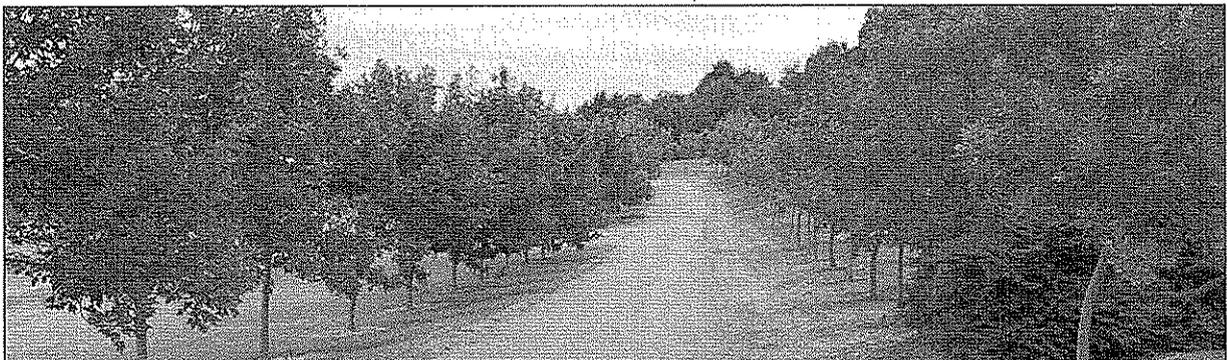
Following closure of the Karri Mia Resort through lack of economic viability over many years, it is necessary to revise the Development Plan for the site if there is to be any chance of retaining the existing tourist infrastructure on the site.

The revised plan provides for a range of development parcels which can be managed as smaller business entities which have proven to be more sustainable in the context of Denmark's tourism development.

After considering various options for the site, the proponent is prepared to invest further resources to retain the existing tourist zoning based on the revised plan. The plan will provide a variety of opportunities, not only to retain the existing tourist accommodation on the site, but also for new tourist enterprises.

The site has been divided into two precincts with Precinct 'A' containing the most valuable tourist land within which tourist development will have primacy. Residential use will only be permitted where tourist development has already been established.

Precinct 'B' encompasses the vacant land which has less value in terms of tourist development. Within this area subdivision and development of permanent accommodation will be permitted to facilitate consolidation of tourist development in Precinct 'A'. At the same time there will also be the opportunity for all lots in Precinct 'B' to be used for tourist accommodation.



# **Appendix A**

**Independent Assessment**

**By**

**Professor Fiona McKenzie**

**An Independent Assessment of the Rezoning Application**

**for**

**Lot 84 Mount Shadforth Road, Denmark, Western Australia**

**by**

**Professor Fiona Haslam McKenzie**

The Scheme Amendment Request for Lot 84 Mount Shadforth Road Denmark currently zoned 'Tourism' is made in response to the tourism venture, *Karri Mia*, being deemed unviable after more than 15 years in operation (during which time it was expanded to capture economies of scale). The reasons for the failure to make the venture profitable as cited in the submission are consistent with the findings of a number of research projects (Stimson et al. 2001; O'Connor 2004; Atkinson et al. 2006; Baum 2006) regarding tourism in rural, regional and remote coastal locations more generally, and some specific research regarding Denmark (Selwood and Tonts 2004; Gibbs 2005). Non-metropolitan coastal towns (65%) dominate the bottom twenty towns in terms of per capita income Australia-wide and are prone to high unemployment (Stimson et al. 2001) and other indicators of disadvantage. Denmark demonstrates many of the hallmarks of disadvantage outlined by Stimson et al. (2001).

### **Tourism in Denmark**

Despite Tourism WA advocating high standard accommodation at all of Western Australia's key tourism attractions, *Karri Mia* at the Mount Shadforth Road site has not been viable. Research (Dwer and Spurr, 2010) shows that many tourism developments of this scale and quality are not viable in a locality affected by population churn and so distant from high volume tourism markets. Further, while proximity to a regional centre such as Albany is an advantage by virtue of enhanced infrastructure and tourism flows, Albany has a mature tourism industry and a large range of visitor accommodation offerings, thus drawing overnight tourism clientele away from Denmark.

Denmark has been a favoured holiday and tourism destination for many Western Australians and other visitors for more than 50 years however despite the natural beauty of the area and the relatively cool climate, the market is highly seasonal with high demand limited to approximately six weeks over the Christmas-January period and the Easter holiday. Part of the attraction of Denmark is its cool climate and 'greenness' which ironically are also the key reasons why Denmark's tourism industry suffers from a high degree of seasonality. As noted in detail by Lee et al. seasonality is a significant threat to the viability of tourism (and other) businesses. Not only does seasonality adversely impact on market consistency but it also affects the availability of qualified staff and hence local labour and job markets. Lee et al. also recommend in their report that tourist sites in a highly seasonal market place should attempt to diversify the attraction which it would appear has been a strategy taken by the operators of the *Karri Mia* and still the operation has not been viable.

Further, given that the tourism sector employs a large proportion of casual labour in often unskilled jobs, the sector does not meet the job requirements or aspirations of many of the permanent residents of the Shire of Denmark (Australian Bureau of Statistics 2007b).

### **Denmark**

Research recently undertaken for the Australian Housing and Urban Research Institute (Tually et al. 2010) examined the demographic profile of Denmark, labour force participation, population churn and housing (availability and affordability). Despite claims that the local population is growing, the Australian Bureau of Statistics data shows that in the last five years the population has declined slightly from 5,051 people in 2001 to 4,809 people in 2006 when the population was 4,809 people, although during the 2001 and 2006 intercensal period, the population grew by 12%. The Shire is dominated by older

people and has the second highest proportion of 55+ aged people in the State (Australian Bureau of Statistics 2007a). The key findings showed that Denmark residents are more likely than most regional Western Australians to be tertiary qualified but the household median income is considerably lower than most other Western Australian communities. Denmark is also typical of many sea/tree change communities in non-metro Australia. Census, work participation, housing and income data regarding Denmark suggest that there is a significant proportion of the permanent population whose assets and personal income descriptors convey a picture of disadvantage just as Stimson *et al.* (2001) found in many other Australian coastal sea/tree change communities.

There are already several aged person's group housing facilities in the town. These tend to be oriented to older people on low incomes who, if they could, would be eligible for public housing. There are at least 22 people on the waiting list for this housing. There are also two well-established housing co-operatives but again, their entry requirements target lower socio-economic residents. There is a limited housing for older, active and more affluent residents on small land holdings with suitable amenity.

Census data (Australian Bureau of Statistics 1997; Australian Bureau of Statistics 2000; Australian Bureau of Statistics 2001; Australian Bureau of Statistics 2007b; Australian Bureau of Statistics 2007a) show that population churn is particularly high in Denmark. These indicators suggest that it is important to attract a more affluent population cohort to the Shire which has the capacity and willingness to spend a proportion of the household income locally.

At the same time, there is evidence that the high proportion of absentee landowners in the Denmark Shire are in the higher socio-economic income bracket, but after their initial construction investment in the area, there is limited further investment (O'Connor and Haslam McKenzie 2003). Recent research indicates there is limited enticement for them to spend in the area while there is limited local retail and an under-developed local services sector (Tually *et al.* 2010).

The Denmark community brands itself as a 'Green Community' and strongly resists large scale development and housing densification. Infrastructure such as water and sewage services have, to date, struggled to support large scale development or population in the Shire. However, despite the resistance to expand or change the town of Denmark to any great degree, there is a housing shortage in Denmark and as the Australian Housing and Urban Research Institute work found (Tually *et al.*, 2010) house prices in Denmark are higher than the median house price for all regional Western Australia (Rowley and Haslam McKenzie, 2009).

### **The Lifestyle Village Option**

Stimson, Baum and O'Connor's (2003) have identified a number of characteristics that consistently describe the sustainability and self-sufficiency of a number of categories of towns around Australia. Those towns and cities which have experienced positive transitions to the 'new' economy industries and occupations (which include tourism-based occupations), "are experiencing increasing levels of skill in their labour forces, have experienced an increase in this incidence of higher-income households and display relatively low measures on the usual attributes of socio-economic disadvantage" (Stimson, Baum & O'Connor, 2003, p. 133).

As presented then in the Scheme Amendment Request for Lot 84 Mount Shadforth Road Denmark, active lifestyle villages target a different population cohort than is already living in Denmark. It is not

housing for 'old' people but rather, mature adults whose families have grown and whose leisure and work pursuits are active, energetic and often changeable (Oldsberg and Winters, 2005). The proposal outlines a quality development, unlike that which was recently built for older residents in Denmark which are donga-style and densely developed. The proposed development would broaden the housing market for the mature residents of Denmark and hopefully, encourage others to settle in Denmark, thus bringing a higher socio-economic cohort to the community and, it follows, spending capacity. In the interests of diversity, but also economic robustness it is important that residents with some measure of affluence are valued and retained in the community. Their role in local investment and purchasing is important.

A development such as this would provide a level of gentrification to the town without displacing long term residents or upsetting the milieu of the town.

As noted earlier in this assessment, water and sewage infrastructure has been stretched, almost to capacity and thus limited development and population increases of any size. This application makes concessions to these limitations through the provision of rainwater tanks and a package treatment plant.

### **Concluding Remarks**

The proposal is not a large scale dense housing development. It does not intend to create a ghetto of old people, nor a transition to an old peoples' living facility. The site is not suitable for either. Instead, this proposal aims to attract a cohort of people who are mature, active and wanting to pursue their independence with others like themselves. Denmark is notable for its sense of space and connectivity with nature. This proposal is consistent with the milieu of the town.

Clearly, *Karri Mia* is not viable as a tourist site. After such a long period of time, there is no alternative but to close. Despite the site being on the market for a period of time, it has not sold. It is too large to languish unnoticed and unless it can be occupied and utilised it conveys a sense of disadvantage and hardship that is potentially damaging to the town and the Shire.

The proposal for a quality life style village therefore makes social, economic and environmental sense and has benefits not only for the proponent, but for the community more broadly.

## About the Author

Professor Haslam McKenzie has extensive experience in population and socio-economic change, regional economic development and analysis of regional and urban social indicators. She has published widely and undertaken work for the corporate and small business sectors as well as all three tiers of government, both nationally and in Western Australia.

Early in 2010, Professor Haslam McKenzie was appointed Chief Research Investigator for the *Regional Economic Productivity Co-operative Research Centre* and Project Leader for the CSIRO Minerals Down Under *Regions in Transition* Project. She is also Curtin University's representative on the CSIRO Minerals Future Cluster Management Committee. Prior to her current role Professor Fiona Haslam McKenzie was the Director of the Housing and Urban Research Institute of Western Australia and the Head of Research in the John Curtin Institute of Public Policy at Curtin University.

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PLANNING AND DEVELOPMENT ACT 2005

SHIRE OF DENMARK

TOWN PLANNING SCHEME No. 3

AMENDMENT No.131

The Denmark Shire Council under and by virtue of the powers conferred upon it in that behalf by the Planning and Development Act 2005 hereby amends the above town planning scheme by:

*Amending Appendix XIII – Schedule of Tourist Zones - Tourist zone 1  
by deleting the existing information and replacing it as follows.*

PARTICULARS OF THE LAND		TOURIST USE	CONDITIONS OF TOURIST USE																																														
1.	Denmark Town Lots 83, 84 & 85	Karri Mia Tourist Zone	<p>i) Development shall generally be in accordance with the Karri Mia Development Plan 09-16-DP, or any other variation to the plan approved by Council.</p> <p>ii) Notwithstanding clause 3.2.1 of the scheme, the only uses which may be considered within Precincts 'A' &amp; 'B' as shown on the Karri Mia Development Plan are as follows:</p> <p><b><u>Precinct 'A'</u></b></p> <table> <tr><td>Arts &amp; Crafts Display</td><td>AA</td></tr> <tr><td>Boarding House (including Beauty salon)</td><td>AA</td></tr> <tr><td>Caravan Park</td><td>AA</td></tr> <tr><td>Cottage industry</td><td>AA</td></tr> <tr><td>Fast food outlet</td><td>SA</td></tr> <tr><td>Function Centre</td><td>AA</td></tr> <tr><td>Gallery restaurant</td><td>AA</td></tr> <tr><td>Holiday Accommodation</td><td>AA</td></tr> <tr><td>Hotel</td><td>SA</td></tr> <tr><td>Market</td><td>AA</td></tr> <tr><td>Microbrewery</td><td>AA</td></tr> <tr><td>Motel</td><td>SA</td></tr> <tr><td>Office</td><td>IP</td></tr> <tr><td>Private Recreation</td><td>P</td></tr> <tr><td>Public Amusement</td><td>AA</td></tr> <tr><td>Restaurant</td><td>AA</td></tr> <tr><td>Shop</td><td>AA</td></tr> <tr><td>Single House</td><td>P</td></tr> <tr><td>Winery</td><td>AA</td></tr> </table> <p><b><u>Precinct 'B'</u></b></p> <table> <tr><td>Holiday Accommodation</td><td>AA</td></tr> <tr><td>Holiday Home</td><td>P</td></tr> <tr><td>Home Occupation</td><td>AA</td></tr> <tr><td>Single House</td><td>P</td></tr> </table> <p>iii) If a use is not specifically mentioned in the list of uses shown in ii) above, or cannot reasonably be determined as falling within the interpretation of one of the use categories, then clause 3.2.5 of the scheme will apply.</p> <p>iv) Building setbacks shall be 6 metres from the front boundary and 5 metres from the side and rear boundaries.</p> <p>v) Vehicular access to the zone shall be limited to nominated points on Mount Shadforth Road as shown on the Development Plan and approved by Council.</p>	Arts & Crafts Display	AA	Boarding House (including Beauty salon)	AA	Caravan Park	AA	Cottage industry	AA	Fast food outlet	SA	Function Centre	AA	Gallery restaurant	AA	Holiday Accommodation	AA	Hotel	SA	Market	AA	Microbrewery	AA	Motel	SA	Office	IP	Private Recreation	P	Public Amusement	AA	Restaurant	AA	Shop	AA	Single House	P	Winery	AA	Holiday Accommodation	AA	Holiday Home	P	Home Occupation	AA	Single House	P
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Holiday Home	P																																																
Home Occupation	AA																																																
Single House	P																																																

			<ul style="list-style-type: none"> <li>vi) All lots shall be connected to scheme water.</li> <li>vii) Development shall be connected to on-site effluent disposal systems installed to the satisfaction of the Health Department and Council.</li> <li>viii) All buildings constructed within the zone shall be sympathetic to the existing landscape in terms of location, scale, height, building materials and colour.</li> <li>ix) Fencing shall be of rural character such as post and strand (or similar). Fibre cement, metal sheeting or wooden picket shall not be permitted.</li> <li>x) Suitable fire control measures being implemented to the satisfaction of Council.</li> <li>xi) A maximum of one pet per dwelling with a secure enclosure may be permitted.</li> <li>xii) Development shall comply with the requirements of the Department of Environmental Protection Noise Abatement regulations.</li> <li>xiii) Council may request the WAPC to impose a condition of subdivision which requires a notification on the Certificate of Title for all new lots, to advise prospective purchasers that; <ul style="list-style-type: none"> <li>a) Rural pursuits and practices are conducted adjacent to the development site;</li> <li>b) The site is zoned 'Tourism' and associated uses may result in increased levels of noise and vehicular movement.</li> </ul> </li> </ul>
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**ADOPTION**

Adopted by resolution of the Council of the Shire of Denmark at the meeting of the Council held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

\_\_\_\_\_  
**Shire President**

\_\_\_\_\_  
**Chief Executive Officer**

**FINAL APPROVAL**

Adopted for final approval by resolution of the Shire of Denmark at the Meeting of the Council held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_ and the Common Seal of the Shire of Denmark was hereunto affixed by the authority of a resolution of the Council in the presence of:

\_\_\_\_\_  
**Shire President**

\_\_\_\_\_  
**Chief Executive Officer**

Recommended/Submitted for Final Approval .....

\_\_\_\_\_  
**Delegated Under S.16  
of the PD Act 2005**

\_\_\_\_\_  
**Date**

Final Approval Granted

\_\_\_\_\_  
**Minister for Planning**

\_\_\_\_\_  
**Date**