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Sent: Wednesday, 20 May 2009 10:41 AM
To: Committee, Economics & Industry Standing
Cc: gmass@tourismcouncilwa.com.au; Sharon Dignard
Subject:

Dear Loraine

Please find attached the Chamber of Commerce and Industry of WA and the Tourism Council of WA submission to the Parliamentary Inquiry - Provision, Use and Regulation of Caravan Parks (and camping grounds) in WA.

Please feel free to contact Ms Sharon Dignard on 9365 7531 should you require further detail on this submission.

Thank you and kind regards
Barbara

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CCI's Charity of the Year 2009: World Vision Australia

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Knowledge Influence Support

CHAMBER OF COMMERCE AND INDUSTRY
WESTERN AUSTRALIA

20 May 2009

Dr Loraine Abernethie
Economics and Industry Standing Committee
Legislative Assembly Committee Office
Parliament House
Perth WA 6000
Email: laeisc@parliament.wa.gov.au

Dear Sir/ Madam

**PARLIAMENTARY INQUIRY – PROVISION, USE AND REGULATION OF
CARAVAN PARKS (AND CAMPING GROUNDS) IN WESTERN AUSTRALIA**

The Chamber of Commerce and Industry of WA (CCI) and the Tourism Council of Western Australia (TCWA) is pleased to make this submission to the Parliamentary Inquiry – Provision, Use and Regulation of Caravan Parks (and camping grounds) in WA.

About CCI

CCI is the leading business association in Western Australia, and is the second largest organisation of its kind in Australia. It has a membership of approximately 5,000 organisations in all sectors, including resource, agriculture, hospitality, retail, transport, building and construction, community services and finance, among others.

Most members are private businesses, but CCI also has representation in the not-for-profit and government sectors. Approximately 80 per cent of members are small businesses, and members are located in all regions of the State.

About TCWA

Tourism Council WA Ltd (TCWA) is the peak body for the tourism sector in Western Australia. It is a not for profit organization, representing the interests of its members which number some 800 across all industries in the tourism sector in Western Australia. TCWA is an independent organization governed by its members and as such it truly reflects the views of the industry at all levels across the State.

TCWA's primary role is to ensure the tourism sector is recognised as a major contributor to the Western Australian economy and the social fabric and sustainability of both metropolitan and regional communities

Comments

CCI and TCWA note that supply and demand for caravan and camping accommodation is changing as detailed in '*Understanding the Caravan Industry in WA: Research Report 2007*'. This includes changing demand for the style of caravan park accommodation, varying demand for short verse long stay accommodation in WA and rising opportunity costs for alternative land uses.

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We recognise that these changes are a function of the free market, and governments should avoid intervention in the market with prescriptive regulation to achieve unintended outcomes. The *'Tourism Planning Taskforce Report: Ministerial Taskforce to the Minister for Planning and Infrastructure 2006'* noted that government should not over-compensate for the current difficulties in achieving investment in the tourism sector as these are functions of the industry.

Ratios for Short and Long Stay Customers

CCI and TCWA do not support government prescribed ratios for the number of short verse long stay sites required in a mixed use caravan park. We believe arbitrary ratios based on government judgment poorly reflects the commercial reality of operating caravan parks with fluctuating demand in peak and off peak seasons.

Consistent Application of Regulations by Local Government

Local Government's are responsible for the administration of licences and town planning schemes which can impact the operation of caravan parks. CCI and TCWA strongly believe that caravan park regulation must be consistently applied throughout the state and not used by local governments to achieve unintended outcomes. We believe consistency in the application of caravan park planning legislation and supporting regulations will minimise the regulatory burden and compliance costs on industry.

CCI and TCWA believe that Local Governments should support the caravan park industry by identifying future sites more suited to caravan park development where a clear shortage of land zoned for caravan parks has been identified.

We provide in principle support for Tourism WA's Landbank initiative to fast track the approvals process for tourism and caravan park sites, however we are concerned about the lack of progress of any caravan park site during the three years this program has been operating.

Land Tax

CCI notes that all businesses, including caravan parks, are increasingly burdened by land tax. CCI and TCWA understand this is exacerbated for caravan parks operating on tourism zoned land because the unimproved value of tourism zoned land is higher than land zoned for caravan parks. We do not believe that re-zoning tourism zoned land to caravan park zoning would adequately address industry's concerns about rising land tax. CCI and TCWA are concerned that re-zoning may distort the market and fail to recognise a proponent's decision for investing in tourism zoned land.

We understand the impact of land tax on caravan parks is partially mitigated by the 50 per cent land tax concession. We support the WA Government's 50 percent cap on the increase in individual land values announced in the State Budget 2009-10.

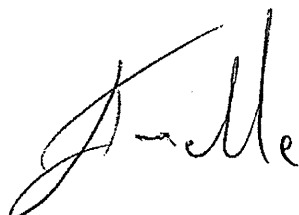
However, we understand some caravan parks are highly price sensitive due to seasonal demand which limits the ability to pass on cost increases to consumers. We understand increased costs, such as land tax, are causing increased pressure on caravan park's profitability. CCI and TCWA recommend further reform to the current land tax regime to minimise the burden on industry.

Land tenure

CCI and TCWA understand that many caravan parks operating on leasehold land have less than 20 years remaining on the original lease of 21 years plus 21 years. We understand the term of the lease is limiting the businesses' ability to source finance and consequently limiting the operator's willingness to invest in infrastructure and facilities because there is no certainty that their lease will be extended beyond this period. CCI and TCWA recommend the Government consider providing greater certainty to operators with leasehold arrangements by providing either an additional extension of 21 years or a 99 year lease.

CCI's Ms Sharon Dignard, Senior Adviser Industry Policy would be pleased to provide further detail on this submission. Ms Dignard can be contacted on (08) 9365 7531 or email: Sharon.Dignard@cciwa.com.

Yours sincerely



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Graham Moss
Chief Executive Officer
Tourism Council of WA