

CCI Sub 33

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From: Vanessa Lewis [vanessa.lewis@swdc.wa.gov.au]
Sent: Wednesday, 29 April 2009 11:55 AM
To: Committee, Economics & Industry Standing
Subject: Parliamentary Inquiry - Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia
Attachments: SWDC ltr final 280409.pdf

Dear Dr Abernethie

Please find attached an electronic version of the South West Development Commission's submission to the above-mentioned Inquiry. The original has been posted to you today.

<<SWDC ltr final 280409.pdf>>

Regards

Vanessa Lewis

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Dr Loraine Abernethie
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Dear Dr Abernethie

Parliamentary Inquiry – Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia

The South West Region has suffered a net loss of five caravan parks since the beginning of 2005 (ABS Survey of Tourist Accommodation 2008). While the majority have been in coastal areas, several losses have also been felt in the inland shires. The reduction in the number of caravan parks is a widespread trend, albeit for a range of reasons, and measures are required to stem the flow.

The Commission appreciates the opportunity to provide input to this Inquiry and will specifically comment on point two of the terms of reference: “Demand, supply and costs, and trends thereof, of caravan park sites and related services”.

The research report on understanding the caravan industry in Western Australia commissioned by Tourism Western Australia (TWA) and Tourism Research Australia (TRA) and released in 2007 provides a good overview of the factors likely to affect both existing and future demand and supply of caravan park accommodation.

It is acknowledged that demand for this type of accommodation is going to increase due to the baby boomers reaching retirement and the tendency for people to holiday at home in the current economic and world climate. The desire for more affordable accommodation (hence possibly a longer holiday) and a relaxed, outdoors atmosphere with minimal fuss are key attractors for caravan parks. The increasing use of caravan parks for affordable and crisis accommodation and for workers accommodation is also being experienced in some regions.

Therefore it is clear from the caravan park closures and the number of parks redeveloped for other purposes that the issues currently facing the industry need to be addressed. It is believed the most significant of these issues include:

- Substantial and/or increasing operating costs (electricity, water rates and charges, wages, gas, maintenance costs, waste removal, council rates, fuel and land tax).



- Managing seasonal variation in demand for caravan park facilities.
- High land values which increase the likelihood that the land will be redeveloped for other purposes, together with a broad zoning which enables easy redevelopment of sites.
- Some local governments may not appreciate the economic and social value of caravan parks and opt for perceived higher-value uses for the land.
- Access to funds for refurbishment/redevelopment of ageing parks.

The TWA/TRA report's quantitative survey found South West operators who responded generally appeared to hold a fairly positive view of the industry (where "South West" is defined for this report as TWA's Australia's South West region, which also includes Albany, Denmark and Mount Barker). There was an increase in sites expected over the next five years, with 93-110 sites on average; a perception that the number of tourist sites will either stay the same or increase relative to permanent sites; and a strong feeling that the number of facilities provided to visitors in the parks will increase in the next five years.

On the other hand there was concern that parks will be redeveloped for residential or higher-order tourism use. Factors that would assist operators to continue were seen to include: a reduction in rates and taxes; government keeping costs as low as possible, e.g. further reduction in land taxes and lower council rates; more tourists/advertising/marketing; and fewer local government rules and regulations.

There are several strategies outlined in the report which are considered appropriate to assist in alleviating the situation in the South West Region.

- Making crown land available for caravan park development on a leasehold basis. In areas of high land values some see this as the only way in the future that viable parks can be developed and maintained. This is an initiative already being considered in this region.
- Specifically zoning the land for use as a caravan park. This would reduce taxes based on the unimproved value of the land and provide some protection from easy redevelopment. Local governments need to take the initiative in this regard.
- Further exploration of the potential for nature based caravan parks. At least one local government in this area is undertaking investigations for an eco-park.
- Incentives to operators to establish more sites in the existing parks. The South West has the capacity and is more likely to expand the number of sites in existing parks in the near future than some other regions.

From a South West perspective it is suggested that the following strategies also need to be considered:

- Review both land tax arrangements (and hopefully remove or further reduce land tax) and valuation of land for caravan park purposes, to provide an incentive for existing and potential operators.
- Identify and provide waste disposal sites for mobile homes, either within caravan parks or other appropriate locations where there is a significant distance between parks.

Unfortunately in the time available the Commission is not able to provide a more detailed response. However, the importance of pursuing the above-mentioned strategies is stressed.

It will become increasingly important to support and ensure the ongoing viability of existing caravan parks to avoid the need for closure and/or redevelopment and to encourage the development of new parks where parks have closed or demand is warranted.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'D. Punch'.

DON PUNCH
CHIEF EXECUTIVE OFFICER

28 April 2009