



## **Submission to the Competition Policy Review – Competitive Neutrality**

1. The Victorian Caravan Parks Association (VCPA) is the peak body in Victoria for caravan park owners and lessees, with more than 400 members across the state. It is a member of the Caravan Industry Association of Australia, the national body.
2. The focus of this submission is to comment on existing issues of Competitive Neutrality that require further reform to prevent unfair competition to the caravan park industry.
3. In August 2014 the VCPA met with senior officials of the VCEC to discuss these matters. In a cordial and wide-ranging meeting, we were unable to gain any indication that existing CN principles would apply to our issues.
4. In summary, these matters are as follows:
  - 4.1 Caravan parks in this state are subject to high compliance costs in order to gain and renew their park registration from their local Council or Shire. Under state Government planning regulations, Councils are responsible for monitoring the compliance of caravan parks in their jurisdiction with a plethora of requirements for fire safety equipment and maintenance, provision of sanitary and sanitation facilities, provision of fresh water and adequate ablution facilities, maintenance of safe electrical and gas connections, safe roadways and treed sites, provision of full-time staff, etc. The list is endless but reasonable, to ensure the safety of guests in the park. (Reference: *Victorian Caravan Park Regulations 2010*). Parks also pay annual Commercial rates to their local Council
  - 4.2 Industry research conducted in 2012 by *BDO Australia* indicated that caravan parks generate substantial economic activity back to their local community, at a multiplier rate of 1.38 for every dollar of income that is generated by visitor fees to stay in the park. This is in addition to the money that park guests spend independently at local venues and businesses within the area during their stay. Caravan parks also promote significant employment in regional areas as a result of this activity.

- 4.3 Caravan park business is generally seasonal, with short summer and school holiday peaks, but long down-times in the off-seasons. Industry research in Victoria in 2013 showed the average income of a working couple managing a caravan park to be approximately \$80k per annum.
  - 4.4 Caravan park owners accept the vagaries of their business
  - 4.5 Caravan park owners DO NOT, however, accept that the same Council that monitors their compliance with all the above requirements of the Victorian Caravan Park Regulations may also promote free camping sites within their municipality.
5. The VCPA holds that Councils that act to promote free camping sites within the proximity of commercial caravan parks have an exposed Conflict of Interest and may not be acting in accordance with CN principles. We further hold that is unconscionable for a Council to provide and promote through local Visitor Information Centres, Council websites and other promotional media that free sites are available whilst acting according to their delegated responsibility to ensure that commercial parks meet costly compliance requirements.
  6. Councils have argued that they are not subject to these compliance costs by arguing that they are not caravan parks that receive site fees, and so are not required to comply with sanitation, fire safety, lighting, staffing and all the other compliance requirements detailed above. This is a clear evasion of responsibility through a devious interpretation of the relevant act that defines a caravan park for the purposes of law-making. It is also a clear evasion of any responsibility for the safety of visitors who stay in overnight free sites such as showgrounds, river-side areas, and lake precincts among many others.
  7. The VCPA agrees that a revised set of competition principles should be developed to overcome this anomaly and remove the current capacity for Councils to act with this huge Conflict of Interest.
  8. For the purposes of clarity, the VCPA is not and never has been opposed to offering campers and travellers a choice of free camping in open countryside where no caravan parks operate. We oppose the blatant Conflict of Interest and disregard for visitor safety that is exposed when Councils endorse and promote free camp sites that operate within the city or town precinct in close proximity to commercial caravan parks. This does not promote a level playing field, and is clearly anti-competitive.

9. The VCPA notes the submission to the Competition Policy review from the Campervan and Motorhome Club of Australia, which promotes choice of venues for travellers with fully self-contained capabilities. We are in furious agreement that their vans and vehicles may allow them to stay outside of caravan parks, if they do not want to use the facilities available in a caravan park. We respectfully submit that they can exercise this freedom of choice away from towns and that Councils should not be acting with such blatant Conflict of Interest actions in setting up free camp sites within towns.
  
10. The VCPA urges the Review to test whether public interest is best served by reducing the costly compliance regime under which commercial caravan parks operate, or whether Councils should operate under similar compliance requirements (and cost structures) to create a level playing field.

Thank you for the opportunity to comment on the Draft document and to raise these issues, which do not appear to be covered by the recommendations in the Draft.

I can be contacted on 03 9372 3420 for any further information or discussion.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Elizabeth White', written in a cursive style.

Elizabeth White  
Chief Executive Officer

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