

Good afternoon.

I may well be from Queensland, but I am confident the QLD government will look very closely at the current work undertaken being undertaken in NSW, hence my input.

As a small family business operating a caravan park, we now have to operate in a very volatile and risky industry due to the pressure (and seeming willingness) of our local Council to provide free camping to people as a means by which to attract incremental visitation to our cities and towns. Whilst this is an incredibly naive economic model, it is "popular" and therefore a vote winner for current and prospective Councilors.

Unfortunately, caravan parks are **very capital intensive businesses** that can only exist on the basis of profitability over very **long time frames** - like a farmer if you like?.

Large capital investments require large loans and long term repayment plans.

The VAST MAJORITY of the retail price of a caravan park these days is either direct Government cost (Development Application Fees, ByLaw compliance), Annual Council Operating costs (sewerage, waste removal, water, rates, licensing) and the finance costs on these. In fact it can easily be demonstrated that it costs well over \$30 per site per night JUST to pay for these Government-based costs.

Once you start adding wages, electricity, maintenance and so on, it is easy to see how caravan sites are unprofitable in the current legislative environment. Cabin accommodation basically subsidizes caravan sites in commercial camping grounds at the moment. This will drive down private investment; not good for the long term.

Either Governments themselves will have to start spending to provide facilities or they will have to review the very planning laws that are making existing caravan sites so expensive, holding back demand and expenditure, both domestic and international.

The other thing to consider is that once councils start dabbling with the subjective interpretation of planning laws and the degree of compliance they consequently apply, a precedent will be set. Other planning laws may be put into question - why not have tobacconists next to schools, why can't we place toxic chemical plants in flood zones, why can't people sell food from their front yards without the need for licensing?

The world is constantly changing and the caravan park industry is no exception. RV's are now fully self-contained for short periods and technology allows new camping spots to start up overnight. Why "must" Council insist on expensive amenities, largely going un-used these days? My point is that the NSW State Government 'may' be right in taking over planning laws regarding caravan parks, but if these laws are not flexible enough to allow rapid change and sustainable profitability by private investors, forget it, because the rest will be history.

If you would ever like to see the figures regarding the cost modeling for a caravan park, please let me know and I can make it available?

Regards, and good luck with the review,

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