

Ministerial Statement made pursuant to the *National Competition Policy: Applying Competitive Neutrality Principles to public camping in Tasmania*

I, the Honourable Peter Carl Gutwein, Treasurer, pursuant to the *National Competition Policy: Applying Competitive Neutrality Principles to public camping in Tasmania*, January 2019, hereby confirm the Break O'Day Council's assessment that there are net public benefits from the Council providing six free camping sites at Fingal. Accordingly, the Council is not required to apply full cost attribution principles to the provision of these six sites at Fingal, subject to the conditions prescribed below.

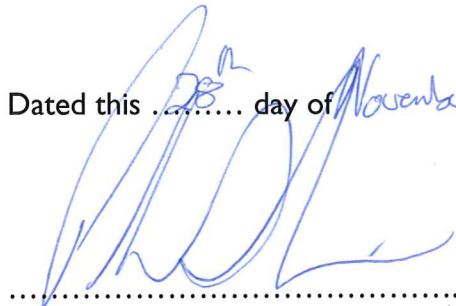
Commencement

This Ministerial Statement takes effect from the date it is signed by the Treasurer.

Conditions

1. This Ministerial Statement expires five years from the date of commencement.
2. The Break O'Day Council is to conduct annual reviews in relation to changes in the market and public camping objectives, with outcomes of these reviews to be included in the Council's annual report, together with existing reporting obligations under section 72(1)(caa) of the *Local Government Act 1993*.

Dated this 28th day of November 2019



Peter Carl Gutwein MP
Treasurer



Break O'Day
COUNCIL

PUBLIC BENEFIT TEST

Fingal Free Camping



Version: 2 – Date July, 2018

Description of the Significant Business Activity

Council provides six free camping sites at Fingal Park, a site that also includes public toilets, barbecue facilities and a playground for the Fingal community and visitors.

The table, below, indicates an assessment of free camping within 60 km driving distance of Break O'Day Council managed free camping sites:

BODC site	# of spaces	Other BODC sites	Total # BODC spaces	Total non-powered sites in the market	Market share
St Helens	16	St Marys - 20 Fingal - 6 Pyengana - 24	66	768	8.6%
St Marys	20	St Helens - 16 Fingal - 6	42	744	5.6%
Fingal	6	St Helens - 16 St Marys - 20	42	214	19.6%
Pyengana	24	St Helens - 16	40	722	5.5%

The assessment identifies Fingal Park as providing over 10% of free camping sites and therefore technically is a significant business activity according to the Policy Guidelines provided by Department of Treasury and Finance.

Policy Objective for undertaking the public camping business activity

As identified above, Council undertakes public camping at four sites in the municipality. There are three slightly different policy approaches related to these:

- For Fingal and St Marys, Council provides free camping to encourage visitors to stay in the townships to derive economic benefit for the relevant businesses in each township
- For St Helens, Council provides the free camping site to provide an overflow camping when other facilities in the township area are fully occupied seasonally and as a temporary site while visitors explore other camping options
- For Pyengana, camping is managed by the community and supported by Council

Affected stakeholders and their interests/concerns

Stakeholders relevant to the Fingal Free Camping have been identified below, with their interests and concerns noted:

The Public – Ratepayers

Ratepayers would be concerned if there was a significant subsidising of the cost of free camping provision. The Fingal site is maintained as a park for community and visitors and therefore additional costs are minimal. Council has had no concerns raised with respect to this. As Fingal Park is effectively on the highway, there could be a concern related to visual impact arising from campers and affecting ratepayers and tourists but the camping area is offset from the road and screened by the toilet block.

The Public – Local Residents

Local residents would be concerned if the provision of free camping created nuisance or otherwise impacted on the quiet enjoyment of the playground/park. Council has had infrequent and specific complaints of nuisance related to specific campers which are dealt with as they arise. Similarly, infrequently and specifically, concerns have been raised when a camper is considered to be staying too long and again, this type of complaint is dealt with as it arises. Council has not had general concerns related to the free camping at the Fingal Park by local residents, rather, feedback tends to be very positive.

The Public - Visitors

Visitors who are not campers, similarly to residents, would have concerns if campers impacted on their quiet enjoyment of the playground/park. Council has had no such feedback.

Visitors who are campers have an interest in that their desire to camp in the immediate vicinity of the Fingal township is being met by the free camp sites. Council occasionally receives unsolicited positive feedback in the form of notes or emails expressing appreciation or positive feedback is passed on through the community.

Commercial Caravan Park Operators

There are five commercial caravan park operators in the Break O'Day municipality and all are within 60 km driving distance of Fingal Park. However, realistically, the six free camping sites in Fingal pale into insignificance when compared with the hundreds of free camping sites provided by the state government in the municipality and the majority of these have a beachside aspect with the majority located within the Bay of Fires.

There are NO commercial caravan park operators in or near the Fingal township. The nearest competition to these sites are the free sites provided by Council at St Marys, approximately 20 kms. The nearest commercial caravan park operators are at Scamander, approximately 40 kms, where there are two operators. There are many more state government provided free camping sites, closer to Scamander than Fingal Park, as well as the above-mentioned beachside free camping sites not much further than the driving distance to Fingal. Realistically, the Fingal Park free camping sites are an attraction only to visitors with a specific interest in associating with the Fingal township and its immediate attractions.

Local Businesses

As a small regional township, Fingal has only a few businesses and their interest in the free camping is in the financial interaction between those that utilise the free camping and purchase their goods and services. Council feedback has been very positive from Fingal businesses, appreciating the benefit of the free camping to the Fingal economy.

NOTE: Tourists (treated as Visitors, above)

Public consultation and market research undertaken

Due to the low-level nature, both in terms of camping sites provided (six) and competitive impact, public benefit assessment was undertaken as a desktop exercise.

Assessment of the free camping impact was undertaken by telephone and face-to-face consultation with operators in the municipality.

Identification of interests and concerns of stakeholders was undertaken by a review of Break O'Day Council's record system, review of Fingal Township consultation records and interviews with relevant Break O'Day Council managers.

Both of the Scamander Commercial Caravan Park operators were consulted specifically with respect to concerns and impacts of the Fingal free camping, by telephone. The manager of one of the sites identified that the six free camping sites had no impact on their business. The owner of the other site identified that any and all free camping sites provided in the municipality in particular and Tasmania generally had an impact on commercial caravan park operations and therefore on his business. This was therefore also true of the Fingal free camping site although no specific impact was identified.

Consideration of full cost attribution pricing

As indicated above, Council provides free camping to encourage visitors to stay in the townships of St Marys and Fingal to derive economic benefit for the relevant businesses of those townships.

Council has not endeavoured to identify the full cost of providing the free camping at Fingal. As has been clearly demonstrated above:

- The small number of camping sites provided in Fingal do not compete with commercial operations when the much, much larger number of free camping sites provided by the state government are considered
- Council has installed coin operated hot showers and encourages donations to offset some of the operating costs with very minimal administrative cost

On that basis, any attempt to implement cost recovery would:

- Increase costs such that Council would stop provision of the free camping AND/OR
- Campers would balk at the cost and move on to alternative free camping sites

This would therefore jeopardise the achievement of the policy objective.

Conclusion – best option for achieving Council’s policy objective

As identified through this report, the current approach of “free” camping provision, with coin operated hot showers and encouraging donations is working to achieve Council’s policy objective while mitigating against a perception of competition with commercial operators. This is in the context of any greater level of administrative or compliance costs associated with full cost attribution would make the camping provision unaffordable for Council.

The options available to Council, therefore, to continue to achieve the policy objective, are:

- Do nothing
- Apply to the Minister for a Ministerial Statement, exempting the Fingal Park free camping from the application of full cost attribution principles

As the “do nothing” approach has the risk of a complaint being lodged with the Economic Regulator, it is recommended that Council apply for a Ministerial Statement.