



***ECONOMICS AND INDUSTRY
STANDING COMMITTEE***

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

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Part 2**

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

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Report No. 2

Part 2

Presented by:

Dr M.D. Nahan, MLA

Laid on the Table of the Legislative Assembly
on 15 October 2009

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TABLE OF CONTENTS

COMMITTEE MEMBERS	i
COMMITTEE STAFF.....	i
COMMITTEE ADDRESS	i
COMMITTEE’S FUNCTIONS AND POWERS	vii
INQUIRY TERMS OF REFERENCE	ix
CHAIR’S FOREWORD.....	xi
ABBREVIATIONS AND ACRONYMS	xiii
GLOSSARY	xvii
EXECUTIVE SUMMARY	xix
FINDINGS.....	xxxix
RECOMMENDATIONS.....	lxxiii
MINISTERIAL RESPONSE.....	lxxxix
CHAPTER 1 INTRODUCTION.....	1
1.1 THE COMMITTEE.....	1
1.2 CONDUCT OF THE INQUIRY	1
1.3 BACKGROUND TO THE INQUIRY	3
(a) The Importance of Tourism to Western Australia.....	3
(b) The Importance of the Family Holiday in Australia	3
(c) The Importance of Caravanning and Camping	5
(d) Benefits Provided by Caravan Parks and Camping Grounds	6
(e) Risk to the Family Holiday and Tourism – Pressures on Caravan Parks	11
(f) Risk Recognised and Concern Expressed	13
1.4 STATISTICAL DATA.....	15
CHAPTER 2 STRUCTURE AND REGULATION OF THE INDUSTRY - AN OVERVIEW	19
2.1 STRUCTURE OF THE CARAVAN PARK (AND CAMPING GROUND) INDUSTRY IN WESTERN AUSTRALIA.....	19
(a) Caravan Parks and Camping Grounds Characteristics	21
(b) Ownership, Operation and Location	23
2.2 REGULATION OF CARAVAN PARKS AND CAMPING GROUNDS IN WESTERN AUSTRALIA	24
(a) Background	24
(b) Regulation of Caravan Parks and Camping Grounds.....	29
(c) Regulation of Long-Term Tenancies	30
(d) Other Legislation and Policy Impacting upon Caravan Parks and Camping Grounds.....	31
CHAPTER 3 DEMAND CHARACTERISTICS: VISITORS TO CARAVAN PARKS AND CAMPING GROUNDS	33
3.1 SEGMENTS WITHIN THE TOURIST ACCOMMODATION MARKET	33
(a) Short-Stay Users of Tourist Accommodation	33
(b) Short/Medium-Stay Users of Tourist Accommodation.....	33
(c) Seasonal/Long-Stay Users of Tourist Accommodation	34
3.2 SEGMENTS WITHIN THE CARAVAN PARK AND CAMPING GROUND ACCOMMODATION MARKET	34
3.3 VISITORS TO CARAVAN PARKS: TRAVELLERS AND HOLIDAYMAKERS.....	36
(a) Grey Nomads	37
(b) Freedom Seekers	38
(c) Families.....	38
(d) Winter Drifters	39
(e) Intrastate Holidaymakers	40
(f) International Visitors.....	41
(g) The Self-Contained Traveller.....	41
3.4 VISITORS TO CAMPING GROUNDS: BUSH CAMPING	42

3.5	FACTORS INFLUENCING CARAVAN PARK AND CAMPING GROUND VISITOR TRENDS AND BEHAVIOUR	44
	(a) Holiday Planning	45
	(b) Accommodation Selection	46
	(c) Site Selection: Camping, Caravan or Cabin?	47
	(d) Facilities.....	48
	(e) Which Park?.....	49
	(f) Economic Conditions.....	49
	(g) Seasonality	49
CHAPTER 4	TRENDS IN DEMAND FOR CARAVANNING AND CAMPING ACCOMMODATION	51
4.1	INTRODUCTION.....	51
4.2	DEMAND FOR CARAVAN PARKS AND CAMPING GROUNDS IN WESTERN AUSTRALIA	51
	(a) Tourism Research Australia Data	53
	(b) Demand Trend Summary.....	56
4.3	DEMAND FOR CARAVANS, CAMPERS AND CAMPING EQUIPMENT	57
4.4	EMERGING DEMAND TRENDS	60
	(a) Increasing Expectations: Quality and Facilities	60
	(b) Annuals	65
	(c) Demand for Chalets and Cabins.....	67
	(d) Increasing Demand for Caravan Parks as a Permanent, Available and Affordable Housing Option	69
	(e) The Rise in Demand for Alternatives to Traditional Caravan and Camping Sites: ‘Wilderness Camping’	72
	(f) Illegal Camping.....	79
4.5	DEMAND PREDICTIONS: LOOKING TO THE FUTURE.....	82
CHAPTER 5	SUPPLY OF CARAVAN PARKS AND CAMPING GROUNDS	85
5.1	SUPPLY OF CARAVAN PARKS IN WESTERN AUSTRALIA	85
	(a) Caravan Parks	85
	(b) Overflow Areas.....	88
5.2	TYPES OF CARAVAN PARK ACCOMMODATION PROVIDED	91
5.3	CHANGES IN SUPPLY OF CARAVAN PARKS IN WESTERN AUSTRALIA	92
5.4	CARAVAN PARK CAPACITY.....	96
5.5	SHORTAGE OR SEASONAL FACT OF LIFE?.....	100
5.6	SUPPLY OF CAMPING GROUNDS	102
	(a) Camping on the DEC Estate	102
	(b) Camping on Pastoral Leases	104
5.7	SUPPLY OF REST AREAS - ROADSIDE REST STOPS AND FACILITIES.....	116
	(a) Roadside Rest Areas	116
	(b) Dump Points	124
CHAPTER 6	PRESSURES ON SUPPLY	135
6.1	CLOSURE OF CARAVAN PARKS AND CAMPING GROUNDS: HIGHER VALUE LAND USE	137
	(a) Urban Encroachment	137
	(b) Rising Value of Coastal and Urban Land	139
6.2	FACTORS IMPACTING UPON THE VIABILITY OF THE CARAVAN PARK AND CAMPING GROUND INDUSTRY	145
	(a) Seasonality of Tourist Demand.....	146
	(b) Increasing Operating Costs	149
	(c) Potential Impact of Rising Costs on Supply.....	172
	(d) Aging Infrastructure.....	175
6.3	PROVISION OF ALTERNATIVE TOURIST ACCOMMODATION	179
6.4	BARRIERS TO THE SUPPLY OF NEW PARKS OR FURTHER DEVELOPMENT OF EXISTING PARKS.....	183

	(a) Establishment Costs	183
	(b) Land Availability	186
	(c) Land Tenure	188
CHAPTER 7	PLANNING AND DEVELOPMENT	193
7.1	INTRODUCTION	193
7.2	THE 2006 TOURISM PLANNING TASKFORCE REPORT	194
7.3	THE PLANNING AND DEVELOPMENT FRAMEWORK	196
	(a) State Planning Strategy	196
	(b) Statements of Planning Policy	197
	(c) Regional Strategies and Regional Structure Plans	198
	(d) Planning Bulletins and Development Control Policies	199
	(e) Local Planning Strategies	201
	(f) Town Planning Schemes	202
	(g) Town Planning Scheme Zonings	202
	(h) Town Planning Scheme Policies	203
7.4	IMPLEMENTING THE TASKFORCE RECOMMENDATIONS: LOCAL TOURISM STRATEGIES AND ZONING UNDER TOWN PLANNING SCHEMES	203
	(a) Local Tourism Planning Strategies	204
	(b) Zoning Under Town Planning Schemes	207
7.5	THE 'PERMANENT' OCCUPATION OF CARAVAN PARKS: PLANNING AND DEVELOPMENT ISSUES	217
	(a) Planning for the Supply of Long- and Short-Stay Sites Within a Caravan Park	218
	(b) Planning for Residential Parks	223
7.6	BUILDING APPROVAL AND REGULATION	229
7.7	STRATA TITLING OF CARAVAN PARKS	236
7.8	PLANNING BARRIERS TO NEW CARAVAN PARK DEVELOPMENTS	239
CHAPTER 8	DUAL USE OF CARAVAN PARKS: TOURISM AND RESIDENTIAL USES	247
8.1	INTRODUCTION	247
8.2	DEMAND CHARACTERISTICS	250
	(a) Affordable Housing	251
	(b) A Lifestyle Choice	255
	(c) Workforce Accommodation	257
8.3	SUPPLY OF, AND DEMAND FOR, SHORT- AND LONG-STAY SITES	260
	(a) Increasing Demand and Decreasing Supply	260
	(b) Striking a Balance	268
8.4	OTHER ISSUES ARISING FROM THE DUAL USE OF CARAVAN PARKS	271
	(a) The Social and Economic Dislocation of Long-Stay Tenants	272
	(b) The Incompatibility of the Dual Uses	286
CHAPTER 9	THE IMPACT OF THE LEGISLATIVE REGIME	291
9.1	INTRODUCTION	291
9.2	THE CARAVAN PARKS AND CAMPING GROUNDS ADVISORY COMMITTEE	292
9.3	REVIEW OF THE CARAVAN PARKS AND CAMPING GROUNDS ACT 1995 (WA)	293
9.4	MAINTAINING A VIABLE CARAVAN PARK INDUSTRY	295
	(a) Applying the Caravan Parks and Camping Grounds Legislation	295
	(b) Licensing and Compliance	302
	(c) Regulation 49: The Location of Transit Parks and Nature-Based Parks	309
	(d) Where People Can Camp	312
9.5	PROTECTING THE RIGHTS OF OPERATORS AND USERS	324
	(a) The Residential Parks (Long-stay Tenants) Act 2006 (WA)	324
	(b) Long-Stay Agreements: Security of Tenure	327
	(c) 'Eviction Without Reason'	335
	(d) The Marketing and Sale of Park Homes or Caravans	338
	(e) Disclosure to Prospective Buyers	342
	(f) The Regulation of Long-stay Tenancies in Other Jurisdictions	344
	(g) Legislative Amendment	344

9.6	PROVIDING AN ADEQUATE MIX OF LONG- AND SHORT-STAY FACILITIES AND SITES	346
CHAPTER 10	REGIONAL SNAPSHOTS	351
10.1	BROOME.....	351
	(a) The Caravan Park Industry in Broome.....	352
	(b) Demand for Caravan Parks and Camping Grounds	352
	(c) Supply and Supply Pressures	354
	(d) Implications for Tourism in Western Australia.....	360
	(e) Future Developments	361
10.2	THE PILBARA REGION	364
	(a) Supply of Caravan Parks.....	365
	(b) Supply of Worker Accommodation: A Supply Pressure.....	368
	(c) Other Factors Affecting the Supply of Caravan and Camping Sites	369
	(d) Other Issues.....	373
10.3	MANDURAH	376
	(a) Use of Caravan Parks for Affordable Housing	376
	(b) Rising Land Values.....	378
	(c) Impact of Pressures on Mandurah’s Caravan Parks.....	378
10.4	ALBANY	381
	(a) Demand.....	381
	(b) Supply and Supply Pressures	383
	(c) Meeting the Challenge: Albany’s Tourism Accommodation Planning Strategy	385
10.5	BUSSELTON.....	390
	(a) Caravan Parks in Busselton.....	390
	(b) Pressures on Supply	390
	(c) Future Supply of Caravan Parks	392
10.6	CORAL BAY	395
	(a) Planning for Coral Bay	396
	(b) Worker Accommodation.....	397
CHAPTER 11	TIME TO ACT.....	401
11.1	CARAVAN PARKS AND CAMPING GROUNDS - OFF THE RADAR?	401
11.2	MARKETING CARAVANNING AND CAMPING.....	402
11.3	PROVIDING RV FRIENDLY LOCATIONS	407
11.4	KEY ACTIONS	410
APPENDIX ONE	415
	SUBMISSIONS RECEIVED	415
APPENDIX TWO	423
	HEARINGS.....	423
APPENDIX THREE	427
	BRIEFINGS HELD.....	427
APPENDIX FOUR	431
	LEGISLATION	431
APPENDIX FIVE	433
	STATISTICAL DATA: TOURISM RESEARCH AUSTRALIA.....	433
APPENDIX SIX	441
	STATISTICAL DATA: AUSTRALIAN BUREAU OF STATISTICS	441

CHAPTER 1 INTRODUCTION

1.1 The Committee

The Economics and Industry Standing Committee is a portfolio-related Committee of the Legislative Assembly of the Parliament of Western Australia and was appointed on 13 November 2008. Pursuant to Legislative Assembly Standing Order 287(3), the Speaker determined that the Committee would have the portfolio responsibilities of: State Development; Mines and Petroleum; Fisheries; Regional Development; Lands; Tourism; Transport; Commerce; Science and Innovation; Housing and Works; Racing and Gaming; Planning; Energy; Water; Heritage; Agriculture and Food; and Forestry.

In accordance with Standing Order 287(2), the Committee determined to conduct an Inquiry into the Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia. This inquiry relates to the oversight of several of the Committee's inter-related portfolio areas including, but not limited to, state development, regional development, lands, planning, housing and tourism.

1.2 Conduct of the Inquiry

At its meeting on 9 March 2009 the Economics and Industry Standing Committee resolved to inquire into, and report on, the Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia. The terms of reference for the Inquiry were subsequently announced to the Legislative Assembly on 11 March 2009.¹

An advertisement calling for public submissions was placed in *The West Australian* on 28 March 2009 and the *Countryman* on 30 March 2009. To ensure that the Inquiry attracted submissions from a broad range of interested parties, the Committee also issued a media release to newspapers in major regional centres advising of the Inquiry and its terms of reference. Notice of the Inquiry was also issued to the Chief Executive Officers of all local governments in Western Australia to enable them to display and/or distribute the information more widely in their respective areas. Similarly, notice was also provided to various industry associations for distribution to their membership. Furthermore, the Committee invited submissions from local governments, state government agencies, caravan park and camping ground owner/operators, industry groups and a range of private sector companies. Letters inviting submissions were sent to 394 caravan parks and camping grounds in the state.

In relation to submissions from local governments, the Committee sent letters of request to the 141 Local Government Authorities (LGAs) in Western Australia. By 11 May 2009 only a relatively small number had responded to this request, with some of those declining to make a submission for a range of reasons. Given this, an email was sent to those LGAs who had not yet responded

¹ Hon. Grant Woodhams, The Speaker, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 11 March 2009, p1617c.

reminding them of the Committee's request and the terms of reference for the Inquiry, and requesting that the Chief Executive Officer advise via return email whether they wished to make a submission to this Inquiry. The email also asked those LGAs which had determined that no submission was necessary to provide a brief explanation as to why this was the case. A variety of responses was received to this email. Some LGAs simply stated that they had competing demands and were too busy to make a submission; some advised that because there were no caravan parks within their jurisdiction they would not be making a submission;² and several advised that while they would not make a formal submission they did have some comments to make. These emailed comments have been accepted as correspondence and have helped to inform this Inquiry.

In total, the Committee received 109 submissions.³ Due to the large number of submissions, many of which made similar points, the Committee has chosen to quote only a small sample in relation to each topic or issue. This is not intended to diminish the importance of those submissions not directly referred to or quoted from. They remain an important factor in the Committee's decision-making process and helped provide the foundation upon which its findings and recommendations are made.

The Committee also conducted documentary research and held 13 formal public evidence hearings and one closed hearing.⁴ Public hearings were noted on the Parliament's web site and the subsequent transcripts were made available by the same means. The Committee also held meetings with, and received briefings from, a number of local government officers, caravan park manufacturers, park owners and/or operators, industry bodies, government agencies and people who regularly caravan or camp throughout Western Australia. Although briefings to the Committee are not transcribed and made publicly available, a list of those who provided the briefings can be found listed in Appendix Three.

In addition to gathering evidence via the above means, the Committee also undertook a series of site visits to various locations across the state. The Committee's preliminary investigations revealed that different areas of the state are affected by different combinations of the development and accommodation pressures being faced by caravan parks. However, time and budgetary constraints meant that it was not possible for the Committee to undertake extensive travel throughout the entire state. Therefore, a selection of destination sites was chosen to represent possible combinations of region and type of pressure. Following consideration of the issues raised in preliminary research, the Committee undertook a number of one, two and three day trips, including a number by bus and others by a combination of fly and drive. The Committee visited locations in Exmouth, Coral Bay, Broome, Port Hedland and Karratha, as well as various sites in the Experience Perth tourism region and the South West tourism region.⁵

² While the Town of Claremont advised it did not have any caravan parks within its jurisdiction, it did provide comment on caravan park related issues that affected the Town.

³ Submissions to the Inquiry are listed in Appendix One.

⁴ A list of formal hearings and witnesses can be found at Appendix Two.

⁵ The briefings received on the Committee's travel are included in Appendix Three.

The purpose of these visits was to allow the Committee members to see first-hand the conditions existing in some of the state's caravan parks and camping grounds. Travelling to different locations also afforded members the opportunity to meet with various caravan park owner/operators, and representatives from local government agencies, regional development commissions and other interested parties. Information was gathered through a series of meetings, briefings and site visits, and helped to provide a much broader depth of knowledge and understanding of the issues involved. While necessarily limited by time and resources, the Committee's observations during its travel to various regions made it possible for its members to gain information and first-hand experience that simply is not available through desktop research. For example, while a certain level of insight was gained from reading submissions and other publications about the long distances between rest areas in the north of the state, it was impossible for the Committee to truly understand what this meant for travellers until the members themselves undertook such travel through the regions. The various trips also helped the Committee gather information from caravan park operators and/or local governments in areas from which few submissions were received, a factor that particularly affected the north west. This was important as it helped to avoid a metropolitan and/or south west bias in the data and, hence, the report.

1.3 Background to the Inquiry

(a) The Importance of Tourism to Western Australia

There is no doubt that tourism is important to Western Australia. According to the Access Economics 2003 tourism satellite account, 'tourism makes a large contribution to the Western Australian economy'.⁶ Furthermore, the 2006 *Tourism Planning Taskforce Report (Taskforce Report)* states that the tourism industry in Western Australia 'has been growing steadily over recent years, in its contribution to the State economy and in its own right'.⁷

For the period 2006–2007 the Sustainable Tourism Cooperative Research Centre (STCRC) released a set of tourism satellite accounts, including one for Western Australia. These accounts show a tourism-direct gross value added (GVA) of \$2.97 billion and an indirect tourism GVA of \$3.19 billion, making the total tourism contribution to GVA \$6.16 billion. Directly related tourism jobs numbered 45,660, or 4.2% of all jobs in the state.⁸

(b) The Importance of the Family Holiday in Australia

While the means of travel and the destinations have changed over time, the 'concept of the modern annual holiday – a regular stretch of time spent away from home' – developed in the 'second half

⁶ Western Australian Tourism Commission, *The Economic Contribution of Tourism to the State of Western Australia: A Tourism Satellite Account-Based Analysis*, report prepared by Access Economics Pty Ltd, Access Economics, 15 September 2003, pi.

⁷ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p7.

⁸ Thiep Van Ho et al, *Tourism Satellite Accounts 2006-07: Western Australia*, Sustainable Tourism Cooperative Research Centre, Centre for Economics and Policy, Qld, 2008, pvii.

of the 19th century'.⁹ Richard White et al argue that 'by the beginning of the 20th century an Australian holiday was discernible, with distinctive resorts, customs and practices'.¹⁰ By the middle of the 20th century the Australian holiday reached its 'heyday' – by this time 'the stereotypical beach holiday – casual, democratic, sociable, cheap and laidback - was available to all'.¹¹ The Campervan and Motorhome Club of Australia Ltd (CMCA) presents a view of post World War II camping as 'the quintessential family holiday':

*tarpaulin tents tied over location supplied wooden frames and little else outside a set of public toilets and cold showers. Kids met other kids, they played marbles in the dirt, swam in secure beach locations, and mums, dads and kids took away wonderful holiday memories.*¹²

More recently, though, the Australian holiday has been undergoing particular changes. First, the development of the tourism industry has transformed the holiday into a 'more commercially-driven and more global experience'.¹³ Second, there is the tendency for people to take multiple short breaks rather than a core three or four week annual holiday. Third, the practice of annual leave stockpiling has increased sharply over the past few years. As of December 2008, Australia had '123 million days of accrued annual leave by full-time employees', an accrual that represents an 11% increase from December 2006.¹⁴

In addition to these changes, retirement increasingly was seen as the time for a holiday particularly as older Australians became more financially secure and many took advantage of early retirement.¹⁵

The embracing of early retirement and the transformation of retirement into a holiday led to the development of the 'grey nomad' phenomenon which:

saw thousands of elderly Australians setting off to drive around Australia in caravans and camper vans: sales of caravans trebled in the 1990s. ... By the 1980s, the favourite resorts

⁹ White, Richard et al., *On Holidays. A History of Getting Away in Australia*, Pluto Press Australia, North Melbourne, 2005, p54. This book explores the development of the Australian holiday within a social, cultural and economic context.

¹⁰ *ibid.*

¹¹ *ibid.*, ppxiv-xv. This text includes, amongst other things, a history of the Australian holiday, including the post WWII holiday boom, the rise of the long weekend, holidays as a worker's right, the impact of the motor vehicle on holidays, the development of the caravan holiday and other changes in the form and meaning of the Australian holiday.

¹² Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 30 April 2009, p5.

¹³ White, Richard et al., *On Holidays. A History of Getting Away in Australia*, Pluto Press Australia, North Melbourne, 2005, p167.

¹⁴ Tourism Australia, *No Leave No Life. Australia is Calling*, nd, p1. Available at: <http://www.noleaveno-life.com/pdf/Research%20lo-res.pdf>. Accessed on 8 June 2009.

¹⁵ White, Richard et al., *On Holidays. A History of Getting Away in Australia*, Pluto Press Australia, North Melbourne, 2005, p193.

*for family holidays in the 1950s and 1960s were bristling with retirees buying homes to retire to.*¹⁶

(c) The Importance of Caravanning and Camping

While the relationship between work and leisure may have undergone significant changes, there is evidence that holiday-making remains a much valued part of Australian life. Furthermore, much of this holiday-making takes the form of caravanning and camping.

Increasing car ownership significantly impacted upon the form of accommodation available to holidaymakers, with the existence of the motor vehicle being a necessary condition for the development of the caravan. White et al argue that:

*caravanning came into its own with mass car ownership. Caravans and mobile homes had appeared in the 1920s (though horse-drawn versions, more for work than pleasure, had an older history). Many were home-made, often from designs published in magazines, though by the 1930s companies were beginning to advertise ready-built caravans. The beauty of the caravan was how it combined domesticity and the flight from it in one package: “if you grow tired of one spot you just hitch up and away to greener pastures – that’s caravanning”.*¹⁷

CMCA agrees that by the mid-1950s ‘there was a family move to towing small Caravans as motor vehicles became more available; this led to a demand for removal of the tent frames to be supplanted by parking bays with the addition of a tent annex’.¹⁸

The very high level of interest from members of the public, interest groups, and state, interstate and federal governments generated by this Inquiry provides evidence of the continuing importance of caravanning and camping in Western Australia.¹⁹ This is further demonstrated by the larger-than-average number of submissions received. Throughout the Inquiry, through submissions received, meetings held, and briefings and hearings conducted, it became clear to the Committee that caravanning and camping is an issue that generates a good deal of passion, as well as divergent ideas, positions and points of view. As the analysis presented in this report is built upon and reflects the high level of importance of caravanning and camping to Western Australians, detailed exegesis of the evidence provided to the Committee is not presented at this stage. The point here is simply that the weight of evidence presented signifies the considerable importance of the subject to the community.

The importance of caravanning and camping also has been acknowledged by members of the Western Australian Parliament, particularly through debate surrounding the development and

¹⁶ *ibid.*, p193.

¹⁷ *ibid.*, p137.

¹⁸ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 30 April 2009, p5.

¹⁹ Following the advertising of this Inquiry, the Committee office received a number of calls from other state governments and federal government departments.

subsequent operation of the current regulatory regime.²⁰ During such debate, members noted the strong tradition of camping in Western Australia, the fact that beach-side caravanning holidays are considered part of the fabric of the Australian way of life, and the loss of sites for local tourism.²¹

(d) Benefits Provided by Caravan Parks and Camping Grounds

It is apparent that caravanning and camping, and therefore caravan parks and camping grounds, are important to Western Australians on a number of levels including the social and economic benefits they provide to local communities as well as the state as a whole.

(i) Social Benefits

Evidence suggests that there are several social benefits gained through providing recreational caravanning and camping facilities, and from staying in caravan parks and camping grounds. These include those associated with taking a holiday, with facilitating recreation and learning opportunities, and with providing alternative and affordable residential accommodation.

In its submission, Tourism Western Australia (Tourism WA) stated that:

*the Government must acknowledge the value that many Western Australians place on family holidays at a traditional caravan park by the beach. Through several generations, caravan parks were where the yearly holiday forged lifelong friendships while the kids played in a relatively safe environment and a camp site on a piece of grass overlooking a beautiful beach was within the reach of most people.*²²

This reflects the stated position of the Ministerial Taskforce to the Minister for Planning and Infrastructure in its 2006 *Taskforce Report*. According to this report:

*the Australian tradition of summer holidays on the coast has a strong social and cultural function, with the continued ability to access traditional holiday sites highly valued. As the State's population becomes increasingly urbanised the benefits of these sites to the health and social wellbeing of the community also becomes increasingly important.*²³

As noted elsewhere in this report, one of the primary interests of the Committee, from the start of this Inquiry, has been the importance of caravan parks and camping grounds in providing low-cost

²⁰ The regulatory regime is discussed in Chapter 9.

²¹ Mr Mark McGowan, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 11 June 1998, p3819; Mr Clive Brown, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 29 June 1999, p9659; Mr Alan Carpenter, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 18 November 1998, p3719; Mr Murray Cowper, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 May 2008, pp109-119; Hon. Nigel Hallett, MLC, Western Australia, Legislative Council, *Parliamentary Debates* (Hansard), 1 April 2008, pp1419-1927.

²² Submission No. 60 from Tourism Western Australia, 8 May 2009, p5.

²³ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p7.

recreational facilities. Submissions from local governments also attest to the social importance of caravan parks and camping grounds. According to the Shire of Busselton, tourists who stay in caravan parks ‘have traditionally been a very important part of the tourism accommodation mix in the Shire of Busselton, particularly for West Australian families’.²⁴ Similarly, the Shire of Carnamah states that ‘traditionally coastal caravan parks have been utilised by the not-so-wealthy sector of society for family vacation purposes’.²⁵

Others such as the Peel Development Commission express similar points of view:

*caravan parks have traditionally been an important part of the Peel Region’s economic and accommodation profile, providing accommodation both for tourists and lower-income residents. Caravan parks have offered a lifestyle or holiday choice that is affordable, relaxing and secure.*²⁶

The Department of Environment and Conservation (DEC) ‘strongly believes that a broad mix of caravanning and camping experiences is of considerable benefit to the public and that such experiences encourage recreation and an appreciation of the State’s natural environment’.²⁷ This proposition is supported by the Department of Sport and Recreation (DSR). DSR submit that:

*caravanning and camping are significant and affordable recreational activities for a wide range of Western Australians and provide an initial and vital link to further recreational pursuits, e.g. bush walking, fishing, surfing, hiking. These activities also provide significant access to experiential learning opportunities.*²⁸

The Caravan Industry Association Western Australia Inc. (CIAWA) also sees an important role for caravan park operators in that they ‘are generally substantial supporters of local sporting and charity events. They have an ongoing presence within the community and media which has ensured a high consumer confidence’.²⁹ CIAWA cite Camp Quality, Ronald McDonald House, Children’s Leukaemia programmes, Royal Flying Doctor Service and the Starlight Foundation as examples of ‘worthwhile charities’ for whom individual parks have arranged annual fundraising events.³⁰

Those who choose to live in a caravan park on a long-stay basis find many benefits to their chosen lifestyle such as security, friends and neighbours, and nearness to shopping centres and medical facilities. In its 2003 report into the situation facing people living in caravan parks in Australia, the Australian Housing and Urban Research Institute (AHURI) identified a distinctive group of people

²⁴ Submission No. 55 from Shire of Busselton, 6 May 2009, p3.

²⁵ Submission No. 20 from Shire of Carnamah, 21 April 2009, p1.

²⁶ Submission No. 57 from Peel Development Commission, 5 May 2009, p1.

²⁷ Submission No. 69 from Department of Environment and Conservation, 19 May 2009, p3.

²⁸ Submission No. 74 from Department of Sport and Recreation, 25 May 2009, p2.

²⁹ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p4 and p13.

³⁰ *ibid.*, p13.

who choose caravan parks as their permanent residence.³¹ AHURI found that those who choose to live in caravan parks for lifestyle reasons are largely those on fixed incomes such as pensions or superannuation payments.

While some people choose a caravan park lifestyle, others live in parks not by choice but through necessity. Some live in caravan parks because they are itinerant workers needing flexible accommodation, some out of economic necessity or because of a personal or domestic crisis or because they have complex support needs, with the caravan park being accommodation of last resort.³²

The demand generated by these groups of long-stay caravan park residents and related issues are discussed further in Chapters 4 and 8.

(ii) Economic Benefits

Section 1.3(a) above noted the economic importance of tourism to Western Australia and, of course, caravanning and camping play a part in this. The economic contribution of caravan parks and camping grounds is generated by the dollars spent by tourists and holidaymakers, the manufacture and sale of caravans, tents and associated equipment, and both direct and indirect employment.

Drawing on Australian Bureau of Statistics (ABS) data for the September 2008 quarter, CIAWA submits that approximately \$1.16 billion of the 2008 manufacturing forecasts for Australia was from caravans, camper trailers, park homes and cabins. Furthermore, caravan parks employed 1,411 people in Western Australia. For the same quarter, takings for Western Australian caravan parks approximated \$38 million.³³

ABS data for the December 2008 quarter show a decrease to \$34.5 million. However, there appears to have been an overall dip in most economic statistics in the December 2008 quarter, possibly due to the economic downturn felt at that time. At this time it is not known if this is an aberration or the beginning of a downward trend.

As ABS data include only those parks that have 40 or more powered sites, the caravan park takings mentioned above exclude that of the smaller parks that exist, many in the regional and remote areas of the state.³⁴ Given this, it is reasonable to suggest that significantly more is spent by people on caravan park accommodation.

³¹ Wensing, Ed, Wood, Martin and Darren Holloway, *On the Margins? Housing Risk among Caravan Park Residents*, Australian Housing and Urban Research Institute, UNSW-UWS Research Centre, 2003, ppiv-v.

³² *ibid.*

³³ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p4.

³⁴ Issues relating to data are discussed further in Section 1.4 of this chapter.

According to CIAWA, a caravan park is ‘a catalyst for spending money within its local community’.³⁵ The Shire of Capel also sees the availability of caravan park and camping ground accommodation as important to the local economy ‘in that it services seasonal holiday peaks and touring populations visiting the district’.³⁶ Tourism WA estimate that in 2005-2006 the average caravan trip spend over a 5 night average stay was \$692.³⁷ Using this data, the WA Association of Caravan Clubs Inc. (WAACCI) has calculated that for a ‘50 day tour involving 10 major tourist centres, (sic) of the West Australian coastline (Kununurra to Esperance)’, a caravanner would spend on average \$6,920.³⁸ WAACCI extrapolate this 50-day spend to that spent on 5,000 tours, 10,000 tours and 15,000 tours to \$34.6 million, \$69.2 million and \$103.8 million respectively.

While such projections must be used with caution, the data from a 2006 survey of 406 visitors to caravan parks in Western Australia³⁹ tends to support the possibility that the amount of money spent in local communities by visitors is significant. This survey found that grey nomads and winter drifters spent an average of 104 nights in Western Australia, and freedom seekers stayed 54 nights.⁴⁰ Most grey nomads (39%) stayed between 2 to 3 nights with 25% staying between 4 to 7 nights. For winter drifters, 38% stayed 2 to 3 nights and 18% stayed 4 to 7 nights. If, as CMCA suggests, visitors spend approximately \$100 per day in the local areas they visit,⁴¹ and there were 572,600 people staying 2,576,000 nights in caravan parks,⁴² it is not difficult to see the potential of the industry and the possibility of WAACCI’s figures being reached.

Citing Tourism Research Australia (TRA) 2006 data, CMCA advised that the weekly spend for mobile domestic travellers was \$652 per week outside commercial parks and grounds, and \$730 per week inside commercial caravan parks and camping grounds.⁴³ However, a 2009 survey of CMCA members attending a rally in Whyalla shows that the weekly spend is now more likely to approximate \$550 to \$580.⁴⁴

An earlier survey undertaken by CMCA revealed that travellers in self-contained vehicles also spend reasonable sums on their visits to towns, particularly those with ‘one good-sized

³⁵ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p4.

³⁶ Submission No. 56 from Shire of Capel, 4 May 2009, p2.

³⁷ Submission No. 60 from Tourism Western Australia, 8 May 2009, Attachment 4, Closed Evidence, p7.

³⁸ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p16.

³⁹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007.

⁴⁰ *ibid.*, p33. This report (p2) describes the ‘typical’ characteristics of these groups as follows: Grey nomads - 55 years and over, on an extended trip, often including other states; Winter drifters - 55 years and over, intrastate travellers taking an extended holiday in Western Australia; and Freedom seekers - younger interstate travellers or older travellers travelling for shorter periods.

⁴¹ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 30 April 2009, p10.

⁴² Submission No. 60 from Tourism Western Australia, 8 May 2009, p3.

⁴³ Mr Phillip Berry, Manager Projects and Member Benefits, Campervan and Motorhome Club of Australia Ltd, Electronic Mail, 16 June 2009.

⁴⁴ *ibid.*

supermarket, a reasonable range of other shops and services, and facilities for vehicle parts and vehicle servicing'.⁴⁵ CMCA report that self-contained travellers are 'consistent spenders, who purchase a range of household products and services'.⁴⁶ The CMCA survey results indicate that 'when visiting towns, 97% make purchases and spend approximately \$385.00 per vehicle'.⁴⁷ This \$385 is spent on the following:

• Motoring needs, including fuel	120
• Food and groceries	95
• Wining and dining	53
• Tourist facilities	38
• Hardware store and chemist	38
• Other	<u>41</u>
Total	<u>\$385</u>

The provision of rest areas and/or better facilities is also thought to bring economic benefits to a region. For example, CMCA suggests, first, that 'the fees collected can be put towards the maintenance of the grounds and buildings', and second, that 'by providing accommodation for these travellers, the local business community benefits from their spending which approaches \$100 per day'.⁴⁸

Ms Judith Maddams, an experienced caravanner, also argues that:

*overnight campers who do no harm should not be fined or asked to move on. The benefit to the local communities can be very significant in these harsh economic times.*⁴⁹

According to Ms Maddams, if travellers are provided with basic facilities such as fresh water, toilets and hot showers they are inclined to stay longer and thus benefit local businesses.⁵⁰

⁴⁵ Campervan and Motorhome Club of Australia Ltd, 'Self-Contained Travellers', nd. Available at: http://www.cmca.net.au/pages/about/government/economic_benefits/index.php. Accessed on 15 June 2009. The methodology and timing of this survey is not known, however it is assumed that it is a small survey of members at a rally in the early 2000s, similar to that undertaken in April 2009.

⁴⁶ Campervan and Motorhome Club of Australia Ltd, 'Self-Contained Travellers', nd. Available at: http://www.cmca.net.au/pages/about/government/economic_benefits/index.php. Accessed on 15 June 2009.

⁴⁷ *ibid.*

⁴⁸ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 30 April 2009, pp10-11.

⁴⁹ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p3.

⁵⁰ *ibid.*

However, there is also evidence to suggest that travellers may not bring as much benefit to local economies as they believe. For example, the Committee heard evidence of a ‘get away with what you can culture’, a ‘take mentality’ and a ‘get around Australia as cheap as possible’ attitude.⁵¹ Given the formal submission and anecdotal evidence provided to the Committee, it is clear that caravanners and campers do collectively spend considerable amounts in the regions in which they stay. What is less clear, however, is the amount of overall economic benefit they bring to the towns in which they spend their money. It has not been possible for the Committee to determine the amount of money from the spend estimates provided by WAACCI and CMCA that actually stays in the local communities. It seems that much of the caravanning and camping dollar is spent in petrol stations and supermarkets. According to the Shire of Manjimup, the typical travellers in recreational vehicles will buy groceries from the supermarket and live as cheaply as possible as they travel in order to save money for activities.⁵² Similarly, the Town of Port Hedland suggests that grey nomads want everything, including water, dump sites and camping, for free and that travellers often try to get out of paying for a site by claiming that the caravan parks in town are full.⁵³ While only two LGAs are cited here, during its investigative travel the Committee heard considerable and consistent evidence that travellers go to some length to reduce their expenditure and in doing so reduce any economic benefit they bring to a community. While caravan parks and camping grounds and other facilities such as supermarkets and petrol stations, certainly provide employment, the anticipated or implied flow-on effect of the caravanning and camping spend to the local community may be overestimated in the above extrapolations. In addition to this, there are signs that in response to the economic downturn grey nomads and other travellers are spending less on non-essentials and, in doing so, further reduce the economic benefits they bring to local communities.

(e) Risk to the Family Holiday and Tourism – Pressures on Caravan Parks

Having acknowledged the social and economic benefit of caravan parks and camping grounds, it is important to draw attention to the increasing pressures being experienced by caravan park and camping ground owner/operators. Prior to undertaking the Inquiry, and largely from anecdotal evidence, the Committee was aware of the apparent five main interrelated pressures to which caravan parks and camping grounds are being subjected. While these are discussed in detail in Chapters 6 and 8, as they played a pivotal role in the Committee’s decision to undertake this Inquiry it is useful at this point to provide a brief outline.

Many caravan parks, particularly those in the metropolitan area or major regional towns, are experiencing urban encroachment. While these parks may have once been situated on land that was on the outer areas of their towns, urban development has meant many parks are now located on prime real estate that can no longer be considered to be on the town or city fringe. This means that park land is now high value land and in demand for redevelopment as higher value tourism, residential housing estates or other higher value use.

⁵¹ Shire of Manjimup, *Committee Briefing*, 21 July 2009.

⁵² *ibid.*

⁵³ Town of Port Hedland, *Committee Briefing*, 22 June 2009.

The rising price of coastal land is another major pressure on the availability of land for caravan parks and camping grounds. Not surprisingly, these facilities are found at attractive holiday locations along the coast. Increases in the value of this land have also led to a decrease in the number of parks available. If a coastal park is redeveloped to take advantage of the higher land values it is difficult, if not impossible, for replacement land to be found in the same high land value area.

Caravan parks are facing increasing costs, and there appears to be a change in the type of accommodation being demanded by tourists.

Given these conditions, many caravan parks and camping grounds are redeveloping their sites to provide a wider variety of higher-yield accommodation options. These can range from cabins and chalets to resort style units. Of course, the more higher-yield sites provided, the fewer sites there are for traditional caravanning and camping.

Caravan parks have also increasingly become a place in which people take up long-stay residence. Increasingly, traditional caravan parks have converted to long-stay affordable accommodation or lifestyle villages. Caravan parks have played a significant role in the provision of affordable and crisis accommodation. With private house prices and rental accommodation becoming more expensive since around 2003, more pressure has been placed on caravan parks to provide low-cost housing to people on low incomes. While people may intend to live in a caravan park for a short time, the lack of public housing and other affordable housing stock means that they become long-stay residents. As noted above, caravan park living is also a reasonably popular option for older people, with many enjoying the lifestyle, sense of community and feeling of security that this brings.

In several regions in the state caravan parks face an additional pressure, namely the use of parks to provide worker accommodation. Large construction and mining projects in areas surrounding Port Hedland, Leinster, Karratha and Boddington, for example, mean large increases in the number of workers seeking accommodation in these areas. This creates a shortage of urban housing in the private buy or rental markets, which, in turn, leads to people taking up residence in caravan parks and reducing the number of places available for travellers and holidaymakers. In some areas this pressure is short-term, while in others it is long-term, if not permanent.

Clearly the supply of caravan parks is affected by a number of pressures, but the use of caravan parks for affordable housing and worker accommodation are critical pressures. Currently the situation exists where caravan parks are operating as overflow areas. In the north of the state, this is predominantly due to a lack of available and affordable housing for workers, while in the south it is a lack of residential housing generally. In effect, caravan parks represent a safety valve for the lack of alternative and available housing. The development of such 'safety valve' situations is generally an indication of market failure in other industries, in this case, housing. While the Committee acknowledges that issues such as housing availability are important, they are not the subject of this report.

As will be demonstrated throughout this report, some areas of the state are affected by these pressures more than others. The types of issues faced by the owner/operators, the users of these

sites and those whose responsibility it is to regulate caravan parks and camping grounds also vary across the regions. Chapter 10 provides a snapshot of selected regions, including an overview of issues faced in each.

(f) Risk Recognised and Concern Expressed

The pressures being faced by caravan parks and camping grounds will necessarily impact upon availability of sites for visitors and, thus, the family holiday. This is of great concern to agencies such as Tourism WA and DSR, as demonstrated by the following:

*The continued redevelopment of caravan parks in prime locations is likely to result in this holiday tradition becoming a thing of the past.*⁵⁴

*It is important that access to these low key affordable camping grounds and natural sites is protected as an important asset that contributes to the Western Australian outdoor lifestyle.*⁵⁵

It is also of concern to industry bodies and caravan park owners. For example, CIAWA is worried that people may no longer have access to the affordable holiday experience traditionally available in caravan parks and camping grounds;⁵⁶ and caravan park owner, Mr David Holland, has stated that ‘one of the real concerns that we need to face as a society is that the coastal holidays are becoming something that are only affordable for people with money’.⁵⁷

Concern about the preservation of the affordable holiday is not new. For example, in 1998 the Member for Bassendean, Mr Clive Brown, MLA, presenting a petition to the Legislative Assembly in relation to the preservation of caravan parks, stated that he saw it as a ‘quality of life issue’, one that he raised because:

*many families on middle and lower incomes are significantly affected by the provisions for caravan parks. I [Clive Brown] do not want Western Australia to reach the stage at which ordinary families on middle and lower incomes cannot enjoy low cost holidays in prime locations in this State. That would be a backward step.*⁵⁸

Mr Brown also stated that the caravan industry was also concerned about:

the possibility of ordinary Western Australian families being denied access to lower cost holidays if this trend [to develop major resorts on caravan park sites] continues. It is of

⁵⁴ Submission No. 60 from Tourism Western Australia, 8 May 2009, p7.

⁵⁵ Submission No. 74 from Department of Sport and Recreation, 21 May 2009, p3.

⁵⁶ Ms Pat Strahan, Caravan Industry Association, *Are Cheap Coastal Holidays a Thing of the Past?*, Stateline Western Australia, ABC Online, 16 February 2007.

⁵⁷ Mr David Holland, *Are Cheap Coastal Holidays a Thing of the Past?* Stateline Western Australia, ABC Online, 16 February 2007.

⁵⁸ Mr Clive Brown, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 May 1998, p2938.

*concern not only to the industry, but also to the many hundreds of people who have owned on-site vans for many years and who rent them out. People have grown-up, as they might like to put it, in caravan park communities, which tend to provide great opportunities for families and others to have low cost holidays.*⁵⁹

At that time, and as the following quotations show, the government did not see the preservation of existing caravan parks as a significant issue.

The then Minister for Local Government, the Hon. Paul Omodei, MLA stated that ‘it has not been demonstrated that a critical situation has yet been reached’.⁶⁰ At that time the Minister was ‘not of the view that the number of caravan parks going out to the private sector and other tenure represents a crisis’.⁶¹ This position was also adopted by the then Member for Vasse, Mr Bernie Masters, MLA who believed that:

*overall low cost caravanning and camping holidays are not at any serious risk in Western Australia. Certainly, there will be some changes to the caravan parks and camping grounds that exist in the State, especially in the south west, but the low cost lifestyle which is so correctly and strongly supported by the member for Bassendean is not under threat.*⁶²

More recently, though, the closure and/or redevelopment of caravan parks and camping grounds in Western Australia, particularly when combined with an increase in demand for caravan and camp sites, has made the issue more pressing. In 2007, the then Minister for Tourism, Hon. Sheila McHale, MLA stated that the government needed to ‘be doing more and looking at how we can sustain caravan parks into the future’.⁶³ Furthermore, a 2008 study commissioned by Tourism WA states that in excess of 20 caravan parks have closed, approximately ‘ten parks [are] on the market or rumoured to be closing’, and ‘only a handful’ of new parks have been created.⁶⁴ This study also drew attention to the reduction in the number of caravan and camp sites within remaining parks, the increase in the number of chalets and cabins in parks, and the increase in the demand for caravan and camping sites.⁶⁵

The Committee understands that in some areas of the state the situation is now critical and that caravan parks and camping grounds as they are traditionally perceived and designed are now under considerable threat. The following provide just three examples of Western Australian parks

⁵⁹ *ibid.*, p2937.

⁶⁰ Hon. Paul Omodei, MLA, Minister for Local Government, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 May 1998, p2938. See also 18 November 1998, p3722.

⁶¹ Hon. Paul Omodei, MLA, Minister for Local Government, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 May 1998, p2939.

⁶² Mr Bernie Masters, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 May 1998, p2940.

⁶³ Hon. Sheila McHale, MLA, Minister for Tourism, *Are Cheap Coastal Holidays a Thing of the Past?*, Stateline Western Australia, ABC Online, 16 February 2007.

⁶⁴ Submission No. 60 from Tourism Western Australia, 8 May 2009, Attachment 4, Closed Evidence, p9.

⁶⁵ *ibid.*

currently under different types of pressures leading to different outcomes. First, on 6 October 2008, the 81 residents of the Kingsway Tourist and Caravan Park in Madeley were given notice to vacate the park and have found it difficult to find alternative accommodation.⁶⁶ As this park is being redeveloped for residential housing it will cease to operate as a caravan park. Second, the Turner Caravan Park is located on Shire-held reserves in Augusta and has been providing affordable holiday accommodation for families for more than 40 years. Recently, the Shire of Augusta-Margaret River determined that Turner Caravan Park is ‘an aging and underperforming strategic asset’ and has advertised a redevelopment proposal for public comment.⁶⁷ This park will be redeveloped to provide a mix of tourism accommodation, including caravan bays. Third, the Bayview Coral Bay is a caravan park and holiday village in Coral Bay. Due to a critical shortage of accommodation for those who work in the Coral Bay region, a large section of this park has been set aside for long-stay worker accommodation. While this may not be in the main caravan park area, the existence of this worker accommodation also stops the redevelopment of this section of the park into additional tourist accommodation. The use of caravan parks for worker accommodation is a significant issue in other areas of the state such as the Pilbara.

In response to its interest in, and understanding of, the above issues, the Committee determined to undertake this Inquiry into the provision, use and regulation of caravan parks and camping grounds in Western Australia. The Committee’s initial concern was that Western Australian families should continue to have access to affordable holiday accommodation and continue to take the traditional Australian caravanning and camping holidays. However, it soon became clear that it was first necessary to determine whether or not the demand for this type of holiday was still growing and, if so, if such demand was likely to continue or to change in some way. Therefore, the Inquiry has investigated changes in demand for caravan parks and camping grounds, their facilities, issues affecting the supply of caravan parks and camping grounds, and the regulatory regime to which these parks and grounds are subject. As the following report demonstrates, the provision, use and regulation of caravan parks and camping grounds encompasses a number of particularly complex and interrelated issues.

1.4 Statistical Data

Much of the statistical data used in this chapter and throughout this report is sourced from Tourism WA and Tourism Australia. Tourism WA data is based upon National Visitor Surveys (NVS) and International Visitor Surveys (IVS) conducted by TRA, which are ‘samples of visitors coming to or travelling within Western Australia’.⁶⁸ It warns that ‘as with all surveys, the estimates are subject to sampling variability. This means the survey results may vary from the

⁶⁶ Mr Paul Miles, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 4 December 2008, p941.

⁶⁷ Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p1.

⁶⁸ Tourism Western Australia, *Western Australia Overnight Visitor Fact Sheet Years Ending December 2006/07/08*, p2. Available at: http://www.tourism.wa.gov.au/Research_and_Statistics/Documents/Western%20Australia%20Overnight%20Visitor%20Fact%20Sheet%20-%20Year%20Ending%20December%202008.pdf. Accessed on 6 July 2009.

results that would have been produced if all visitors had been interviewed in a census'.⁶⁹ It further advises that visitation statistics should be 'used in conjunction with other information sources'.⁷⁰ The main sources used for comparison in this report include statistics from ABS, and anecdotal evidence and feedback from caravan park operators, LGAs, industry bodies, government agencies and users of caravan and camping accommodation.

Sample size is also important to keep in mind when using Tourism WA statistics. As Tourism WA cautions:

*a basic assumption is that the bigger the sample (ie. the more visitors that are interviewed) the more reliable the result. Conversely, results based on small sample sizes are less reliable. This means that smaller estimates, especially at regional levels, are less reliable than the larger estimates at State level. Combining the estimates for a number of years and working with average figures is often a better way of understanding visitation to a region. One should be careful of making direct year on year comparisons based on estimates from small survey samples.*⁷¹

Attention to this caution will be employed throughout this report when analysing demand statistics sourced from Tourism WA and Tourism Australia.

Furthermore, TRA advises that interpreting caravanning and camping data in Western Australia should be done carefully, keeping in mind that this sample will be relatively quite small. This is due to the way in which the surveys are conducted. For example, the NVS, which is the survey providing most of the caravanning and camping data, is compiled from 120,000 telephone calls made over the course of the survey year.⁷² Any telephone respondent who has not been on an overnight trip in the past four weeks is immediately eliminated from the survey. It is evident that once those who have not undertaken this kind of trip are eliminated, the sample is further reduced. Furthermore, the caravanning and camping responses within Western Australia will necessarily constitute an even smaller sample size.⁷³

Caution must also be used when using ABS data and comparing this data with other sources. ABS data used in this report is taken from *Tourist Accommodation, Small Area Data*. From the March Quarter of 2005, this data includes information and surveys from 'caravan parks with 40 or more powered sites' only.⁷⁴ As at the March Quarter of 2009, ABS lists 198 caravan park

⁶⁹ *ibid.*

⁷⁰ *ibid.*

⁷¹ *ibid.*

⁷² The NVS is most relevant as caravanning and camping accommodation is used predominantly by domestic visitors.

⁷³ Mr Justin Marshall, Manager Surveys, Tourism Research Australia, Tourism Australia, Telephone Conversation, 6 August 2009.

⁷⁴ Australian Bureau of Statistics, '8635.5.55.001 - Tourist Accommodation, Small Area Data, Western Australia, Dec 2008: Explanatory Notes', December 2008. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/exnote/8635.5.55.001>. Accessed on 8 July 2009.

establishments in Western Australia. AHURI's report into caravan parks Australia wide notes that the 40 site restriction on ABS data collection 'suggests that the ABS STA [Survey of Tourist Accommodation] is not collecting data from a significant portion of the [caravan park] sector'.⁷⁵ This statement is supported by the Committee, which found, through desk based research, an additional 197 caravan park facilities throughout the state, making the Committee's estimate of the total caravan parks in Western Australia to be around 400 in number. This will be discussed further in Chapter 5.

Furthermore, ABS analysis recognises that 'caravan parks provide either short-term or long-term accommodation'.⁷⁶ However, unlike the *Residential Parks (Long-stay Tenants) Act 2006 (WA)* (RPLT Act), which defines long-stay users of caravan parks as residing for three months or longer, ABS data cubes are constructed on the basis that 'if a caravan park has the majority of sites occupied by paying guests who have stayed continuously for two months or more during the survey period, the caravan park is classified as long-term'.⁷⁷ Similarly, sites occupied by long-term guests are those 'guests who have stayed continuously for two months or more'.⁷⁸

Given the above qualifications, it is difficult to make comparisons based on these different data sets and, therefore, to draw firm conclusions. The Committee is concerned that so much of the evidence presented to this Inquiry relies on reports that draw from this data without fully appreciating the methodological limitations in the generation of that data.

⁷⁵ Wensing, Ed, Wood, Martin and Darren Holloway, *On the Margins? Housing Risk among Caravan Park Residents*, Australian Housing and Urban Research Institute, UNSW-UWS Research Centre, 2003, p12.

⁷⁶ Australian Bureau of Statistics, '8635.5.55.001 - Tourist Accommodation, Small Area Data, Western Australia, Dec 2008: Explanatory Notes', December 2008. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/exnote/8635.5.55.001>. Accessed on 8 July 2009.

⁷⁷ *ibid.*

⁷⁸ Australian Bureau of Statistics, '8635.5.55.001 - Tourist Accommodation, Small Area Data, Western Australia, Dec 2008: Glossary', December 2008. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/exnote/8635.5.55.001>. Accessed on 8 July 2009.

CHAPTER 2 STRUCTURE AND REGULATION OF THE INDUSTRY - AN OVERVIEW

Caravan park and camping grounds are characterised by a variety of ownership types and operation/management arrangements, types of accommodation provided, accommodation mixes, tenure arrangements and demand levels. There is also a suite of legislation which impacts upon the industry, on its providers, consumers and those charged with its regulation and control. These characteristics and legislative requirements combine to make the development, operation and patronage of caravan park and camping grounds a particularly complex operation, one that necessarily involves a number of local and state government bodies.

This chapter outlines the structure of the caravan park and camping ground industry. It also sets out the legislative framework within which the industry operates, outlining the two major areas regulated in relation to caravan parks and camping grounds, namely the regulation of their operation (a local government responsibility) and the regulation of the respective rights and responsibilities of long-stay tenants and park operators (a state government responsibility). This chapter is largely descriptive, with analysis of the issues arising from the industry's structure and regulation contained in the appropriate report chapters.

2.1 Structure of the Caravan Park (and Camping Ground) Industry in Western Australia

There are a number of major interested parties in the caravan park and camping ground industry in Western Australia, including:

- owner/operators
- industry associations
- manufacturers and retailers of equipment
- the caravanning and camping public
- organisations representing the interests of caravanners and campers
- local government authorities
- state government agencies

While not denying the value and importance of the manufacture, supply and sale of caravanning and camping equipment, this Inquiry is primarily concerned with the demand for, and supply of, caravan parks and camping grounds. Therefore, discussion of the structure of the industry will be restricted to the owner/operators, users and regulators of these facilities.

A general overview of the caravan park and camping ground industry is provided in Diagram 2.1

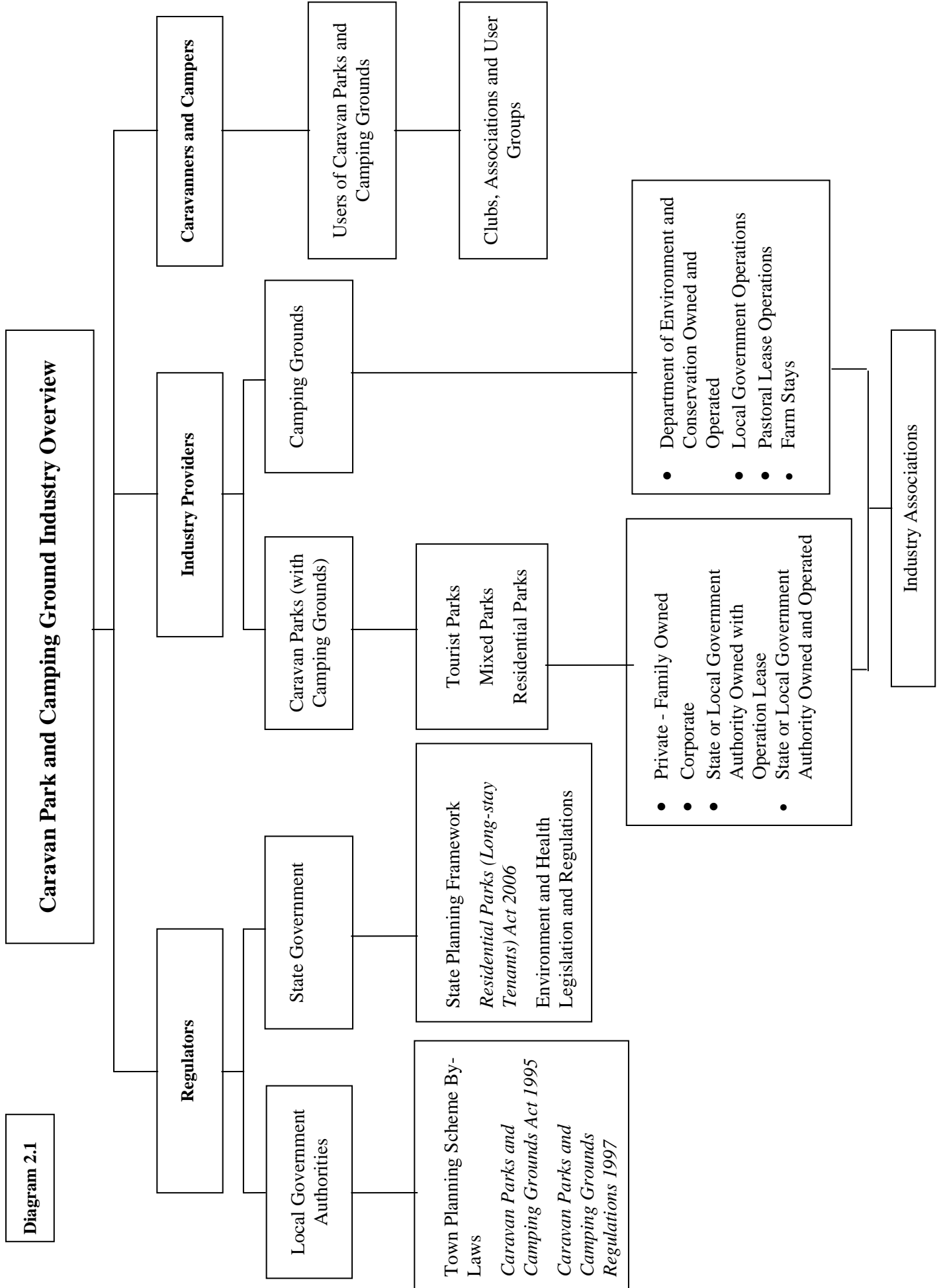


Diagram 2.1

(a) Caravan Parks and Camping Grounds Characteristics

In discussing caravan parks and camping grounds, the Committee generally follows the definitions as provided in the *Caravan Parks and Camping Grounds Act 1995* (WA) (CPCG Act) (see glossary of terms). According to these definitions, while a caravan park can contain both caravan and camping sites, a camping ground is only available for camping, that is, caravans should not stay at areas designated as camping grounds.⁷⁹ That said, given the number of caravans and other self-contained types of recreational vehicles that use camping grounds, the Committee is not sure how useful a distinction the Act now provides.

Evidence presented to the Committee along with observations made during its investigative travel, has revealed that caravan parks vary in type, location, management etc. Some of the more obvious and distinctive variable features include:

- The variety of tenure arrangements, such as long-stay, short-stay, or mixed (or tourist versus long-stay accommodation).
- The nature of arrangements for long-stay tenants, being either fixed-term or periodic tenancy agreements regulated under the *Residential Parks (Long-stay Tenants) Act 2006* (WA) (RPLT Act).
- The geographical location of the park. In planning terms, most caravan parks 'are regarded as temporary or marginal land uses'.⁸⁰ Historically, few had good access to services and facilities, but rather were located to take advantage of beautiful natural surroundings, marginal land and tourist locations. However, as discussed elsewhere in this report, some are now situated on very valuable land which is being encroached by urban development.⁸¹
- The continuum from very high standard (luxury) to very low standard (derelict).
- The continuum from well managed to poorly managed.
- A large degree of variation in perception by residents in relation to what living in a caravan park may signify.⁸²

While there is certainly wild, free or informal camping in Western Australia, there is also camping in designated camping grounds as defined in the CPCG Act. These camping grounds also vary in

⁷⁹ Section 5(1) *Caravan Parks and Camping Grounds Act 1995* (WA).

⁸⁰ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, pp5-7.

⁸¹ See Chapter 6, in particular Section 6.1.

⁸² AHURI notes similar characteristics for caravan parks Australia-wide. See: Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, pp5-7.

type, location and management, although not to the degree evident in caravan parks. Some are more developed and contain basic facilities such as showers, toilets, gas barbeques and picnic tables, while others simply provide a cleared area.

Many of these variable features of caravan parks and camping grounds are discussed throughout this report.

Caravan and camping accommodation is provided at commercial sites, such as caravan parks and camping grounds. It is also provided at non-commercial sites, such as roadside rest areas, private property, Crown land and national parks.⁸³

Another type of park, the residential park, is becoming a popular choice for those who prefer the park lifestyle and wish to stay in one park location for an extended period of time, sometimes for life, or for those who are unable to afford other rental accommodation. Residential parks provide land (termed 'sites') 'upon which relocatable homes, such as caravans or park homes can be placed'.⁸⁴

Many caravan parks are mixed parks which provide both temporary and long-stay accommodation. They generally have a dedicated residential area (long-stay) and a tourism area (short-stay).⁸⁵ Tenants, defined as those who are not occupying the park for holiday purposes, 'should be situated on 'long-stay' (as opposed to 'short-stay') sites. Long-stay sites can be occupied for more than three months'.⁸⁶

Some parks contain long-stay sites only and because 'they are marketed to people who have a particular interest or quality in common'⁸⁷ are often referred to as 'lifestyle villages' or 'residential parks'. Some of these residential parks may come under the definition of a retirement village, and these are regulated by the *Retirement Villages Act 1992* (WA) (RV Act).⁸⁸ This report discusses issues relating to residential parks that are not designated as retirement villages. Parks regulated by the RV Act are not included in the scope of this Inquiry.

⁸³ Tourism Research Australia, *Snapshot: Caravan or Camping in Australia*, 2007, p1. Available at: http://www.tra.australia.com/content/documents/Snapshots/2008/Caravan_07_FINAL.pdf. Accessed on 16 February 2009.

⁸⁴ Department of Commerce, *Information Booklet – Park Living*, June 2008, p2. Available at: http://www.commerce.wa.gov.au/ConsumerProtection/PDF/Publications/Residential_Parks_information_booklet.pdf. Accessed on 10 February 2009.

⁸⁵ Caravan Industry Association Western Australia Inc., 'Residential Parks', 2007. Available at: <http://www.caravanwa.com.au/content/camping-guide/resParks.php>. Accessed on 10 February 2009.

⁸⁶ Department of Commerce, *Information Booklet – Park Living*, June 2008, p2. Available at: http://www.commerce.wa.gov.au/ConsumerProtection/PDF/Publications/Residential_Parks_information_booklet.pdf. Accessed on 10 February 2009.

⁸⁷ *ibid.*

⁸⁸ *ibid.*

(b) Ownership, Operation and Location

Based upon quantitative research conducted by Tourism Western Australia (Tourism WA) into the caravan park industry in Western Australia, and as Table 2.1 shows, it appears that most parks are privately operated (approx 84%), with around 12% owned by local governments and a further 2% owned by investment funds.⁸⁹

However, as noted elsewhere in this report, this information should be used with caution. The ownership data was generated through telephone interviews conducted in 2006 with only 100 park owner/operators and may not reflect the ownership of parks throughout the state.

Table 2.1: Ownership of Caravan Parks in Western Australia⁹⁰

	Total (n=100)	Region				
		Perth (n=20)	South West (n=25)	Golden Outback (n=21)	Coral Coast (n=18)	North West (n=16)
Private Operator	84	15	22	16	17	14
Investment Fund	2	1	–	–	–	1
Local Council	12	3	3	4	1	1
Other	2	2*	–	–	–	–

* n=21 due to rounding

Traditionally, caravan parks generally have been operated as family businesses or perhaps provided by local governments as a community service. In addition to local government ownership and/or operation, the state government, via the Department of Environment and Conservation (DEC), also leases caravan parks sites to private operators. Currently, under the *Conservation and Land Management Act 1984* (WA), DEC leases 7 caravan parks to the private sector.⁹¹ As the department explained, it has:

a number of caravan parks scattered around the state, ranging from Karijini down to Walpole and Nornalup, including caravan parks on various tenures of land that we are responsible for managing. Our operation of caravan parks is generally undertaken by way of some sort of commercial concession to the private sector by way of a lease. Those

⁸⁹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p66.

⁹⁰ Based on Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p66.

⁹¹ Submission No. 69 from Department of Environment and Conservation, 19 May 2009, p1.

operators would then run a caravan parks (sic) on a commercial basis and pay us [DEC] an agreed lease fee as compensation for the use of the estate that we have got.⁹²

While there are still privately owned and operated parks, as well as local council involvement in the industry, there is evidence to suggest an increasing interest being shown by the corporate sector. According to the owner/operators of Albany Holiday Park:

in the relatively short time we have owned our park, we've seen the industry change considerably. The year we bought our park could be called the last year caravan parks ceased to be 'mom and pop' operations. The industry has seen consolidation through single owners buying multiple caravan parks in order to get economies of scale.⁹³

This view is also presented by Pink Lake Tourist Park:

There is a mix of freehold and leasehold parks with freehold parks being predominantly privately owned, however over the last few years corporates have entered the market and they run parks under management.⁹⁴

As noted in Chapter 1, Section 1.4, the Committee estimates that there are approximately 400 caravan parks located throughout Western Australia.

2.2 Regulation of Caravan Parks and Camping Grounds in Western Australia

The development and regulation of caravan parks and camping grounds in Western Australia is subject to a legislative framework that includes dedicated caravan parks and camping ground legislation as well as provisions in the state's planning and development legislation. This section of the report provides information and discussion on the state's dedicated caravan park and camping ground legislative framework. Discussion of Western Australia's planning and development framework as it impacts upon caravan parks and camping grounds is contained in Chapter 7.

(a) Background

Caravan parks were traditionally developed as short-stay holiday accommodation in locations conducive to tourism. They were not subject to any caravan park-specific legislation, with regulation generally being by way of local government by-laws and provisions of the *Health Act*

⁹² Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p2.

⁹³ Submission No. 29 from Albany Holiday Park, 28 April 2009, p1.

⁹⁴ Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p1.

1911 (WA). The Department of Health enacted regulations providing minimum requirements for health matters.⁹⁵

Since the late 1970s, though, caravan parks have been increasingly utilised as a form of permanent residence.⁹⁶ In Australia, the push toward the development of ‘residential trailer parks’ as a form of affordable housing similar to that in the United States was originally rejected. However, the expediency of caravans and other mobile homes in caravan parks as a form of affordable, permanent housing meant that residential parks developed irrespective of official policy. Thus, this development was not a ‘thoroughly researched and thought-out policy direction’, but rather an ad hoc consequence.⁹⁷

By the mid-1980s there was some official recognition that people were living in these parks on a permanent basis, largely as a solution to housing affordability. This was despite the fact that prior to 1986 it was illegal to do this anywhere in Australia.⁹⁸ In Western Australia, even as late as 1993, under by-laws adopted by most local governments a person could not live in a park for more than six months in any one year without the approval of that local government.⁹⁹

From around 1987 onwards in Western Australia, various working groups and advisory committees formulated policies for caravan and camping legislation.¹⁰⁰ A Caravan Parks and Camping Grounds Bill was introduced into the Legislative Assembly in 1995. The (then) Minister for Local Government stated that the Bill was the result of 16 years of lobbying by the caravan industry for revised uniform caravan and camping legislation.¹⁰¹ The CPCG Act eventually passed through Parliament, receiving the Royal Assent on the 29 September 1995. Both the Act and associated Regulations (CPCG Regulations) took effect from 1 July 1997.

⁹⁵ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p83.

⁹⁶ Australian Housing and Urban Research Institute, ‘AHURI Research & Policy Bulletin: Housing Risk among Caravan Park Residents’, March 2004. Available at: <http://www.ahuri.edu.au/publications/projects/p70109>. Accessed on 10 February 2009.

⁹⁷ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p1.

⁹⁸ Australian Housing and Urban Research Institute, ‘AHURI Research & Policy Bulletin: Housing Risk among Caravan Park Residents’, March 2004. Available at: <http://www.ahuri.edu.au/publications/projects/p70109>. Accessed on 10 February 2009.

⁹⁹ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p83.

¹⁰⁰ Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995: Discussion Paper*, September 2005, p4. Available at: <http://www.dlgrd.wa.gov.au/Publications/Docs/CaravanParksCampingGroundsActPaper.pdf>. Accessed on 12 February 2009.

¹⁰¹ *ibid.*

The passage of this legislation demonstrated an intent not only to provide for the dual use of caravan parks (short- and long-stay sites), but also to ensure that there was some protection offered to long-term residents. The intent of the CPCG Regulations was summarised by the Minister for Local Government as being:

to provide statewide uniform legislation to regulate the development and day to day operations of caravan parks. The intent of the regulations is to enable caravan parks to change from their traditional use for holiday purposes to one of multiple uses and, in particular, to permit permanent residency. Tied to this intent will be the application of the Residential Tenancies Act to a person who occupies a site for non-holiday purposes. In this regard, a new type of unit called a 'park home' has been recognised and permitted to be used in a caravan park.

A prime objective of the Government and the caravan industry, through the Caravan Industry Association, is to improve dramatically the image of living in a caravan park to a level which is exciting and desirable for users and acceptable by the community as another form of accommodation.¹⁰²

In Western Australia, as elsewhere in Australia, caravan parks have become home to:

a diverse range of people and households, and the caravan parks they live in vary greatly from manufactured home estates with high quality amenities and services to caravan parks with the most basic of facilities providing crisis accommodation for people who are homeless and/or on waiting lists for public or community housing.¹⁰³

While, as noted, the intent of the legislation, in part, was to afford protection to long-term residents of caravan parks, tenancy was at that time largely regulated by the *Residential Tenancy Act 1987 (WA)* (RT Act), an Act designed 'to regulate the relationship of owners and tenants under residential tenancy agreements'.¹⁰⁴ To this end, the RT Act 'specifies the rights and responsibilities of tenants and owners and details processes for settling disputes around tenancies. It also contains regulations about terminating tenancy agreements and provisions about who is responsible for the administration of the Act'.¹⁰⁵

Under s 90 of the RT Act, there is a statutory obligation for the operations of this Act to be reviewed every five years. The 2002 review contained 'more than 180 recommendations on the

¹⁰² Hon. Paul Omodei, MLA, Minister for Local Government, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 19 June 1997, p4386.

¹⁰³ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p1.

¹⁰⁴ Long Title, *Residential Tenancy Act 1987 (WA)*.

¹⁰⁵ Eringa, Karel, 'Editorial: Review of the Residential Tenancies Act', *ShelterWA Newsletter*, April 2002, p1. Available at: <http://www.shelterwa.org.au/publications/regularpubs/newsletters/apr2002nl.pdf>. Accessed on 6 July 2009.

operation and relevance of residential tenancy laws'.¹⁰⁶ The then Minister for Consumer and Employment Protection, the Hon. John Kobelke, MLA noted that the review addressed issues relating to caravan park tenancies and the protection of people living in caravan parks and park homes.¹⁰⁷ According to the then Minister:

*the report on the review included more than 25 recommendations for changes in this area. The findings clearly established that community living in caravan parks needs to be treated differently from the traditional tenant-landlord relationship.*¹⁰⁸

Subsequent to this review, the Residential Parks (Long-stay Tenants) Bill 2004 was introduced. This Bill recognised that the tenancy circumstances of residents of caravan parks are:

*distinctly different from traditional residential tenancy arrangements, including the existence of rules on many residential parks, the provision of services for which fees may be charged and the fact that in many cases, the dwelling is owned by the resident and only the site is leased.*¹⁰⁹

The purpose of this Bill was to regulate the relationship between the owner and a tenant of a residential park, where:

- 'a tenant owns a dwelling and leases a site in a park; or
- a tenant leases both a site and a dwelling in a park'.¹¹⁰

This Bill lapsed with the calling of the 2005 state election. In October 2005 a new Bill was introduced, the Residential Parks (Long-stay Tenants) Bill 2005, which, according to the then Minister for Consumer and Employment Protection, reflected further submissions from, and consultations with, the public and other stakeholders.¹¹¹ The Bill recognised first, that some parks provided long-term residential accommodation and second, that there was 'a need for discrete legislation to regulate rental agreements in caravan parks'.¹¹² This Bill aimed to regulate residential park owner/tenant relationships via 'site-only' agreements (where a tenant owns their

¹⁰⁶ Hon. John Kobelke, MLA, Minister for Consumer and Employment Protection, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 12 September 2002, p881. The review was conducted by independent consultants, Stamfords Advisors and Consultants Pty Ltd.

¹⁰⁷ Hon. John Kobelke, MLA, Minister for Consumer and Employment Protection, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 12 September 2002, p881.

¹⁰⁸ Hon. John Kobelke, MLA, Minister for Consumer and Employment Protection, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 October 2005, p6735.

¹⁰⁹ Explanatory Memorandum, Residential Parks (Long-stay Tenants) Bill 2004, p1.

¹¹⁰ *ibid.*, p1.

¹¹¹ Hon. John Kobelke, MLA, Minister for Consumer and Employment Protection, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 October 2005, p6735.

¹¹² *ibid.*

dwelling and leases a site), and ‘on-site home’ agreements (where a tenant leases both dwelling and site). According to the Explanatory Memorandum for the 2005 Bill, it sought to:

- *balance the needs of residential park residents for greater security of tenure while supporting the maintenance of existing, and the development of new, residential parks;*
- *mirror appropriate provisions of the Residential Tenancies Act 1987, but recognise that this form of accommodation is different from the traditional tenancy relationship and provide for those differences;*
- *include requirements for pre-contractual disclosure, to provide greater contractual certainty;*
- *require the establishment of a Park Liaison Committee (obligatory where there are 20 or more sites used for long-stay residential purposes) to enable the park’s residents to assist the park operator in the development and changes to park rules and policies; and*
- *give the parties access to a simple and cost effective dispute resolution process, outside the court system, through the State Administrative Tribunal.*

The Hon. Kate Doust, MLC described the objectives of the Bill as follows:

*The bill has been designed to protect all those living long term in residential parks by giving them certainty about key aspects of their tenancy. The bill provides protection in relation to pre-contract disclosure of terms and conditions about tenure, rent, utility costs, park rules, sale of dwellings and dispute resolution. The provisions in the bill apply to all types of residential park living agreements. If a resident is a tenant living in a dwelling rented from the park owner, provisions will apply to the on-site home agreement that are similar to the existing residential tenancy laws.*¹¹³

The Bill was assented to on 4 July 2006 and, upon Royal Assent, the *Residential Parks (Long-stay) Tenants Act 2006* (WA) came into force.¹¹⁴

As demonstrated by the submissions to this Inquiry, the regulation of caravan parks and camping grounds in Western Australian is both a complex and controversial issue. The Committee is not in a position to provide a comprehensive review of the entire contents of each of the main statutes relating to the regulation of caravan parks and camping grounds in Western Australia. Instead, only those areas that the evidence to this Inquiry suggests are most controversial or misunderstood will be addressed further throughout the report, and in Chapter 9 in particular. What follows is a brief outline of the development of the legislative framework that applies to caravan parks and camping grounds.

¹¹³ Hon. Kate Doust, MLC, Parliamentary Secretary, Western Australia, Legislative Council, *Parliamentary Debates* (Hansard), 4 April 2006, p1020.

¹¹⁴ Sections 1 and 2 were assented on 4 Jul 2006; Sections other than ss 1 and 2 were assented on 3 Aug 2007 (see s 2 and Gazette 1 Aug 2007, p3835).

(b) Regulation of Caravan Parks and Camping Grounds

As noted above, prior to 1995 the caravan park industry was regulated under the *Health Act 1911* (WA). Since 29 September 1995 regulation has been under the:

- *Caravan Parks and Camping Grounds Act 1995* (WA) (CPCG Act)¹¹⁵
- *Caravan Parks and Camping Grounds Regulations 1997* (WA) (CPCG Regulations)¹¹⁶

This legislation is administered by the Minister for Local Government and the Department of Local Government (DLG). The CPCG Act is:

*an Act to provide for the regulation of caravanning and camping, to control and license caravan parks and camping grounds, to provide for standards in respect of caravans, to amend certain Acts and for related purposes.*¹¹⁷

The objects of the Act are:

- (a) *to provide for the licensing of caravan parks and camping grounds;*
- (b) *to regulate caravanning and camping;*
- (c) *to improve and promote caravanning and camping;*
- (d) *to ensure that the design and layout of land used for caravan parks and camping grounds and the provision and availability of amenities and services meet desirable standards; and*
- (e) *to ensure that the standards of caravans and annexes in caravan parks are adequate to protect the health and safety of the occupiers.*¹¹⁸

The CPCG Act prescribes:

- the licensing of caravan parks and camping grounds (ss 6-12)
- the duties of licence holders (s 13)
- the keeping of a register of licences (s14)
- local government operated facilities (ss 15-16)

¹¹⁵ Act other than s 34(1) and (2) and Sch 2 it. 3: 1 Jul 1997 (see s 2 and *Gazette* 20 June 1997 p2805); balance: to be proclaimed.

¹¹⁶ Gazetted on 20 June 1997, pp2871-946.

¹¹⁷ Long Title, *Caravan Parks and Camping Grounds Act 1995* (WA).

¹¹⁸ Section 4 *Caravan Parks and Camping Grounds Act 1995* (WA).

- the powers of entry, inspection and enforcement (ss 17-24)
- the establishment and operation of the Caravan Parks and Camping Grounds Advisory Committee (s 25 and Schedule 1)
- other miscellaneous provisions (ss 26-34)

The day to day operations of caravan parks and camping grounds are prescribed in detail in the CPCG Regulations.

(i) Local Government By-laws

In addition to, and subject to, regulation under the CPCG Act and CPCG Regulations, individual by-laws are adopted by local governments for the regulation of caravan parks and camping grounds. In addition to its prescribed role in the regulation and licensing of caravan parks, DLG also is responsible for the preparation of model by-laws for caravan parks.¹¹⁹ It is important to note that the many of the powers granted in the CPCG Act in terms of the regulation of caravan and camping grounds are granted to the Council, and not to the Chief Executive Officer or officers of a local government. The Act does not enable a local government to delegate these powers to officers.¹²⁰ This is discussed further in Chapter 9.

(c) Regulation of Long-Term Tenancies

Tenancy issues are regulated by the Department of Commerce (DoC) (formerly the Department of Consumer and Employment Protection) (DOCEP) and the Minister for Commerce. Currently the rights and responsibilities of relevant park operators and long-stay tenants are outlined in the following legislation:

- *Residential Parks (Long-stay Tenants) Act 2006 (WA) (RPLT Act)*
- *Residential Parks (Long-stay Tenants) Regulations 2007 (WA) (RPLT Regulations)*

Prior to the introduction of this legislation in 2006, the tenancy of long-term residents was regulated by the *Residential Tenancy Act 1987 (WA)*.

The RPLT Act applies to individuals living in a private or government owned park who:

- rent both dwelling and site within a park for three months or more

¹¹⁹ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p83.

¹²⁰ Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995: Discussion Paper*, September 2005, p9. Available at: <http://www.dlgrd.wa.gov.au/Publications/Docs/CaravanParksCampingGroundsActPaper.pdf>. Accessed on 12 February 2009.

- rent a site within a park, and either own, purchase on-site or bring onto the site a dwelling for three months or more
- ‘entered into a periodic tenancy agreement before 3 August 2007’
- had a ‘written, fixed term agreement that has expired or was extended on or after 3 August 2007’ and
- ‘entered into an oral tenancy agreement before 3 August 2007’,¹²¹

The law does not apply to:

- holidaymakers
- current employees of the park living on the premises
- retirement villages as defined and covered under the *Retirement Villages Act 1992* (WA)
- individuals who have entered into ‘written, fixed term tenancy agreements, which have been entered into before 3 August 2007’.¹²²

(d) Other Legislation and Policy Impacting upon Caravan Parks and Camping Grounds

As well as the CPCG Act and Regulations and the RPLT Act, the regulation of caravan parks and camping grounds in Western Australia is subject to a raft of other legislative and policy requirements including, but not limited to, those contained in:

- *Environmental Protection Act 1986* (WA)
- *Valuation of Land Act 1978* (WA)
- *Electricity Industry Act 2004* (WA)
- *Health Act 1911* (WA)
- *Local Government (Miscellaneous Provisions) Act 1960* (WA)
- *Building Regulations 1989* (WA)
- *Road Traffic Act 1974* (WA)

¹²¹ Department of Commerce, *Information Booklet – Park Living*, June 2008, p2. Available at: http://www.commerce.wa.gov.au/ConsumerProtection/PDF/Publications/Residential_Parks_information_booklet.pdf. Accessed on 10 February 2009.

¹²² *ibid.*

- *Road Traffic (Vehicle Standards) Regulations 2002 (WA)*
- National Competition Policy
- Western Australian Planning Commission (WAPC) planning bulletins and development control policies
- Department for Planning (DoP) planning schemes and policies
- Local authority town planning schemes, policies and strategies

Rather than outline this legislation and policies, the relevant aspects of these are discussed where necessary throughout the report.

CHAPTER 3 DEMAND CHARACTERISTICS: VISITORS TO CARAVAN PARKS AND CAMPING GROUNDS

3.1 Segments Within the Tourist Accommodation Market

Before discussing the segments within the caravan and camping market, it is useful to provide a summary of all users of tourism accommodation. In order to do this, the categories provided in the 2006 *Tourism Planning Taskforce Report* are outlined in the following sections. This report divides what it terms ‘visitors’ to tourist accommodation into three categories according to ‘perceived accommodation patterns and common experience interests’.¹²³ However, the term ‘visitor’ is not used by the Tourism Planning Taskforce (the Taskforce) in the same context as used elsewhere in this report, so for clarity the term ‘user’ is substituted. This wider term applies both to visitors to, and residents living in, tourist accommodation.

(a) Short-Stay Users of Tourist Accommodation

The types of users who access short-term tourism accommodation include the following:

- individuals ‘seeking a tourism experience’
- most international visitors
- those who would normally utilise a resort or hotel style accommodation facility, ‘located and designed as a tourism facility, with a focus on the overall experience provided in that facility’
- those who opt for a cheaper alternative such as backpacker accommodation
- those who demand ‘access to recreation and entertainment venues, and an atmosphere and ambience conducive to socialisation’¹²⁴

(b) Short/Medium-Stay Users of Tourist Accommodation

The types of users which access short- to medium-stay tourism accommodation include the following:

- individuals seeking a holiday experience
- most domestic visitors

¹²³ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p14.

¹²⁴ *ibid.*, p14.

- those for whom the quality of accommodation is important, ‘but not necessarily with a focus on the experience it provides’ as these users would more likely ‘access attractions within the wider area and prefer self-contained accommodation, having a reduced focus on surrounding activities’,¹²⁵

Facilities meeting demand in the short- to medium-stay sector ‘can and will accommodate the short-stay visitor, seeking a tourism experience’ but ‘it may well not fully meet the expectations of such a visitor’.¹²⁶ In other words, some tourism experience may be sacrificed when opting for the medium-stay accommodation option.

(c) Seasonal/Long-Stay Users of Tourist Accommodation

The types of users who access seasonal or long-stay tourist accommodation include the following:

- predominately ‘intrastate visitors to an area’ ranging ‘from those with a second home in a regional area to the seasonal, long-stay caravan park resident’
- semi-permanent residents in regional areas such as ‘seasonal’ and ‘fly-in fly-out’ workers

While these types of visitors may be ‘accommodated in residential areas, they also are noted as investors in regional tourist accommodation developments’.¹²⁷

In the following sections, segments within the caravan and camping accommodation market are outlined.

3.2 Segments Within the Caravan Park and Camping Ground Accommodation Market

Caravan parks accommodate all the above three types of users of tourism accommodation: short-, medium- and long-stay users. The immense challenge faced by caravan parks in accommodating all three user types, with their various demands and requirements, has become evident throughout this Inquiry.

There are two distinguishable user groups of caravan parks: visitors and residents. Visitors include tourists/travellers and holidaymakers, and these are generally short- to medium-stay users of caravan park accommodation. Residents are those medium- to long-stay users who reside in the park for longer than three months, and who call the park their home, either temporarily or permanently. This three month timeframe can be used to readily identify residents as opposed to visitors.¹²⁸

¹²⁵ ibid.

¹²⁶ ibid.

¹²⁷ ibid., pp14-15.

¹²⁸ Section 5 *Residential Parks (Long-stay Tenants) Act 2006* (WA).

The medium-stay category of user may be either a visitor or a resident, depending on the purpose behind their use of the caravan park, and also depending upon whether they reside in the park under a lease agreement. They may not be a resident in the sense that they live permanently in the caravan park, but they tend to stay for longer than the defining three month timeframe. The diagram below illustrates all the categories outlined here.

Camping grounds, by their nature, do not generally accommodate long-stay users. Camping grounds are generally intended to accommodate the short-stay visitor.

The characteristics and behaviour of visitors to caravan parks and camping grounds are discussed in the remainder of this chapter. The characteristics and behaviour of residents of caravan parks are discussed in Chapter 8.

Table 3.1: Categorisation of Users of Caravan Parks and Camping Grounds

CATEGORY	TYPE	EXAMPLE
VISITORS	tourists/travellers (travellers who stay during the course of a longer trip)	→ international visitors
		→ grey nomads and freedom seekers on extended trips
		→ tourists from within the state
	holidaymakers (the caravan park or camping ground is the destination of the holiday)	→ families
		→ winter drifters who stay for extended periods of time
		→ interstate holidaymakers
RESIDENTS	lifestyle choice	→ retirees
		→ employment related, such as itinerant workers, seasonal and fly-in fly-out workers
	housing option of last resort	→ those who cannot afford anything else, this could include those working in remote areas where housing is at a premium
crisis accommodation	→ for the homeless, victims of domestic abuse etc.	

Finding 1

Caravan park patrons can be divided into two market segments, visitors and residents.

3.3 Visitors to Caravan Parks: Travellers and Holidaymakers

As noted in Section 3.2, visitors to caravan parks can be divided into two distinct categories: tourists/travellers and holidaymakers. For ease of reference, the term ‘traveller’ will be used to describe the former category.

These typologies are taken largely from research conducted by Tourism Western Australia (Tourism WA) and Tourism Research Australia (TRA). In 2007 these organisations conducted extensive research into the use of caravan parks by visitors in Western Australia. In the resulting report ‘visitors’ are defined as those individuals who use caravan parks ‘for holiday purposes rather than for permanent accommodation’.¹²⁹ This group was further broken down into travellers and holidaymakers, where travellers are those who used the accommodation on a road trip, and holidaymakers are those who use the park as the destination of their holiday (the traditional family holiday).¹³⁰ The research sample demonstrated an almost even split between travellers (56%) and holidaymakers (44%).¹³¹ Tourism WA finds that:

*there are two broad segments of caravanners. 56% are ‘Travellers’ where they use caravan parks for accommodation as part of a longer road trip. These consist of **Grey Nomads** (40%), **International Travellers** (3%) and **Freedom Seekers** (13%). They tend to stay in many different parks but for a shorter period of time.¹³²*

*44% are ‘Holiday Makers’ where the caravan park is the actual holiday destination. These are **Families** (13%), **Winter Drifters** older age group (+55yrs) (21%) and **Intrastate Holidaymakers** (10%). Their length of trip is shorter than Travellers but they tend to stay longer at individual caravan parks.¹³³*

Drawing largely upon the categorisations provided by Tourism WA, the following sections provide more detail about each of these market segments serviced by the caravan park industry. While caravan parks (which can contain camp sites) are the focus of the following sections, the categorisations of these visitors can be applied to camping grounds. Section 3.3(b) below discusses the characteristics of camping ground visitors in particular.

(a) Grey Nomads

The majority (40%) of travellers visiting caravan parks are retirees, or grey nomads, and they ‘travel the most widely staying [on average] 104 nights and visiting the most tourism regions in

¹²⁹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p22.

¹³⁰ *ibid.*, p2.

¹³¹ *ibid.*

¹³² Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Caravan Park Operators*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Caravan%20Park%20Operators.pdf>. Accessed on 26 March 2009.

¹³³ *ibid.*

the State'.¹³⁴ Submissions also support the claim that the majority of visitors to caravan parks are older,¹³⁵ as opposed to the younger family groups.¹³⁶ Similarly, submissions support the fact that demand from grey nomads 'is built around short distances and stopping often' with the annual holiday pattern no longer applying to the majority.¹³⁷

According to Tourism WA:

- grey nomads stay in many different caravan parks, having stayed, on average, in 'more than 20 caravan parks in the past five years'
- the types of people who constitute the grey nomad market segment are usually couples aged 55 and over, and are often interstate visitors
- grey nomads 'prefer a powered site as they are travelling with very expensive rigs'
- grey nomads want to see Australia and are all very 'price conscious as the majority have lower incomes'
- these travellers most often start their trip in their home state, and this is usually Queensland (in particular, the Gold Coast) or Victoria (in particular, Melbourne)
- like other travellers, grey nomads 'tend to travel anticlockwise around Australia'
- word of mouth from other travellers en-route is the most common way that grey nomads choose caravan parks, with the use of motoring accommodation guides also an important second method¹³⁸

(b) Freedom Seekers

Freedom seekers, who also form a part of the traveller market segment, 'tend to stay in many different parks but for a shorter period of time' as part of a longer road trip.¹³⁹ They represent around 13% of the traveller segment.¹⁴⁰

¹³⁴ Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Local Government*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Local%20Government.pdf>. Accessed on 26 March 2009.

¹³⁵ Submission No. 14 from Mr Terence Craig, 16 April 2009, p1.

¹³⁶ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p8.

¹³⁷ *ibid.*, p9.

¹³⁸ Tourism Western Australia, *Understanding the Caravan Industry in WA: Grey Nomads – Fast Facts*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20-%20Grey%20Nomads.pdf>. Accessed on 4 August 2009.

¹³⁹ Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Caravan Park Operators*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Caravan%20Park%20Operators.pdf>. Accessed on 26 March 2009.

According to Tourism WA:

- the types of people who tend to be freedom seekers are couples, friends and young professionals
- freedom seekers usually ‘reside interstate or overseas and travel for a shorter period of time – usually less than three months’, with two months on average being spent in Western Australia by these types of travellers
- freedom seekers are ‘more likely to have higher household incomes (51% \$50k+)’
- freedom seekers are ‘most likely to have started their trip in VIC/Melbourne’
- like other travellers, freedom seekers ‘tend to travel anticlockwise around Australia’
- freedom seekers tend to visit ‘a number of regions in Western Australia’
- travel guide publications ‘such as CAMPS, RAC or Lonely Planet’ are important resources which are consulted by freedom seekers; they are also influenced by Star Ratings when choosing accommodation
- freedom seekers ‘are more likely than the other Travellers to camp’ or use on-site accommodation, and in particular, on-site cabins and chalets¹⁴¹

(c) Families

Families are holidaymakers who have ‘a single caravan park’ as their holiday destination.¹⁴² According to 2006 research by Tourism WA, they constitute 13% of the holidaymaker segment of the caravan and camping market.¹⁴³ Their use is in line with the more traditional use of caravan parks and camping grounds, where the family holiday is at the same caravan park or camping ground on an annual basis. Anecdotal evidence indicates that many families have annual caravanning and camping holidays ‘going back 40 years or more’ and that many of these users do not want to see this becoming ‘a thing of the past’.¹⁴⁴

¹⁴⁰ Tourism Western Australia, *Understanding the Caravan Industry in WA: Freedom Seekers – Fast Facts*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20-%20Freedom%20Seekers.pdf>. Accessed on 4 August 2009.

¹⁴¹ *ibid.*

¹⁴² Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Caravan Park Operators*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Caravan%20Park%20Operators.pdf>. Accessed on 26 March 2009.

¹⁴³ Tourism Western Australia, *Understanding the Caravan Industry in WA: Families – Fast Facts*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20-%20Families.pdf>. Accessed on 4 August 2009.

¹⁴⁴ Submission No. 18 from Mrs Lorna Elliss, 20 April 2009, p3.

According to Tourism WA:

- around half the families visiting caravan parks ‘tend to have started their trip from Perth, and most likely to have stayed in the Experience Perth or South West regions’
- families tend to spend ‘a shorter number of nights on holiday, but almost all their trip was spent in WA’
- ‘families are more likely than the other segments to stay in on-site accommodation’
- word of mouth is important to families when choosing a park
- families are more ‘likely to have made a booking prior to their arrival at the caravan park’ with around half booking ‘more than two months beforehand’,¹⁴⁵

(d) Winter Drifters

Holidaymakers are predominately winter drifters who, like families, also visit ‘a single caravan park’ as the destination of their holiday.¹⁴⁶ Tourism WA believes that winter drifters travel mostly to the Coral Coast in the winter.¹⁴⁷ Tourism WA notes that in the north west winter drifters ‘are practically ‘semi permanents’ and have a sense of ownership of the caravan park’.¹⁴⁸ This assumption is supported by evidence received during the course of this Inquiry, with the Shire of Exmouth confirming that most visitors are repeat visitors coming to the region for the winter months and staying for an extended period of time, so that they are almost considered locals.¹⁴⁹ This is as opposed to somewhere closer to Perth, such as York, where most visitors to the caravan park there spend one or two nights and then move on.¹⁵⁰

According to Tourism WA:

¹⁴⁵ Tourism Western Australia, *Understanding the Caravan Industry in WA: Families – Fast Facts*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20-%20Families.pdf>. Accessed on 4 August 2009.

¹⁴⁶ Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Caravan Park Operators*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Caravan%20Park%20Operators.pdf>. Accessed on 26 March 2009.

¹⁴⁷ Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Local Government*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Local%20Government.pdf>. Accessed on 26 March 2009.

¹⁴⁸ Tourism Western Australia, *Understanding the Caravan Industry in WA: Winter Drifters – Fast Facts*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20-%20Winter%20Drifters.pdf>. Accessed on 4 August 2009.

¹⁴⁹ Shire of Exmouth, *Committee Briefing*, 2 June 2009.

¹⁵⁰ Submission No. 63 from York Caravan Park, 14 May 2009, p9.

- the types of people who tend to be winter drifters are retired couples over 55 years, intrastate visitors, and those ‘whose motivation for caravanning is to escape the cold and relax’
- budget is very important to winter drifters and therefore ‘the cost of accommodation is a primary factor in the decision making process’
- winter drifters ‘represent the largest part of the Holidaymaker segment’ constituting around 21% of the market segment ‘where the caravan park is the destination of the holiday’
- most winter drifters are from intrastate, particularly ‘from regional areas of the state, and are most likely to have visited the Experience Perth and Coral Coast regions’
- of all the visitor segments winter drifters ‘travel for the longest period of time’ and spend all this time in WA
- winter drifters tend to use caravan sites, more so than other market segments, ‘as most commonly this was their own/borrowed caravan’¹⁵¹

(e) Intrastate Holidaymakers

Intrastate holidaymakers come from within Western Australia, and like other holidaymakers such as families and winter drifters, they visit a single caravan park as the destination of their holiday.¹⁵²

According to Tourism WA:

- these holidaymakers comprise around 10% of the overall holidaymaker market segment
- intrastate holidaymakers are ‘usually older couples or friends travelling without children ... who take holidays more frequently and are looking for a relaxing cheap escape’
- most intrastate holidaymakers ‘start their trip from Perth and are most likely to have visited the Experience Perth, Coral Coast and South West regions’
- the trips taken by this market segment are usually less than a month, and nearly a third are less than a week

¹⁵¹ Tourism Western Australia, *Understanding the Caravan Industry in WA: Winter Drifters – Fast Facts*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20-%20Winter%20Drifters.pdf>. Accessed on 4 August 2009.

¹⁵² Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Caravan Park Operators*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Caravan%20Park%20Operators.pdf>. Accessed on 26 March 2009.

- intrastate holidaymakers usually ‘own their own van and are most likely to stay in powered sites’
- the majority of intrastate holidaymakers are ‘interested in staying at a nature based or eco-type camp’
- around 1 in 5 ‘intrastate holidaymakers travel with a pet’¹⁵³

(f) International Visitors

International visitors do not make up a great proportion of caravan park visitors. The research conducted by Tourism WA into the caravan park industry in 2006 did not include international visitors to caravan parks because this segment did ‘not provide a large enough sample to be able to draw reliable conclusions’.¹⁵⁴

(g) The Self-Contained Traveller

Travellers also include a new segment of the (largely) domestic tourism market; that of the ‘self-contained traveller’ which has ‘emerged over the past five years’.¹⁵⁵ It is not discrete from the above groups, and in fact could contain any of the above types. However, it is important to note this is a market segment in its own right, and its effect upon demand behaviour cannot be underestimated.

Evidence provided to the Committee suggests that this new market segment is largely made up of retirees aged between 55 to 70 years (i.e. the grey nomads or winter drifters outlined above), and it is reported that, ‘as the Baby Boomers start to retire it is about to explode onto the Australian Tourism scene’.¹⁵⁶ While this group is largely composed of retirees, there is some anecdotal evidence that families may utilise this form of travel, albeit to a much lesser extent.¹⁵⁷

This new market segment is made possible by the rise of the self-contained vehicle, being either towed or self-propelled, which does not require much more than a dump point and a water tap,¹⁵⁸ at least for some of the time. This phenomenon is noted by various stakeholders in the industry: for example, local government authorities,¹⁵⁹ various caravanning and RV clubs,¹⁶⁰ and caravan

¹⁵³ Tourism Western Australia, *Understanding the Caravan Industry in WA: Intrastate Holidaymakers – Fast Facts*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20-%20Intrastate%20Holidaymakers.pdf>. Accessed on 5 August 2009.

¹⁵⁴ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p24.

¹⁵⁵ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p6.

¹⁵⁶ *ibid.*

¹⁵⁷ Caravan Club Members, *Committee Briefing*, 10 June 2009.

¹⁵⁸ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p6.

¹⁵⁹ Submission No. 46 from Shire of Boyup Brook, 1 May 2009, p1.

manufacturers.¹⁶¹ It affects much of the demand for services and facilities by caravan park and camping ground visitors, which is further discussed throughout Chapter 4.

It should be noted that there are some limitations with reference to the term ‘self-contained’ and these are contained within a wider discussion about self-contained travellers in Chapter 4 at Section 4.4(e).

Finding 2

Visitors to caravan parks can be divided into tourists/travellers and holidaymakers.

3.4 Visitors to Camping Grounds: Bush Camping

As noted in Chapter 1, camping is an Australian tradition. Visitors to camping grounds which exist outside of caravan parks can include all the above types of caravan park visitors. This type of visitor may be camping in a national park, nature-based park, camping ground or even on the side of the road. Most obviously, they can include the traditional style of camper who uses a tent and other related camping equipment.

However, while the *Caravan Park and Camping Ground Act 1995* (WA) (CPCG Act) specifically precludes caravans from occupying camping grounds as defined in the Act, there is clear evidence to show that visitors to camping grounds now also include those using a caravan, campervan, RV or motorhome. Indeed ‘many of the nature-based camping facilities provided and managed by the Department of Environment and Conservations (DEC), whilst providing only basic facilities, are designed to accommodate caravans also, such as at Karijini National Park, Kimberley parks and Cape Range National Park’.¹⁶² Camping in caravans and RVs also occurs in remote areas at places such as Cleaverville and the 40 Mile Camp in the Shire of Roebourne, and Barn Hill Station in the Shire of Broome.

The self-contained traveller discussed in Section 3.3(g) is frequently this kind of visitor. This style of self-contained ‘camping’ holiday is now even more accessible with the rise of recreational vehicles (RVs) which are fully self-contained.¹⁶³ Because of this accessibility, the modern traveller is seeking alternatives to caravan parks, with all the facilities that they provide, and opting more for a freer camping style.¹⁶⁴ While it is true that some travellers may still choose to stay in a caravan park, many prefer camping grounds which are more secluded, have fewer

¹⁶⁰ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009; and Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009.

¹⁶¹ Mr Barry Gardner, *Committee Briefing*, 17 June 2009.

¹⁶² Submission No. 69 from Department of Environment and Conservation, 19 May 2009, p2.

¹⁶³ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p11.

¹⁶⁴ *ibid.*, p10.

‘unnecessary’ amenities,¹⁶⁵ and are free of the long-stay residents that now reside in many caravan parks.¹⁶⁶ In addition, this form of camping may sometimes be a necessity where there are large distances between towns (and caravan parks) in the more remote areas of the state.¹⁶⁷ Some submissions claim that this type of user is different from that of the caravan park visitor, and as such will not take ‘trade away from commercial caravan parks’.¹⁶⁸ It is certainly true that the types of facilities required by this traveller are different from those of the traditional caravan park visitor.¹⁶⁹ However, further evidence demonstrates that, at times and for various reasons, the same traveller may alternate between the use of a caravan park, camping ground or nature-based park. The trend towards this kind of ‘camping’ is discussed further in Chapter 4.

Bushwalkers are another user of camping grounds. As part of their walking activity, camping grounds (and caravan parks) are often designated stopovers. Often camping sites are provided along walking trails.¹⁷⁰ However, these activities can lead to illegal camping where a bushwalker camps ‘within a specified radius of an existing camp ground’.¹⁷¹ Illegal camping is discussed further in Chapter 4 at Section 4.4(f) and in Chapter 9 at Section 9.4(d).

The Western Australian Local Government Association (WALGA) believes that camping grounds are used by international backpackers, and that these backpackers ‘should be understood as the advance party for tourists, as those tourists who backpack and camp across Australia will likely one day return later in life either in caravans or in short stay accommodation’.¹⁷²

The nature of camping means that this activity is largely short- to medium-stay in the sense that individuals cannot live in a camping ground permanently. In particular, nature-based camping areas on DEC administered land, which are predominantly within national parks and State forests, are not conducive to longer stays. DEC states that this is because:

*these camping areas mostly have only basic facilities which may include toilets, barbecue areas/fireplaces and levelled tent sites. The basic facilities are not attractive to long-term residents, particularly those who are working and require power, shower and laundry facilities at the minimum. The occupants of CALM Act land camping facilities are almost all short-stay visitors.*¹⁷³

However, some camping ground visitors (for example, winter drifters) do stay in camping grounds for extended lengths of time. These would be more likely to be in caravans or RVs rather than

¹⁶⁵ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p1.

¹⁶⁶ Caravan Club Members, *Committee Briefing*, 10 June 2009.

¹⁶⁷ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p2.

¹⁶⁸ *ibid.*, p3.

¹⁶⁹ *ibid.*, p3, p6 and p8.

¹⁷⁰ Submission No. 61 from Federation of Western Australian Bushwalkers (Inc.), 12 May 2009, p1.

¹⁷¹ *ibid.*

¹⁷² Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p6.

¹⁷³ Submission No. 69 from Department of Environment and Conservation, 19 May 2009, p2.

tents. Evidence to this effect was received in briefings to the Committee¹⁷⁴ and through the Committee's observations and informal discussions held with members of the caravanning public, particularly at Cleaverville camping ground, and Barn Hill and Warroora Stations.

Finding 3

Due to the availability of self-contained vehicles, visitors to camping grounds now often include caravanners.

3.5 Factors Influencing Caravan Park and Camping Ground Visitor Trends and Behaviour

There is evidence that the type of visitor has a significant impact upon caravan park visitor usage, trends and behaviour. Each category of visitor outlined above has differing demands.

Tourism WA research found that:

*the primary reason for the visitors' trip either as a Traveller or a Holidaymaker influences the type of amenities and facilities required and the price expectations of accommodation at a caravan park. These factors also influence the decision process in terms of the selection of caravan park accommodation.*¹⁷⁵

In summary, however, the same research demonstrated that there are three over-riding reasons as to why caravan park visitors chose those parks over other types of accommodation. These reasons relate to 'price, atmosphere, and facilities', while the 'key barriers' to choosing caravan parks as accommodation are 'unclean amenities and noise'.¹⁷⁶

Following are the types of decisions made by caravan park and camping ground visitors which influence the type of accommodation demanded.

(a) Holiday Planning

Planning for a caravan and camping holiday necessarily includes choosing a caravan park or camping ground to stay at. The various types of visitors will have different approaches to this part of the holiday planning.

¹⁷⁴ Caravan Club Members, *Committee Briefing*, 10 June 2009; Shire of Exmouth, *Committee Briefing*, 2 June 2009.

¹⁷⁵ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p36.

¹⁷⁶ Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Caravan Park Operators*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Caravan%20Park%20Operators.pdf>. Accessed on 26 March 2009.

It appears that travellers select a particular caravan park or camping ground as part of a much wider travel plan. It is the destinations to be visited during the trip that are identified first and then often the caravan park or camping ground is used as a convenient accommodation along the way. Tourism WA found that travellers (in particular, grey nomads) ‘described their road trip as a “lifestyle” rather than holiday experience’, and therefore small details like prior booking of accommodation were second to ‘major decisions about buying/hiring a caravan/campervan, purchasing airline tickets, selling the house etc’.¹⁷⁷ Booking accommodation was more likely to be done on the trip, and maybe even decided on a day to day basis. Although, there was some indication that it would be booked ahead if the traveller(s) had heard of difficulties with shortages of sites in caravan parks.¹⁷⁸ Evidence provided to the Committee indicated that travellers, particularly grey nomads, avail themselves of a vast network of communications, including websites and word of mouth, something that is enhanced by modern communication technologies. This means that any difficulties consistently identified with particular parks, towns or regions has the potential to negatively influence many other travellers in terms of holiday planning in that they may bypass those parks or locations if possible.¹⁷⁹ DEC observed that:

*almost all the grey nomads carry their laptops, which they do not have to plug in. They are geared up and get all the information. They meet everyone else who has been at the caravan park and they tell them where they have been and what they have seen, but they supplement that with interrogating the electronic medium.*¹⁸⁰

On the other hand, holidaymakers, on the whole, stay at a caravan park because that is the particular park at which they wish to stay, and they are often repeat visitors. They indicate that ‘booking accommodation was more important as the destination is their holiday; therefore selection of the right caravan park can “make or break” a holiday. Thus, prior planning and searching for accommodation becomes more important’.¹⁸¹ The WA Association of Caravan Clubs Inc. (WAACCI) also indicates this as a factor for families planning a holiday, stating that families ‘rely upon the availability of caravan and camping sites, as being essential to their holiday planning and budget limit expectations’.¹⁸²

(b) Accommodation Selection

A caravan park or camping ground will be selected by visitors over other types of tourism accommodation due largely to factors of affordability, atmosphere and location. Market research conducted in 2003/2004 indicates that:

¹⁷⁷ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p3.

¹⁷⁸ *ibid.*, p37.

¹⁷⁹ Caravan Club Members, *Committee Briefing*, 10 June 2009.

¹⁸⁰ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p12.

¹⁸¹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p3.

¹⁸² Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p16.

*the main appeal of a caravan or camping holiday is the freedom it provides—combining the flexibility of self catering with ability to move location relatively easily. Another factor is the cheapness of the holiday when this type of accommodation is used.*¹⁸³

The most important reason, according to Tourism WA, is affordability.¹⁸⁴ This is supported by submissions, with one caravan park operator stating that ‘there is a demand for low cost and budget accommodation’, something that a caravan park is readily able to offer.¹⁸⁵

Ambience is also important, with visitors looking for a relaxed atmosphere, and one that provides a traditional, inclusive, simple outdoor experience.¹⁸⁶

Tourism WA reports that ‘location of the caravan park relative to other accommodation was also an important consideration when selecting accommodation’.¹⁸⁷ This is particularly true for those travelling in the north of the state, where accommodation providers may be full or few and far between.

This form of accommodation is generally selected by certain age groups. The section above which discussed the characteristics of grey nomads noted that these are the majority of users of caravan parks. On a national scale also, caravan and camping accommodation is currently more popular with older, retired generations.¹⁸⁸

(c) Site Selection: Camping, Caravan or Cabin?

Once the decision is made to use caravan and/or camping accommodation, there are factors that then affect the choices between the kinds of accommodation within this range. The types of accommodation provided by caravan parks are listed in Chapter 5 at Section 5.2.

The provision of more and better facilities seems to be a motivating factor to use caravans within a caravan park over other similar priced accommodation within the park (for example, camp sites in the caravan park), as is the motivation for use of on-site accommodation.¹⁸⁹ Tourism WA finds that a powered site is the most popular type of caravan park site, with grey nomads, intrastate

¹⁸³ Tourism Research Australia, *A Profile of Travellers who used Caravan or Camping Accommodation in Australia in 2003/04*, Tourism Australia, 2005, p3.

¹⁸⁴ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p4.

¹⁸⁵ Submission No. 63 from York Caravan Park, 14 May 2009, p6 and p9.

¹⁸⁶ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p4.

¹⁸⁷ *ibid.*

¹⁸⁸ Tourism Australia, *Through the Looking Glass: The Future of Domestic Tourism in Australia*, Tourism Research Australia, Canberra, February 2008, p29.

¹⁸⁹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p4.

holidaymakers and winter drifters more likely than other types of visitors to use these sites.¹⁹⁰ The advantages of caravans, as indicated by those who choose them, are that they are self-contained, can contain some comforts of home, and that they are ‘flexible and convenient compared to other types of sites at a caravan park’.¹⁹¹

Evidence presented to the Committee indicates that the most popular type of caravan is the self-contained, self-owned caravan or recreational vehicle. Coupled with this is a growing demand for free camping sites where RVs can be parked for weeks at a time without requiring any external facilities.¹⁹² Therefore, while one segment of the market may choose a powered caravan site within a caravan park in order to make use of the facilities there, evidence suggests that another market segment, i.e. those with self-contained vehicles, will demand sites with ‘no frills’ if possible.¹⁹³ This phenomenon means that while the average modern individual may not have the skills to camp in a traditional sense, the rise of self-contained RVs means that the traditional camping holiday is still accessible to most people.

However, in spite of the trend toward free or bush camping with minimum facilities and outside of traditional caravan parks, it was pointed out that a certain segment of retirees ‘have yet to become familiar with unsecured travelling and camping regimens and will continue to seek the safety and comfort of caravan parks’.¹⁹⁴

Campers appear to choose tent sites due to considerations of affordability. Anecdotal evidence points towards more people, particularly family groups, taking camping holidays (over other types of accommodation/holidays) due the economic downturn.¹⁹⁵

Another influencing factor for campers is ‘the convenience and the independence afforded in terms of accessing hard to reach places, the seclusion and the adventure’.¹⁹⁶ This appears to be a factor for grey nomads, who like to take their self-contained RVs into remote camping areas for weeks at a time.¹⁹⁷ Indeed, the Campervan and Motorhome Club of Australia Ltd (CMCA), which represents the interests of the (largely self-contained) RV traveller, claims that travellers are looking for ‘a range of camping options - including budget options ... [and] eco locations and informal environs for bush camping’.¹⁹⁸

¹⁹⁰ ibid.

¹⁹¹ ibid.

¹⁹² Caravan Club Members, *Committee Briefing*, 10 June 2009.

¹⁹³ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p3.

¹⁹⁴ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p8.

¹⁹⁵ Brown, Pam, ‘Families Turning to Tents’, *The West Australian – Perth Caravan & Camping Show Insert*, 19 March 2009, p16.

¹⁹⁶ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p4.

¹⁹⁷ Caravan Club Members, *Committee Briefing*, 10 June 2009.

¹⁹⁸ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, pp3-4.

Those staying in on-site accommodation appear to value ‘the comfort provided, additional space, the facilities available (eg. ensuites), and shelter from the weather’.¹⁹⁹ Evidence received by the Committee appears to indicate an increase in demand for chalets or cabins.²⁰⁰ For instance, there is a demand for short-stay cabin accommodation reported by the York Caravan Park, which is largely the result of tourists preferring ensuite facilities.²⁰¹

(d) Facilities

As noted above, the requirement (or non-requirement, as the case may be) for facilities influences the choice between caravan, camping or chalet sites. For those who choose caravan sites, there seems to be a tension between the types of facilities demanded by various visitor segments. Travellers appear to want fewer and more basic facilities, while holidaymakers may want more amenities to enhance their holiday experience at that park.

There appears to be two emerging and diverging trends when it comes to facilities demanded by visitors to caravan parks and camping grounds. This is discussed further in Chapter 4 at Section 4.4(a).

(e) Which Park?

The location of a caravan park is the primary influence on choice. It is no coincidence that many caravan parks and camping grounds are located in prime tourist locations. For instance, the ‘great attraction for holiday-makers to Turner Caravan Park [in Augusta] is the fact that it is on the river mouth and families are able to enjoy the river and ocean, and the natural ambience of the park including the flora and fauna in and around the park’.²⁰²

Expectations of caravan parks also include the following, as identified by Tourism WA:

- *the cleanliness of the amenities - toilet and shower facilities.*
- *the friendliness of the operator, which is important to make the visitor feel comfortable during their stay and influences the atmosphere of the caravan park.*
- *the general appearance of the caravan park which includes the cleanliness and landscaping which is very important for the comfort and ambience provided for visitors.*²⁰³

¹⁹⁹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p4.

²⁰⁰ Submission No. 81 from City of Albany, 25 May 2009, p2.

²⁰¹ Submission No. 63 from York Caravan Park, 14 May 2009, p8 and p9.

²⁰² Submission No. 18 from Mrs Lorna Ellis, 20 April 2009, p2.

²⁰³ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p5.

Cost competitiveness between parks is also important. Additional fees for amenities and extra people, which are often charged, do reduce affordability and therefore the choice of park.²⁰⁴

However, it is possible that, particularly in the north west where many parks are full of ‘permanent’ or semi-permanent residents, the choice between parks may not be available. Choice between parks would be more prevalent in the south west, except for possibly at peak times. Some regional differences are highlighted in the regional snapshots contained in Chapter 10.

(f) Economic Conditions

It is perhaps logical that the economic climate will affect tourism in general, and the use of tourism accommodation, in particular. It is possible that trends towards greater usage of low-cost accommodation such as caravan and camping accommodation may become apparent in times of economic downturn. The impact of economic conditions on the caravanning and camping market is discussed further in Chapter 4.

(g) Seasonality

Demand for caravan and camping accommodation in most areas is extremely seasonal. Seasonality of demand is influenced by the following factors:

- weather and season
- school and university holidays
- special events
- the cost of travel and accommodation²⁰⁵

The seasonality of demand is discussed extensively in Chapter 6 at Section 6.2(a). In addition, the regional snapshots in Chapter 10 highlight seasonality of demand as it manifests in particular places and/or regions.

Finding 4

Demand behaviour varies significantly depending upon the type of visitor using the caravan park or camping ground.

²⁰⁴ *ibid.*, p4.

²⁰⁵ Tourism Research Australia, *International Tourism Facts*, Year ending December 2007. Available at: <http://www.tra.australia.com/content/documents/Survey%20Results/2007%20Data/Seasonality.pdf>. Accessed on 19 March 2009.

CHAPTER 4 TRENDS IN DEMAND FOR CARAVANNING AND CAMPING ACCCOMMODATION

4.1 Introduction

The majority of submissions to this Inquiry expressed the view that demand for caravan and camping accommodation in Western Australia has been increasing in recent years, and will continue to do so into the future. This is in spite of the economic downturn which has affected the Western Australian and national economy since late 2008. In fact, as discussed later in this chapter, some believe that economic constraints will actually benefit the caravan and camping industry.

This chapter outlines and discusses general trends in demand for caravan and camping accommodation at a state level. However, it should be noted that demand characteristics and trends do vary from region to region.

While many submissions claim that demand for caravan and camping accommodation is increasing, some conflicting information was received. Some anecdotal sources indicate an increase in demand for this kind of accommodation in recent years, while others do not. Available statistical data also varies. As pointed out by Mr Glen Chidlow of Australia's North West Tourism, tourism performance, or demand, is difficult to measure. As he notes, it can be determined from a combination of anecdotal evidence, Tourism Research Australia (TRA) statistics, Tourism Western Australia (Tourism WA) statistics and airport data.²⁰⁶ This chapter also takes into account data from the Australian Bureau of Statistics (ABS). The Committee believes, however, that none of these sources are wholly reliable or offer the total picture. A more detailed explanation of the nature and limitations of the statistical data used in this chapter and throughout this report is contained in Chapter 1 at Section 1.4.

The focus of this chapter is the measurement of demand for tourism accommodation within caravan parks and camping grounds. However, demand for tourist accommodation is often difficult to separate from that of demand for caravan park accommodation as an affordable and available housing option.

4.2 Demand for Caravan Parks and Camping Grounds in Western Australia

Several major government and industry stakeholders argue that demand for caravan and camping accommodation across Western Australia is increasing. For instance, Tourism WA draws on various statistical sources and studies to argue that demand is increasing. Citing ABS site occupancy figures, it states that between 2003 and 2007, 'demand for caravan and camping sites in

²⁰⁶ Australia's North West Tourism, *Committee Briefing*, 29 June 2009.

WA has increased'.²⁰⁷ It states that 'between 2003 and 2007 occupied site nights rose by 3.35% despite the reduction in overall caravan parks and site numbers [and that] average occupancy percentages increased from 47.25% to 52% during the same period'.²⁰⁸ Some general ABS site occupancy figures are reproduced in Appendix Six.

Tourism WA research into the caravan park industry in Western Australia in 2006 also points to rising demand,²⁰⁹ although this research is now several years old and therefore cannot take into consideration current economic factors. However, at hearing Tourism WA reinforced its view that demand has grown and will continue to grow. Mr Richard Muirhead, Chief Executive Officer of Tourism WA, gave several examples to demonstrate this trend. He cited a 20% increase in the registrations of camper trailers, caravans and fifth wheelers in 2008, although he did note 'a decline in motorhome registrations of around 16.7 per cent'.²¹⁰ He also stated that the Big4 Holiday Parks caravan park chain reported 'a 10 to 12 per cent increase in visitations across all their holiday parks nationally' in the March quarter of 2009, and added that the 'Big4 group is running countercyclical to the current [downward] trend' in tourism generally.²¹¹ Tourism WA also identified an increase in the demand for free camping,²¹² which has also been recognised by the Committee and is discussed later in this chapter.

Like Tourism WA, others also point to rising demand as evidenced by the 'rapidly increasing numbers of caravanners in Australia'.²¹³ This is the argument put forward by the Western Australia Local Government Association (WALGA), which argues that the 'number of caravan owners and caravan tourists have continued to increase [and that] Caravan Parks across Western Australia are already reporting record highs during their respective peak seasons'.²¹⁴ The increase in caravan and other RV sales, and its relation to demand growth, is discussed in depth at Section 4.3 below.

The increase in accommodation takings between 2005 and 2007 from the caravan and camping sector is also cited as a demand growth indicator, although it is possible that higher accommodation takings may be partially due to higher prices being charged.²¹⁵

²⁰⁷ Submission No. 60 from Tourism Western Australia, 8 May 2009, p6.

²⁰⁸ *ibid.*

²⁰⁹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, pp8-9.

²¹⁰ Mr Richard Muirhead, Chief Executive Officer, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p3.

²¹¹ *ibid.*

²¹² Mr Steve Crawford, Director Strategic Policy, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p7.

²¹³ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p7.

²¹⁴ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p3.

²¹⁵ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p7.

Another point to emphasise with regards to demand is that there are significant variations for both supply and demand across regions. While some regions are experiencing strong demand growth, others are more stagnant. This is highlighted by Aspen Parks Property Management Ltd (Aspen Parks), a corporate owner of several caravan parks and other tourism facilities throughout the regions. While citing overall increasing demand, this organisation points to the demand differences between Perth caravan parks, which have demonstrated ‘increased patronage year after year for the past three years’, the Coral Coast where ‘lower occupancies but higher returns [are] primarily due to less people travelling but staying longer’, and the Pilbara where demand from miners ensures continually high site occupancy.²¹⁶ The Pilbara region is discussed in detail in Chapter 10.

Anecdotal evidence from caravan park operators in some areas points to strong and/or increasing demand, with one operator in Esperance stating that the ‘demand for caravan park sites is not diminishing and indeed there is a steady growth in the number of caravans and campers being acquired buy (sic) the travelling public’.²¹⁷ Some other operators also support the notion of increasing demand.²¹⁸ However, in Albany for example, caravan park operators have recently experienced a decrease in demand for short-stay caravan and camping sites.²¹⁹

(a) Tourism Research Australia Data

In addition to evidence received in submissions, the Committee considered several sources of statistical data in order to determine demand trends. The most comprehensive source of this kind of data is obtained from TRA. The TRA conducts National Visitor Surveys (NVS) and International Visitor Surveys (IVS) which inform tourism agencies Australia wide, including Tourism WA. TRA caravanning and camping data provided to the Committee during the course of this Inquiry includes the following types of caravanning and camping data.

National Visitor Survey (NVS)

- Caravan park or commercial camping ground
- Caravan or camping by near road or on private property

International Visitor Survey (IVS)

- Caravan park or commercial camping ground
- Caravan or camping by side of road, on private property, on Crown land, or in a national park

²¹⁶ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p6.

²¹⁷ Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p1.

²¹⁸ Submission No. 37 from Horrocks Beach Caravan Park, 4 May 2009, p1.

²¹⁹ Submission No. 29 from Albany Holiday Park, 28 April 2009, p3.

Appendix Five of this report contains a range of caravanning and camping data obtained from the TRA database and various TRA, Tourism Australia and Tourism WA publications.

The Committee was advised by the TRA that a very broad range of caravanning and camping accommodation would be included in these data groupings, including camping on pastoral leases. This is because the nature of the surveys allows for any kind of camping or caravanning to be included, with type of camping or caravanning categorised according to the responses received. However, upon careful consideration of these survey results and survey methodology, and along with consideration of other evidence received by the Committee, the Committee has concluded that a large section of the market is possibly not captured by these surveys. Nonetheless, in spite of perceived limitations within the TRA data sets, as this is the only comprehensive data available on caravanning and camping demand in Western Australia,²²⁰ a brief analysis of this data is presented following.

Using TRA data, which are reproduced in Appendix Five, the Committee calculates that in relation to other types of accommodation :

- caravanning and camping accounted for approximately 19% of the total domestic visitor nights²²¹ spent in Western Australia between 2006 and 2008
- caravanning and camping accounted for approximately 5% of international visitor nights spent in Western Australia between 2006 and 2008
- caravanning and camping accommodation was the third most utilised type of accommodation for domestic visitors to Western Australia in the years ending 2006, 2007 and 2008
- the domestic market is the largest market segment within the caravan and camping accommodation market²²²

Based upon estimates derived from other unpublished TRA data provided to the Committee:

- over the ten year period from 1999 to 2008, visitor nights spent by domestic visitors constituted 86% of the visitor nights spent in caravan and camping accommodation
- over the ten year period from 1999 to 2008, visitor nights spent by international visitors accounted for 14% of the total number of visitor nights spent in caravan and camping accommodation

²²⁰ The only other demand data for caravanning and camping is found at ABS catalogue number 8635.0 which catalogues statistics dealing with larger parks in the state, i.e. those with 40+ powered sites. See Chapters 1 and 5 for an explanation of the limitations inherent within this data set.

²²¹ Visitor nights refer to the number of nights spent away from home in association with an individual visit. Visitor nights spent in caravan and camping accommodation refer to the total nights away from home and spent in caravan and camping accommodation by all visitors to this accommodation.

²²² See the tables in Appendix Five for more detail.

- intrastate visitors are particularly important to the caravan and camping industry in Western Australia²²³

TRA data also demonstrates that the majority of international caravanners and campers originated from Europe and the United Kingdom, with approximately 40,500 UK/European visitors in the 2008 annual year using caravan and camping accommodation. Other key markets for caravan parks and camping ground accommodation in 2008 include North America and Asia. Overall, the international caravan and camping market has declined over the past decade and, as such, remains a very small part of the caravanning and camping market.²²⁴

This balance between domestic and international visitors is reflected generally within Western Australia tourism statistics. Tourism WA research demonstrates that 73% of visitors to Western Australia are from within the state, with around half of these visiting destinations within the state for holiday or leisure purposes. The next largest market segment of visitors to Western Australia is interstate visitors at 18%, with a third of these visiting for holiday or leisure purposes. The smallest market segment is international visitors at 9%, with a third of these visiting for holiday or leisure purposes.²²⁵

An analysis of TRA caravan and camping accommodation visitation statistics in Western Australia reveals that demand has exhibited peaks and troughs over a ten year period (1999-2008).²²⁶ According to these statistics, both the strongest and weakest annual demand during this period occurred over the last two years. The year of 2007 demonstrates the greatest demand at just over 7 million visitor nights spent in caravan and camping accommodation, while 2008 has demonstrated the lowest figure, at around 5.8 million visitor nights. However, when viewed over the whole 1999-2008 period, the data demonstrates relatively stable demand for caravan and camping accommodation. Mr Justin Marshall from TRA believes that the stability demonstrated by TRA data is a good indication of the strength of the caravan and camping market in Western Australia, given the overall decline in domestic tourism over the past decade.²²⁷

Noted previously is the fact that the largest market segment of caravan and camping visitors is the intrastate market. According to Tourism WA, demand from the intrastate market segment within the whole of the tourism sector decreased in line with expectations during 2008, continuing 'the

²²³ These estimates are based upon calculations using unpublished data received from Tourism Australia: Tourism Australia, *Tourism Research Australia 2007 (unpublished data)*, Tourism Research Australia, March 2009.

²²⁴ See the tables in Appendix Five for more detail.

²²⁵ Tourism Western Australia, *Western Australia Overnight Visitor Fact Sheet Years Ending December 2006/07/08*, pp3-6. Available at: http://www.tourism.wa.gov.au/Research_and_Statistics/Documents/Western%20Australia%20Overnight%20Visitor%20Fact%20Sheet%20-%20Year%20Ending%20December%202008.pdf. Accessed on 6 July 2009.

²²⁶ There are no complete Tourism Australia statistics further back than 1999 for both international and domestic demand.

²²⁷ Mr Justin Marshall, Manager Surveys, Tourism Research Australia, Tourism Australia, Telephone Conversation, 6 August 2009.

downward trend in intrastate tourism over the years'.²²⁸ Likewise, whole-of-sector tourism demand from international and interstate market segments softened 'in the second half of the year, leading into a 2009 where tourism worldwide, and in Australia and WA is expected to decline'.²²⁹ However, some believe that an economic downturn may actually lead to greater usage of cheaper accommodation alternatives closer to home, such as caravan parks and camping grounds. This possibility is discussed in more detail in Section 4.5 of this chapter.

(b) Demand Trend Summary

Establishing demand trends has been difficult, given the variation within the evidence presented to the Committee. ABS site occupancy data, while only capturing around half the number of caravan parks in Western Australia, indicates a slight increase in demand. Many submissions and evidence given at hearing also point to increases in demand, whether regional or state-wide.

On the other hand, the TRA data discussed above indicates that demand for caravanning and camping has been relatively stable for the past decade. As noted above, the Committee has concluded that a large section of the market is not being captured by the TRA surveys. The Committee bases this assumption upon other evidence received, and also site visits to various tourism regions throughout the state.

For example, the Committee visited Warroora Station on the Ningaloo Coast to view first-hand the growing demand for the nature-based camping and caravanning experience provided on pastoral leases.²³⁰ Similarly, the Committee was made aware of other growth areas, such as Coral Bay, which are extremely important to the caravanning and camping market, particularly the intrastate market. This growth does not appear to be captured in TRA data. It became clear to the Committee that the Western Australian caravanning and camping industry is diverse and complex, and it is likely that those who collect, compile and analyse caravanning and camping data are not aware of exactly how the industry is structured, nor the diversity of the industry.

Finding 5

There is a lack of reliable and consistent data on demand and demand trends. This limits the effectiveness of policy planning and strategic direction.

²²⁸ Tourism Western Australia, *WA Tourism Snapshot 2008*, March 2009, p1. Available at: http://www.tourism.wa.gov.au/Research_and_Statistics/Documents/WA%20Tourism%20Snapshot%202008.pdf. Accessed on 6 July 2009.

²²⁹ *ibid.*

²³⁰ This particular demand growth is discussed further in Section 4.4(e)(i). The provision of the nature based caravanning and camping experience on pastoral land is also discussed in Chapter 5.

Finding 6

Tourism Research Australia data indicate stable demand for caravanning and camping accommodation over the previous decade.

Finding 7

There is considerable evidence to suggest an increase in demand for caravanning and camping accommodation across the state.

Recommendation 1

Tourism Western Australia must address the lack of reliable and consistent data.

4.3 Demand for Caravans, Campers and Camping Equipment

The sale of caravans, campers and other recreational vehicles (RVs) is a good indicator of demand for caravan parks and camping grounds. It appears that until very recently, long-term demand for all types of caravans or RVs was steadily rising. In 2006 the *National Road Tourism Strategy* noted that, Australia wide, 'new caravan registrations ha[d] grown on average 14 per cent per annum over the last five years'.²³¹

Tourism WA also takes a national view, arguing that:

*currently, over 1.2 million Australians own a caravan and this number is growing at a phenomenal rate. According to the Recreational Vehicle Manufacturers Association of Australia (RMVAA), in excess of 20,000 new caravans, RV's and camper trailers were manufactured in 2007. This was an increase of 10 per cent over 2006 numbers, and means a caravan rolls off the production floor every 25 minutes. At any time there are at least 80,000 vans, representing at least 160,000 people, on Australian roads.*²³²

²³¹ Tourism Australia, *National Road Tourism Strategy*, November 2006, p7. Available at: <http://www.tourism.australia.com/content/Niche/NATROADSTOURISMSTRATEGYFINAL.pdf>. Accessed on 17 March 2009.

²³² Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p7.

Tourism WA believes that in Western Australia ‘since 1995 there has been a 278% increase in the manufacture of caravans which will result in significant demand for caravan sites’.²³³ In terms of ownership, it states that in Western Australia:

*as per the national trend, the number of new caravans, campervans and RVs on the road is also increasing. In the past 10 years the number of caravan registrations in WA increased 15.4% from 36,727 to 42,401. This growth is likely to increase since the Western Australian Government abolished stamp duty on caravans and camper trailers in July 2007 after extensive lobbying from the Caravan Industry Association of WA.*²³⁴

This trend is supported by other sources. For example, WALGA states that:

*statistics sourced from the Department of Planning and Infrastructure Licensing records show that caravan, motorhomes and camper trailer ownership are growing at a very fast rate. Ownership of caravans has increased 7.5%, motorhomes have increased 13.52% and camper trailers have increased 10.27% between June 2006 and June 2007.*²³⁵

The increases noted by WALGA and Tourism WA are up until 2007. More recent statistics sourced by the Committee from the Department of Transport do not show this trend as continuing to increase in the short-term. Between 2007 and 2009 the number of licensed caravans, camper trailers, and other RVs dropped from 53,914 to 50,820, a 3.6% decrease.²³⁶ This recent decline is also noted by the Caravan Industry Association Western Australia Inc. (CIAWA), as outlined further below. However, this does not detract from the fact that in Western Australia alone there are still in excess of 50,000 licensed caravans and other RVs on the road.

Some sources still report strong demand for caravans and other RVs in Perth.²³⁷ For instance:

A flurry of interest in campervans and trailers has resulted in booming sales in this sector of the recreational vehicle industry as the world financial crisis hits home.

*Families accustomed to splashing out on an overseas odyssey are more inclined to purchase campers and be left with a tangible asset, which can provide years of holiday enjoyment.*²³⁸

²³³ Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Local Government*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Local%20Government.pdf>. Accessed on 26 March 2009.

²³⁴ Submission No. 60 from Tourism Western Australia, 8 May 2009, p6.

²³⁵ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p3.

²³⁶ This calculation is based upon statistics provided by Mr Steve Parker, Data Quality and Integrity, Department of Transport, Electronic Mail, 20 August 2009, Attachment: Caravan Registrations.

²³⁷ Poat, Peter, ‘More Value for Your Luxury Dollar’, *The West Australian - Perth Caravan & Camping Show Insert*, 19 March 2009, p12; and [no author], ‘Van Sales Defy Downturn’, *The West Australian - Perth Caravan & Camping Show Insert*, 19 March 2009, p2.

²³⁸ Poat, Peter, ‘Crisis Boosts Camper Demand’, *The West Australian - Perth Caravan & Camping Show Insert*, 19 March 2009, p14.

In particular, grey nomads are reportedly continuing to purchase caravans, but due to their 'falling superannuation funds' are 'downsizing their dreams'.²³⁹

However, some suppliers have not been as confident recently, with one major Perth caravan and motor home showroom claiming in March 2009 that 'business was the quietest in more than a decade and the showroom was only just keeping its head above water', and also that 'manufacturing is down about 60 per cent [... and that] some manufacturers are already in liquidation'.²⁴⁰ Ms Pat Strahan, Chief Executive Officer (CEO) of CIAWA, was quoted in March as saying that 'the market in Perth was very mixed and clear picture of sales would not emerge until after the Caravan and Camping Show'.²⁴¹ She further stated that the industry in 2009 is 'coming off a high' which peaked during 2007 and 2008.²⁴²

In July Ms Strahan advised the Committee that long-term there had 'been an increase in the sale of new caravan products over the past 15 years, and that has been growing at approximately 13 to 14 per cent per annum. That has actually slowed in the past 12 months. It has dropped back'.²⁴³ Ms Strahan further clarifies that:

the 2009 market has been softer than 2008, and 2008 was softer than 2007.

*Overall ... manufacturers and dealers sales are down around 25-30%. It is anticipated that sales will remain flat until the latter part of 2010.*²⁴⁴

Ms Strahan remains optimistic, however, that while there are 'still a lot of mixed signals for the consumer on the direction of the economy' it is hoped that the 'bottom of the downward trend' has been reached by the industry. She further believes that 'there have been some signs of an improvement' although the market has still not regained the heights of 2007 and 2008.²⁴⁵ According to Ms Strahan what is apparent is that consumers are still interested in caravanning but are 'buying something that is probably not as luxurious as it may have been 12 months ago'.²⁴⁶ The 11% increase in visitors attending the WA Caravan and Camping Show in 2009 (compared to 2008) is a testament to this fact.²⁴⁷

²³⁹ *The West Australian*, 'Grey Nomads Downsize but Still Follow the Caravan Dream', 9 March 2009. Available at: <http://www.thewest.com.au/default.aspx?MenuID=77&ContentID=129034>. Accessed on 6 April 2009.

²⁴⁰ *ibid.*

²⁴¹ *ibid.*

²⁴² *ibid.*

²⁴³ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p2.

²⁴⁴ Ms Pat Strahan, Caravan Industry Association Western Australia Inc., Electronic Mail, 21 July 2009.

²⁴⁵ *ibid.*

²⁴⁶ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p3.

²⁴⁷ *ibid.*, p17.

This could be the reason that the demand for tenting equipment appears to be strong. CIAWA stated that:

*each year, some 250 000 or 300 000 tents are sold nationally. That figure has not changed. BCF and Ray's Outdoors have just opened up in Western Australia. Those big companies would not have come to Western Australia if it was a slowing market.*²⁴⁸

*Anecdotally, caravan parks told us that this year there were a lot more people coming in tha[t] had never been camping before, and they were coming ... in tents. I was getting that feedback particularly in the south west.*²⁴⁹

Therefore, it would appear that caravanning and camping is still a very attractive holidaying option for many people, and it is likely that this is actually increasing over the long-term, based upon the sales of caravans, campervans, RVs and camping equipment.

Finding 8

In spite of a slower market being evident in recent months, long-term trends for the purchase of caravan and camping vehicles and equipment demonstrate an increase in caravanning and camping activities.

4.4 Emerging Demand Trends

It became evident throughout the course of this Inquiry that the caravan and camping industry has evolved at an incredible pace and undergone substantial change, with this transformation outstripping infrastructure and regulation. This has largely been driven by emerging demand trends which are, in turn, driven by 'a dramatic increase in customer expectations and external market forces'.²⁵⁰ Tourism WA also identifies great changes to the caravan and camping industry and believes that this will continue as the characteristics of 'demographics and customer expectations change over time'.²⁵¹

Outlined following are the major trends that came to the attention of the Committee throughout the Inquiry.

(a) Increasing Expectations: Quality and Facilities

As noted in Chapter 3, there appears to be two emerging and diverging trends regarding expectations around facilities and services within caravan parks and camping grounds. Also

²⁴⁸ *ibid.*, p16.

²⁴⁹ *ibid.*, p17.

²⁵⁰ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p12.

²⁵¹ Submission No. 60 from Tourism Western Australia, 8 May 2009, p7.

identified in Chapter 3 was the difference between the expectations of holidaymakers and travellers.

Some submissions claim that *travellers* do not want ‘frills’, but simply ‘clean amenities blocks, adequate hot water for the shower and a sometimes (sic) Laundromat’.²⁵² One traveller sums up what she sees as being the basic facilities required by ‘many Aussie travellers’²⁵³:

- *Clean well lit facilities- toilets, showers and laundries*
- *All facilities functioning correctly eg. power outlets, hot water systems, washing machines*
- *Good park security in “troubled” towns*
- *Friendly helpful staff*
- *Somewhere to sit and chat with fellow travellers*
- *Shade*
- *Relative freedom from dust*
- *A van park where our dog is welcome*
- *A fair and reasonable rate of tariff*

We don’t need a resort.

We don’t have to have a pool/tennis courts.

We don’t even have to have a shop.

*Toilet dump points are not necessary within all parks but should be readily available in towns.*²⁵⁴

The Campervan and Motorhome Club of Australia Ltd (CMCA) implies in its submission that the location of the park in providing access to off-site opportunities, such as ‘Australiana experiences’, shopping and dining is more important than on-site facilities. It demands ‘minimal on-site services - maximum access opportunities’.²⁵⁵ In the same vein as the submission quoted in the paragraph above, it also lists ‘access to potable water supplies and waste disposal points ... pet

²⁵² Submission No. 15 from Ms Judith Maddams, 19 April 2009, p3.

²⁵³ Submission No. 39 from Ms Jennifer Sherwood, 30 April 2009, p1.

²⁵⁴ *ibid.*

²⁵⁵ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, pp3-4.

friendly locations ... [and] the company of like minded and similarly outfitted neighbours' as important.²⁵⁶

However, CMCA laments that fact that 'many caravan park owners want to charge travellers in a fully self-contained vehicle the same fees as those for travellers in non self-contained vehicles who want and use all available services. It claims that 'most facilities are superfluous ... [as these travellers] have already paid for these facilities at the time they purchased their travel/accommodation unit'.²⁵⁷

The WA Association of Caravan Clubs Inc. (WAACCI) submits that the provision of extra facilities has been largely to encourage long-term tenants to pay higher lease fees. Like CMCA it alleges that the RV traveller is also impacted by these increased costs although they may not necessarily want or need the extra facilities that those higher prices include.²⁵⁸ It states that the *Caravan Parks and Camping Grounds Regulations 1997* (WA) (CPCG Regulations) play a role in this also:

*the Regulations are directed at ensuring the caravan parks provide the full range of facilities for all park - short and long term - itinerant and permanent - residents. The facilities include sealed roads, parking areas, kerbing, pathways, swimming pools, spas, tennis, basketball, volleyball courts, mini golf, outdoor games area, pool, table tennis table, TV, entertainment and Internet rooms, children's playground.*²⁵⁹

The Committee agrees that the caravan and camping legislation was drafted based upon the industry as it was structured a decade ago. The way in which the statutory framework for regulating the caravanning and camping industry has been overtaken by developments in the marketplace is discussed further in Chapter 9.

WAACCI claims that holidaymakers and long-stay users have differing facility requirements to those of travellers, and believes that:

*there should be some flexibility in park design and recognition that the requirements differ for the various classes of tourists/residents, and support a level of differential pricing practice according to their requirements and needs.*²⁶⁰

On the other hand, there is an argument that caravan parks require changes and improvements 'to meet customer demand in areas such as recreation facilities, communication and accommodation standards'.²⁶¹ This is supported by WALGA, which states that 'the majority of Caravan Park users

²⁵⁶ ibid.

²⁵⁷ ibid., p10.

²⁵⁸ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p8 and pp11-12.

²⁵⁹ ibid., p20.

²⁶⁰ ibid.

²⁶¹ Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p2.

prefer fully serviced parks',²⁶² and Tourism WA which reports that there is an emerging trend of 'demand for lodgings at the budget end of the market ... that still ha[ve] access to all the facilities of a resort'.²⁶³

CIAWA states that there is a shift in the expectations of *holidaymakers*, moving towards expectations of 'a higher standard of private and communal amenities (en-suites, camp kitchens, recreational activities)'.²⁶⁴ This conclusion is supported by Aspen Parks which states that:

*generally across the board, there has been a shift in the expectations of holiday-makers and long-stay tenants. With the development of some caravan parks into resort parks and the growing sophistication of holiday-makers seeking a wider choice in accommodation (2 and 3 bed park home/cabins or larger RV sites) and a higher standard of private and communal amenities (resort pools, camp kitchens and recreational activities) constant reinvestment of large sums of money is required placing operators under ever increasing financial pressure in order to keep up with market demands.*²⁶⁵

Similarly, Tourism WA identifies increased expectations (particularly by baby boomers) for improved facilities and organised activities including minimum 4 star amenities and AAA ratings, wireless internet, pay TV, courtesy transport to and from airports, and larger sites to accommodate recreational vehicles, just to name a few.²⁶⁶

Unfortunately the Committee did not receive a great number of submissions from holidaymakers,²⁶⁷ so it is difficult to provide a counter-argument to the abovementioned assumptions made by the providers of caravan park facilities. The Committee, in its travel to the regions, did not observe that this type of demand was readily apparent. It did observe that a demand for more basic services was being met, rather than demand for purely recreational activities. However, it also must be acknowledged that the Committee did not travel to the south west during the peak season, or visit every park in the state.

There is a sentiment amongst caravan park operators that if caravanners want access to high quality facilities, then these must be paid for in the form of higher costs per night.²⁶⁸ Given the rising costs of operating a caravan park, it may be that the 'high' prices which are perceived as unwarranted by caravanners (particularly travellers) are simply in keeping with these increases.

²⁶² Submission No. 58 from Western Australia Local Government Association, 6 May 2009, p9.

²⁶³ Submission No. 60 from Tourism Western Australia, 8 May 2009, p10.

²⁶⁴ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p7.

²⁶⁵ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p9.

²⁶⁶ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, pp12-13.

²⁶⁷ Most of the evidence received from caravanners was from the traveller segment of the visitor market, as opposed to holidaymakers (see Chapter 3 for an explanation of the two terms).

²⁶⁸ Submission No. 19 from PRD Nationwide Project Marketing (WA), 20 April 2009, p1.

As Mr Simon Hall from CIAWA notes, it is widely recognised that many RV travellers wish to camp in an environment with less facilities, and that this is quite acceptable from his point of view. However, Mr Hall believes that when these travellers do use a traditional caravan park ‘they need to be prepared, when they use the facilities that are on offer, not to question the appropriateness’ of these facilities for themselves.²⁶⁹ He also states that these travellers should accept that these ‘facilities accommodate all users’ and while ‘it is the cost of the facilities that they are querying’ they cannot simply assume that because they ‘leave half [their] gear in the back of [their] car does not mean [they] should demand that the operators reduce their rates’.²⁷⁰ This is supported by Ms Pat Strahan, who claims that many visitors to caravan parks do ‘still want the facilities’ but that the ‘issue is that they just do not want to pay for them’.²⁷¹ Ms Donna Cocking goes as far as to say that some people do expect certain facilities but that they ‘do not and will not pay for it’.²⁷²

The Committee believes that the tension between the services and facilities provided and demanded is a sign that providers of caravan and camping accommodation are struggling to meet the changes in demand which have emerged in recent years. The market is currently going through a structural change which is not yet reflected in the regulation or infrastructure.

The question is then, what level of facilities justifies a higher price, and what price? As one operator submits, a large number of customers ‘don’t want or need all the resort pools, playgrounds and gamesrooms’ on offer; they nevertheless point out that these customers are ‘looking for somewhere to stay in the best location, that is clean, safe and quiet but don’t want to pay for that privilege’.²⁷³

A major challenge for caravan park operators into the future will be in balancing the expectations of all market segments and providing the right mix of facilities and services. The difficulty they will face in meeting this challenge is managing to get a reasonable return on their investment without pricing the accommodation out of the reach of the traditional caravan and camping market.

Self-contained travellers and their use (or not) of caravan park facilities are discussed further in this Chapter at Section 4.4(e).

²⁶⁹ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p11.

²⁷⁰ *ibid.*

²⁷¹ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p14.

²⁷² Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p13.

²⁷³ Submission No. 22 from Mandalay Holiday Resort and Tourist Park, 23 April 2009, p6.

Finding 9

There are two diverging demand trends in relation to services and facilities provided within caravan parks and camping grounds. Holidaymakers are demanding more services and facilities, while travellers, particularly 'self-contained' travellers, require fewer and more basic services and facilities.

Finding 10

Travellers are reluctant to pay for services and facilities that they view as superfluous to their requirements.

Finding 11

Caravan park operators are faced with a dilemma in the provision of services and facilities that are appropriate for all market segments.

(b) Annuals

Evidence received by the Committee highlights the importance of holiday vans or 'annuals' to the industry.²⁷⁴ These are vehicles owned by the regular visitor and are:

*left onsite at a caravan park all year round and used at various times of the year by the owner and his/her family. Owners pay a fee to store the caravan on site, so they don't have the cost/hassles associated with towing their van to the park for their holidays and storage of their caravan at home.*²⁷⁵

For example, one submission to this Inquiry outlines the situation at the Turner Caravan Park in Augusta where \$3,100 is paid per annum for the 'privilege of having a caravan on-site'.²⁷⁶

Annuals are not new to caravan parks, and, in fact, have been around for a long time within holiday destinations and tourist areas. However, recently they 'have started to spread to a wider audience' which is attributed to 'Australia's aging population, increased fuel prices and love of convenience'.²⁷⁷

²⁷⁴ Tourism Western Australia, *Committee Briefing*, 9 June 2009.

²⁷⁵ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p8.

²⁷⁶ Submission No. 18 from Mrs Lorna Elliss, 20 April 2009, p2.

²⁷⁷ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p8.

Tourism WA reports that parks which accommodate large numbers of annuals 'are located within 2-3 hours of a capital city, close to the water or other natural attractions'.²⁷⁸ Again, using the example of Turner Caravan Park, this park is situated 'on the river mouth and families are able to enjoy the river and ocean, and the natural ambience of the park including the flora and fauna in and around the park', and it is 'close to all amenities in the town of Augusta'.²⁷⁹

They also claim that annuals are beginning to take over caravan sites which have typically been used for tourists, since (again, in the same way as chalets) they 'offer higher yields and better cash flow to park owners'.²⁸⁰

With reference to ABS data represented in Table 4.1, it is not evident that there is a marked trend in this direction. In fact, according to ABS, the numbers of annuals have decreased slightly since 2005. However, the limitations outlined earlier around ABS data should be taken into account, in particular, that this data is not reporting on a large market segment (i.e. caravan parks with under 40 powered sites).

Table 4.1: Comparative Data: Cabins, Long-Stay Tenants and Annuals in Western Australian Caravan Parks 2005-2009*²⁸¹

March Quarter for Year Ending	Cabins, Flats, Units and Villas	Sites Occupied by Long-Term Guests	Other Sites Permanently Reserved (Annuals)
2005	3,246	4,410	2,125
2006	3,220	4,693	1,882
2007	3,309	4,742	1,901
2008	3,473	5,374	1,681
2009	3,791	5,191	1,976

* these figures are based upon the definition of a long-term guest or annual caravan as remaining at the caravan park for more than two consecutive months.

While the above statistics demonstrate that demand for annuals is not necessarily increasing, what they do show is that demand is relatively stable, and that annuals are an important and recognised market segment.

²⁷⁸ *ibid.*

²⁷⁹ Submission No. 18 from Mrs Lorna Elliss, 20 April 2009, p2.

²⁸⁰ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p8.

²⁸¹ Australian Bureau of Statistics, 'Survey of Tourist Accommodation, Small Area Data, Western Australia. Catalogue number: 8635.5.55.001', 2005-2009. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?ReadForm&prodno=8635.0&viewtitle=Tourist%20Accommodation,%20Australia~Mar%202009~Latest~03/07/2009&&tabname=Past%20Future%20Issues&prodno=8635.0&issue=Mar%202009&num=&view=&>. Accessed on 9 July 2009.

Finding 12

Annuals are an important segment of the caravan and camping market.

(c) Demand for Chalets and Cabins

It is evident that there is a trend towards the supply of fixed, on-site accommodation such as chalets and cabins, in order to meet increasing demand for this kind of accommodation. Reportedly, ‘between 2003 and 2007 the number of powered sites [Australia wide] dropped by 5188 sites (4 per cent) while the number of cabins/chalets rose by 2685 (11 per cent)’.²⁸² Table 4.1 above demonstrates a similar trend for Western Australia, with 3,246 cabins, chalets, flats or villas in caravan parks as at the March Quarter of 2005 and 3,791 for the same quarter in 2009. While the rising number of chalets within caravan parks can be interpreted as an attempt to keep up with rising demand, the Wedge Island Protection Association states, ‘affordable self-contained family facilities’ such as chalets and cabins ‘are not keeping up with demand’.²⁸³

Cabins and chalets were a very popular form of caravan and camping accommodation Australia wide in both 2007²⁸⁴ and 2008,²⁸⁵ with 26% (2007)²⁸⁶ and 22% (2008)²⁸⁷ of caravan and camping visitors staying in this form of accommodation.

The installation of these higher yielding forms of accommodation provide a greater security of cash-flow for caravan park operators, and are most often installed at the expense of caravan sites.²⁸⁸ This aspect is discussed further in Chapter 6. Tourism WA notes a ‘conversion of powered sites to cabin accommodation ... as travellers seek alternate accommodation’.²⁸⁹ The

²⁸² Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p8.

²⁸³ Submission No. 51 from Wedge Island Protection Association Inc., 30 April 2009, p1.

²⁸⁴ Tourism Research Australia, *Snapshot: Caravan or Camping in Australia 2007*, June 2008, p2. Available at: http://www.tra.australia.com/content/documents/Snapshots/2008/Caravan_07_FINAL.pdf. Accessed on 16 February 2009.

²⁸⁵ Tourism Australia, *Snapshot: Caravan or Camping in Australia 2008*, June 2009, p1. Available at: http://www.tra.australia.com/content/documents/Snapshots/2009/Caravan_or_camping_snapshot_08_FINAL.pdf. Accessed on 8 July 2008.

²⁸⁶ Tourism Research Australia, *Snapshot: Caravan or Camping in Australia 2007*, June 2008, p2. Available at: http://www.tra.australia.com/content/documents/Snapshots/2008/Caravan_07_FINAL.pdf. Accessed on 16 February 2009.

²⁸⁷ Tourism Australia, *Snapshot: Caravan or Camping in Australia 2008*, June 2009, p1. Available at: http://www.tra.australia.com/content/documents/Snapshots/2009/Caravan_or_camping_snapshot_08_FINAL.pdf. Accessed on 8 July 2008.

²⁸⁸ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p8.

²⁸⁹ Submission No. 60 from Tourism Western Australia, 8 May 2009, p6.

growth of cabins in the accommodation mix as tourists seek a wider choice of accommodation type within parks is also noted by Aspen Parks²⁹⁰ and CIAWA.²⁹¹

Research conducted by Tourism WA in 2006 indicated that ‘at caravan parks intending to increase the number of sites ... the vast majority of these sites were [to be] for tourist accommodation’ and in particular, cabins.²⁹² Related qualitative research found that:

*the intention to increase the number of cabins was driven by the opportunity for these sites to generate greater revenue based on the higher nightly rate. Operators also believed that there was increasing demand for this type of accommodation that competed with mid level motel accommodation but provided the additional benefits of staying in a caravan park – the additional facilities (pools, activities for children) and a family atmosphere. A stakeholder also mentioned that families were typically less likely to own a caravan than in previous generations as it was a large financial commitment which was out of the price range of many families. Furthermore smaller housing meant there was often no room to store a caravan.*²⁹³

This trend is identified by other submissions to this Inquiry.²⁹⁴ One park operator in Busselton replaced difficult long-stay residents and non-compliant caravan and annexe structures with tourist cabins.²⁹⁵ Another park in the same area has made the decision to rely solely on the tourist and holiday market, but has had to move towards replacing caravan sites with chalets in order to retain sufficient market share to stay viable.²⁹⁶ A park operator in Albany indicates that demand for cabins and chalets has remained consistent over the previous 2 years, while demand for other accommodation types has largely decreased.²⁹⁷

Several Local Government Authorities (LGAs) also comment upon the fact that there has been a response by caravan park operators to the growing demand for cabin accommodation which still offers the traditional caravan park experience. LGAs in the south west region, such as the Shire of Augusta-Margaret River²⁹⁸ and the City of Albany,²⁹⁹ recognise this trend, as did several LGAs visited by the Committee on the Coral Coast,³⁰⁰ and in the north west.³⁰¹

²⁹⁰ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p9 and p10.

²⁹¹ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p7.

²⁹² Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p12.

²⁹³ *ibid.*

²⁹⁴ For example, see Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p6; Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p8.

²⁹⁵ Submission No. 30 from Lazy Days Caravan Park, 29 April 2009, p1.

²⁹⁶ Submission No. 22 from Mandalay Holiday Resort and Tourist Park, 26 April 2009, p2.

²⁹⁷ Submission No. 29 from Albany Holiday Park, 28 April 2009, p3.

²⁹⁸ Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p2.

²⁹⁹ Submission No. 81 from City of Albany, 25 May 2009, p5.

³⁰⁰ Shire of Exmouth, *Committee Briefing*, 2 June 2009.

It should be noted, however, that very recently in certain areas a downturn in demand for this type of commercial accommodation has been reported. This could be as a result of competition from the private holiday home rental market. The Shire of Busselton advises that:

*accommodation providers reporting a decrease in occupancy rates were from the resort, apartment, cottage/villa/chalet and lodge style accommodation types. The operators have reported reasons such as competition from unofficial holiday homes and difficulties in business operations.*³⁰²

A similar factor is also noted by CIAWA, which believes that demand for chalets and cabins appears to have reduced slightly in favour of cheaper alternatives, such as tents. As Ms Pat Strahan from CIAWA advised:

*from the park managers I have spoken to and from the information that I have received, people are not spending their Christmas holidays in a chalet or a park cabin. It is far cheaper to buy new gear and take away the family for three weeks, as opposed to one week in a park cabin or a chalet. The economics of the affordability of the holiday is driving that change. We do not know how long that change will last. I am aware, anecdotally, of those changes. There is a big push for the lower end or entry level camping gear.*³⁰³

However, CIAWA also believes that the ‘chalet or cabin market is [still] a growing market’, attractive to those who desire the caravan park style holiday, but who do not have a caravan and/or do not wish to stay in a caravan.³⁰⁴

Finding 13

Demand for cabins and chalets has risen in recent years as visitors to caravan parks demand a greater mix of accommodation types.

(d) Increasing Demand for Caravan Parks as a Permanent, Available and Affordable Housing Option

As with the trend towards the provision of cabins and chalets outlined above, many parks rely upon ‘permanent’ and semi-permanent residents to ensure consistent cash flow.³⁰⁵

³⁰¹ Shire of Port Hedland, *Committee Briefing*, 22 June 2009.

³⁰² Submission No. 55 from Shire of Busselton, 1 May 2009, p3.

³⁰³ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p16

³⁰⁴ *ibid.*, p17

³⁰⁵ Submission No. 42 from Shire of Gingin, 30 April 2009, p1.

The use of caravan parks as an affordable housing option is not new, and in fact was occurring some years before it was formalised and regulated with the passage of the *Caravan Parks and Camping Grounds Act 1995* (WA) (CPCG Act). While not all caravan parks have long-stay residents,³⁰⁶ this type of use of caravan parks in Western Australia is becoming increasingly common. This is being driven by two factors. Firstly, there is an increasing demand for caravan park sites to be used as affordable and available housing, and secondly there is also high demand for caravan parks as worker accommodation in regional areas.

This increasing demand for worker accommodation to be provided by caravan parks is notable in the North West tourism region, although it does occur throughout the state. The demand for caravan parks to provide affordable housing is concentrated more in urban centres and has been rising for some time. A more in depth discussion around the permanent occupation of caravan parks sites is discussed in Chapter 8.

For statistical purposes, long-stay users of caravan park sites are often difficult to single out from the annual market discussed above. Often, too, winter drifters and grey nomads will be included in long-stay figures of caravan parks, due to the extended length of their stay. As noted above, according to ABS definitions a caravan park site is included in the long-term guest category if the stay is longer than two consecutive months. What must be also noted again is the fact that these statistics only include around half of the caravan parks in Western Australia.³⁰⁷ The City of Mandurah, an LGA which has a significant number of long-stay residents within its caravan parks and also an LGA which is experiencing an affordable housing shortage, believes that the statistics which denote numbers of long-stay residents in caravan parks are difficult to isolate and may well be underestimated.³⁰⁸

Notwithstanding the above limitations, Table 4.1 above demonstrates that the number of sites occupied by long-term guests has increased according to ABS data. At end of the March Quarter 2005 there were 4,410 long-term guests, while at the same quarter of 2009 this number had increased to 5,191. The following observation is also provided by CIAWA:

*The 2006 Census indicated that approximately 14,504 persons (or 0.8% of total persons) usually residing in Western Australia were in 'other' dwellings such as caravans, cabins, tents, houseboats or flats attached to a shop. 65% of these persons are within the North West and understood to be 'grey nomads'. This figure had risen to 1% by December 2008 which is considered to be from an increase in the number of 'grey nomads' but also from the provision of worker accommodation (ABS 8635.0 - Tourist Accommodation, Australia, September 2008).*³⁰⁹

³⁰⁶ Submission No. 22 from Mandalay Holiday Resort and Tourist Park, 24 April 2009, p2.

³⁰⁷ See Chapter 1, Section 1.4.

³⁰⁸ City of Mandurah and Peel Development Commission, *Committee Briefing*, 12 June 2009.

³⁰⁹ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p6.

Many submissions also point to a trend towards permanency within caravan parks.³¹⁰ Several LGAs support the notion that demand for long-stay sites is strong and/or increasing within their jurisdictions. The City of Cockburn reports that most inquiries from the public to caravan parks within its jurisdiction are ‘regarding long-term and park home sites’.³¹¹ Again, see Chapter 8 for more detail.

Caravan parks have traditionally provided long-stay accommodation for people who chose this modest lifestyle due to economic necessity.³¹² The other major demand in the form of worker accommodation pressures in regional and remote areas is more recent.

While the demands for affordable housing and worker accommodation are those which have received the most attention in submissions to this Inquiry, it should be noted that ‘over the past decade ... there has also been a growing trend towards people living long-term in more sophisticated residential parks’.³¹³ These types of residential parks are establishments licensed under the CPCG Act but which do not provide any caravan or camping sites. Rather they provide park homes to residents under mid- to long-term lease agreements. The residential park industry is a rapidly expanding sector within the caravan park industry. A large segment of this market is supplied by National Lifestyle Villages Pty Ltd (NLV) and Aspen Parks.³¹⁴ The NLV model is noted by CIAWA as being ‘a growing model’ for these kinds of developments.³¹⁵ For example, the Cities of Rockingham and Mandurah are experiencing a growth in the provision of these types of facilities.³¹⁶ The Department of Commerce (DoC) believes that ‘there is strong evidence to suggest that the lifestyle village industry will continue to expand’.³¹⁷ Planning for the provision of residential parks and the unique planning issues that these developments raise are discussed in Chapter 7.

The Committee believes that the demand for the use of caravan parks as an affordable and available housing option is extremely important in that it is encroaching upon the tourism use of caravan parks and quite possibly distorting demand statistics. In particular, with developments such as the Gorgon gas project mooted to go ahead in the near future, this demand will not lessen, but will very likely increase substantially. The Premier of Western Australia, Hon. Colin Barnett, MLA, stated recently that ‘while the [Gorgon] workforce will be fly in and fly out, the Government will need to upgrade infrastructure and build more accommodation in the north-west’

³¹⁰ For example: Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p8; Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p9.

³¹¹ Submission No. 36 from City of Cockburn, 30 April 2009, p3.

³¹² Submission No. 52 from Department of Commerce, 1 May 2009, p1.

³¹³ *ibid.*

³¹⁴ *ibid.*

³¹⁵ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p6.

³¹⁶ City of Rockingham, *Committee Briefing*, 12 June 2009.

³¹⁷ Submission No. 52 from Department of Commerce, 1 May 2009, p1.

and also that ‘there will need to be substantial development of accommodation and all sorts of supportive infrastructure in the surrounding or adjacent Karratha area’.³¹⁸

Finding 14

Demand for long-stay sites within caravan parks has increased in recent years, largely due to the absence of other available and affordable housing options.

Finding 15

The residential park industry, including ‘lifestyle villages’ marketed to retirees, is a rapidly expanding sector of the caravan park industry.

(e) The Rise in Demand for Alternatives to Traditional Caravan and Camping Sites: ‘Wilderness Camping’

In addition to demand for the traditional caravan park or camping site, the Committee identified a separate but related demand for sites that provide a freer and more nature-based experience. This growing trend results from a convergence of two related factors. First, as described in Chapter 3, is the rise of the ‘self-contained traveller’ which has ‘emerged over the past five years’,³¹⁹ and which is facilitated by the advent of the self-contained vehicle.

At this point it is important to clarify the use of the term ‘self-contained’. While this type of vehicle is generally referred to as ‘self-contained’ and used by ‘self-contained travellers’, they are, in effect, only temporarily self-contained. That is, they cannot travel indefinitely without the services required by all caravanning and camping travellers and holidaymakers, namely a water supply and a dump point for waste. In addition, other facilities are often required or desired by these types of travellers on a periodic basis, such as camp kitchens, laundry facilities etc. CIAWA explains the situation as follows:

A lot of these people are self-sufficient for one or two days, then they want to come into a caravan park. They come in, the reception staff have to check them in, and they dump their grey and black water at the cost of the caravan park owner. If he is on septic, and one dump can fill up his septic tank ... he then has to get that emptied. That is one cost. They probably have 180 litres of water on their van and they use the hose in the caravan park to fill up their water tanks. I know that a lot of RVs now have washing machines, but they generally use the park’s washing machines. They use the campers’ kitchen. They want all of this for \$10 a night! The caravan park cannot provide it for that. Just to check someone

³¹⁸ Australian Broadcasting Corporation, ‘WA Government Takes Credit for Gorgon Deal’, 19 August 2009. Available at: <http://www.abc.net.au/news/stories/2009/08/19/2660390.htm>. Accessed on 19 August 2009.

³¹⁹ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p6.

*in costs more than \$10 a night; their water costs more than that. I know that they say they are self-sufficient, but they still plug into the power to charge their batteries when they come into the park.*³²⁰

Therefore, while this report uses the commonly used descriptor ‘self-contained’, this qualification should be borne in mind.

The second factor contributing to this emerging demand trend is that discussed above at Section 4.4(a), that is, the diverging demand trends and expectations around the provision of facilities within caravan parks and camping grounds. For this so-called ‘new generation Recreational Vehicle traveller’, the demand is supposedly for ‘low to medium service camp sites where costs reflect the level of services required’.³²¹ However, also discussed above is the fact that travellers do require facilities some of the time and the difficulty is that caravan parks may struggle to strike a balance between the level of services demanded from the various market segments and the ability to provide these to each user at a cost effective price.

Some believe that the needs of these more self-contained travellers are ‘evolving in a different direction to the character and services offered by caravan parks’.³²² Similarly, the Shire of Roebourne, which has several nature-based camping locations within its jurisdiction, has observed that the types of visitors that stay at these nature-based camping grounds are not the same as those who wish to stay in traditional caravan parks.³²³ Coupled with these factors is a perception by many of these caravanners that caravan parks are becoming increasingly harder to forward book, overcrowded, and offering communal amenities that are not clean.³²⁴ These travellers believe that they are paying for facilities that they do not ‘wish to share’ and ‘which are not warranted on the basis of travellers (sic) minimal usage’.³²⁵ Rather, they want to be able to ‘camp in unrestricted areas and experience natural scenic surroundings’.³²⁶

This observation is supported by the Shire of Gingin, which believes that nature-based camping was in demand due largely to campers and caravanners looking for solitude. This Shire indicated that they would readily service this market through the provision of a proposed eco-park, as this demand differs from that of the traditional demand for caravan and camping accommodation. However, it indicated that legislative barriers are currently impeding the servicing of this market.³²⁷

³²⁰ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p10.

³²¹ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 30 April 2009, p4.

³²² *ibid.*

³²³ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

³²⁴ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p8.

³²⁵ *ibid.*

³²⁶ *ibid.*

³²⁷ Shire of Gingin, *Committee Briefing*, 19 June 2009. For a discussion on the legislative barriers, see Chapter 9.

This appetite for the nature-based experience is an interesting paradox. In an increasingly urbanised society it appears that larger numbers of people, and in particular the older generations, wish to pack up their self-contained vehicle and take the comforts of modern living into the wilderness. According to one caravanner ‘caravan parks are not for everyone’ and that for many self-contained travellers to “overnight camp” ... all that is required is usually cleared space some distance from the road’.³²⁸ Unfortunately, given environmental, safety and other concerns, it is not that simple, particularly when large numbers of people demand this freedom. CIAWA acknowledges the trend toward larger and more self-contained vehicles and the impact this has upon the demand for wild camping. Ms Donna Cocking, as CIAWA’s President, described how this type of camping leads to ‘quasi-type caravan parks’ which develop as a result of people camping wherever there is a pleasant and enjoyable natural setting.³²⁹ The problem is that ‘there is also a need, particularly for local governments being under-resourced, to police [this camping] and to be able to monitor whether it is having environmental, economic and social impacts’.³³⁰

A situation in the Shire of Manjimup exemplifies the difficulties associated with mass numbers of people demanding a nature-based experience at popular camping/caravanning locations. This Shire operates the Windy Harbour Camping Ground, which is classed as a “Nature Based” camping ground on the basis of no reticulated electricity supply, limited facilities and the environment focussed setting’.³³¹ The Shire reports that ‘recent trends suggest an increasing demand to stay at this facility with income and occupancy statistics increasing over the past three years’.³³² The three year average is estimated to be increasing at around 1000 people per year at this facility.³³³ Not only is there an increased demand for this facility, but also there is a trend toward ‘longer duration stays during peak times and increased use during the “shoulder” and off peak periods’.³³⁴ For the Shire, this has meant that:

*as costs to operate the camping ground at Windy Harbour have increased, costs for site accommodation have also risen. The most significant limiting factor on increasing occupancy at the Windy Harbour Camping Ground is undoubtedly licence occupancy restrictions resulting from the available camping area, drainage issues and the limited facilities available. To increase the capacity of this facility, the Shire of Manjimup would be required to expend considerable financial resources to upgrade and this is considered to be an unviable and unsustainable strategic approach.*³³⁵

³²⁸ Submission No. 14 from Mr Terrence Craig 16 April 2009, p1.

³²⁹ Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p10.

³³⁰ *ibid.*

³³¹ Submission No. 84 from Shire of Manjimup, 2 June 2009, p2.

³³² *ibid.*

³³³ *ibid.*, p3.

³³⁴ *ibid.*, p2.

³³⁵ *ibid.*

Similarly, the Shire of Carnarvon advises that increasing incidences of camping and caravanning outside licensed caravan parks 'is of major concern to the Shire and to the occupiers of coastal land ... because of the ever increasing numbers and the lack of resources of DEC, Local Government, and land occupiers, to control them'.³³⁶ The Shire believes that:

*the increase in numbers may be due to people wanting to get away from regimented living, or due to lack of finance, or other reasons: but they do stretch resources to the limit and create significant health problems in relation to rubbish and sanitation.*³³⁷

Much of this camping to which the Shire of Carnarvon is referring occurs on pastoral leases. Camping and caravanning opportunities on pastoral leases are increasingly in demand and the potential opportunity offered by this industry to government, pastoral lessees and the wider community should not be underestimated. Camping on pastoral leases is discussed further in Section 4.4(e)(i) below. The supply of camping grounds, including those on pastoral leases, is discussed at Chapter 5.

The examples in Sections 4.4(e)(i) and (ii) below demonstrate the increasing demand for the remote, nature-based experience, but also highlight the problems with providing this at a cost effective price as well as the difficulty in adequately catering for the large numbers of people who wish to caravan or camp in this manner. In addition, not only are there environmental, safety and logistical issues to be addressed in servicing this demand, there are also cultural issues. Illegal and/or unmanaged camping in culturally sensitive areas poses significant concerns to Traditional Owners, and these concerns largely relate to the 'cultural and spiritual impacts' of camping on these sites.³³⁸

Based upon anecdotal evidence, Committee briefings to the Committee and the Committee's observations on its travel throughout the regions, the Committee believes that many people are 'wild' and/or 'free' camping, either in caravans/RVs or tents, on pastoral leases and in other remote areas. While TRA statistics attempt to capture all kinds of camping, the Committee believes that it is quite possible that the incidence of 'wild' camping is not adequately captured by current data collection. Other data and anecdotal evidence received by the Committee indicate that demand for this type of camping and caravanning is increasing. Section 4.4(e)(i) contains more information in relation to this. Large numbers of people using these types of facilities is not a recent phenomenon. However, the Committee believes, based upon evidence received, that this is a growth market, and that this growth is not wholly captured in the TRA data, as discussed earlier. It has been suggested that 'nature based tourism is a growing market in Australia and this type of development, if carried out correctly, could prove to be successful in the right areas'.³³⁹ Furthermore, the Committee believes that nature-based caravanning and camping could soon be, if it is not already, the largest segment of the caravanning and camping market in Western Australia.

³³⁶ Mr Alan Hobbs, Shire of Carnarvon, Electronic Mail, 21 May 2009.

³³⁷ *ibid.*

³³⁸ Submission No. 75 from Department of Indigenous Affairs, 21 May 2009, pp5-6.

³³⁹ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p95.

Finding 16

The popular term ‘self-contained traveller’ must be clarified to recognise that self-contained vehicles are, in effect, only semi self-contained in that they all require, at some point, access to water and power supplies as well as grey and black waste disposal facilities.

Finding 17

There is a growing demand in Western Australia for the nature-based camping experience, made more accessible by the rise of the ‘self-contained’ vehicle.

(i) Camping and Caravanning on Pastoral Leases

Stations situated on pastoral leases within the Shires of Carnarvon and Exmouth report increasing demand for camping areas along the Ningaloo Coast. Currently pastoralists are using income from the ‘booming tourism industry’ to supplement their less than desirable income from pastoral activities. However, they report that the cost of providing facilities to campers is increasing along with the number of visitors. They argue that these costs must be recouped, possibly by providing ‘luxury accommodation’ at places such as Red Bluff, to bring in ‘higher return customers and less numbers’.³⁴⁰

Studies conducted by Murdoch University and DEC on the use of the Ningaloo Marine Park by campers (including caravanners) demonstrate an increase in the usage of pastoral leases to access a wilderness camping experience.³⁴¹ The Committee visited the Coral Coast and viewed first-hand the way in which pastoral lessees are meeting what is, by all accounts, increasing demand for this type of caravanning and camping experience.

One particular Coral Coast station, Warroora Station, noted during the Committee’s visit to the station that they utilised an overflow facility during the peak period for the first time in 2008, due to the large numbers of people wishing to camp there. This is interesting, given that 2008 TRA statistics demonstrate a slump for caravanning and camping generally in WA (see Section 4.2 above and Appendix Five). Both Warroora and Quobba Stations reported (during the Committee’s visit) an increasing demand, and also an increasing diversity of people using the camping facilities on each of the stations. Statistics provided by Warroora Station subsequent to this visit also demonstrate steadily increasing demand from 2005 onwards, with a sharp increase in visitors very

³⁴⁰ Australian Broadcasting Commission, *Landline*, ‘Quarrel Coast’, 12 July 2009. Available at: <http://www.abc.net.au/landline/content/2008/s2623445.htm>. Accessed on 14 July 2009.

³⁴¹ Associate Professor Lynnath Beckley, Marine Science, Murdoch University, Electronic Mail, 17 August 2009, p1.

recently during 2009.³⁴² While some of this increase is attributed to a greater vigilance in accounting for all visitors to the station, the lessee believes that generally, there is ‘significant “growth” in visitors looking for “nature based” camping’. This is attributed this to the following factors:

- the current economic climate and the effect upon “retirees” and their disposable income’
- ‘young families looking for an affordable “holiday”’
- the undersupply of tourist sites within the Coral Bay and Exmouth caravan parks during peak season (i.e. the July school holidays) which leads to prospective campers being forced over the boundary fence and into the station
- the reported cost of the caravan parks in Coral Bay and Exmouth, ‘and the lack of service to visitors - e.g. no hot water’
- the station’s proximity to the Ningaloo Marine Park, and also to the Pilbara and Kimberley regions, particularly in light of the cost of fuel
- effective promotion of the wilderness camping experience by the station³⁴³

All of the above factors have also become evident to the Committee throughout this Inquiry and are certainly viewed by the Committee as contributing to this growth in demand for the nature-based caravanning and camping experience.

As noted above, Warroora Station advised the Committee that many people will stay in a caravan park in Coral Bay initially, but when they visit the station and view first-hand the wilderness experience on offer they return the following year to stay there instead. This is recognised by the Committee as an important shift in demand.

Similarly, North West LGAs such as the Shire of Roebourne³⁴⁴ note increasing demand for nature-based camping sites, particularly for the longer staying visitor such as the ‘winter drifter’ described in Chapter 3. The Pilbara Development Commission also noted the popularity of bush camping sites in the vicinity of Karratha.³⁴⁵

CIAWA described the way in which a popular camping site on a pastoral lease in the Shire of Broome evolved into a nature-based caravan park. According to Ms Pat Strahan, the pastoral lessee was ‘fed up with these people coming in and supposedly free camping on her land. What

³⁴² Ms Leonie McDiven, Pastoralist, Warroora Station, Electronic Mail, 20 August 2009, pp1-2.

³⁴³ *ibid.*, p1.

³⁴⁴ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

³⁴⁵ Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

she did was open up her land as a little caravan park ... that was meeting a need, and she said, "Now I can control them".³⁴⁶

Pastoral leases and farms often also offer caravan and camping sites which are not classed as caravan parks, but rather use the term 'farm stay'.³⁴⁷ Some of these are minimal facility sites, some of which 'do not even have power'.³⁴⁸ They often offer a range of accommodation options, from more luxurious homestead accommodation through to low facility camp sites.³⁴⁹

Evidence suggests that not only is demand for this kind of experience increasing, but that the peak seasons are lengthening. This is aided by locals using the facilities more extensively during the 'shoulder' periods. This factor was noted by Warroora Station on the Coral Coast during the Committee's visit there, and also by the Shire of Broome in relation to the Barn Hill Station nature-based caravan park.³⁵⁰

Finding 18

There has been an increase in the demand for camping and caravanning opportunities on pastoral leases which offer a less regulated and more nature-based camping experience.

(ii) Indigenous Camping

Another type of demand for camping areas, particularly in regional and remote areas, which is outside the demand for traditional caravan parks and camping grounds, is that of Indigenous Western Australians for campsites to be used at 'family community events' or 'walkabout' in 'traditional country'.³⁵¹ The Department of Indigenous Affairs (DIA) claims that this demand is not being adequately met at the present time.³⁵²

This raises similar issues to the demand for nature-based camping discussed above, with regards to facilities and regulation. Indigenous camping can be either as part of a funeral, wedding or other significant event (community events), or for cultural purposes (walkabout). Both these kinds of

³⁴⁶ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p12.

³⁴⁷ *ibid.*

³⁴⁸ *ibid.*

³⁴⁹ For example, see Western Tourist Radio, 'Farmstay West: Farm and Station Accommodation Experiences in Western Australia'. Available at: <http://www.touristradio.com.au/pages/farmstay.htm>. Accessed on 19 August 2009.

³⁵⁰ Mr Darryl Butcher, Director Development, Shire of Broome, Telephone Conversation, 7 July 2009.

³⁵¹ Submission No. 75 from Department of Indigenous Affairs, 21 May 2009, pp3-4.

³⁵² *ibid.*, p4.

uses often occur over extended periods of time, for weeks or even months.³⁵³ This then means that these ‘campers’ are:

*potentially in breach of the regulations regarding the need for a licence for camping longer than three days. This type of camping is further complicated by the fact that these camps are likely to occur in a range of locations over that period of time which makes it difficult to provide the facilities and amenities as required by the legislation.*³⁵⁴

This unmet demand thus leads to large groups of people camping illegally, a phenomenon which is discussed further below.

Finding 19

There is a need for the proper recognition of Indigenous camping on their traditional lands.

(f) Illegal Camping

Illegal camping, at a minimum, occurs when a person camps in contravention of the provisions of the CPCG Regulations.³⁵⁵ However, it is important to note that a broader and more subtle distinction between free camping and illegal camping is also adopted by stakeholders, as outlined by the Department of Local Government (DLG):

*every Australian has the right to go into the middle of nowhere and pitch a tent. I am sure we have all camped that way and not paid a fee, but have been aware of the environmental impact. Obviously you take your rubbish with you et cetera. It is responsible camping or caravanning; you are not impacting on anyone per se. Illegal camping is when you do not contribute to the local community at all and you pitch a tent in the local area. You could be on someone’s land, not knowing where you are, dumping your rubbish, going to the next door neighbours or even nicking into the local caravan park and using the toilets and showers without paying for them. That is illegal camping.*³⁵⁶

According to Ms Donna Cocking, as Chairperson of the Caravan Parks and Camping Ground Advisory Committee, illegal camping ‘affects the aesthetics’ of an area, and ‘has social, environmental and economic impact on the local area’.³⁵⁷

When demand is not adequately met illegal camping often eventuates. First, as explained above, illegal camping by Indigenous people who are participating in legitimate community or cultural

³⁵³ *ibid.*, pp3-4.

³⁵⁴ *ibid.*, p4.

³⁵⁵ Regulations 10 and 11 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

³⁵⁶ Ms Donna Cocking, Chairperson, Caravan Parks and Camping Ground Advisory Committee, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p10.

³⁵⁷ *ibid.*

events has the potential to create problems for those regional towns where it occurs. The Department of Indigenous Affairs submits that:

*the issue of non-availability of adequate camping grounds for Indigenous visitors from remote communities to major centres has long been one without resolution and consequential cost to society, individuals and Government services.*³⁵⁸

For example, the Shire of Laverton communicated to the Committee that this is indeed an issue in its jurisdiction. However, while it recognises that this kind of camping is technically ‘illegal’ it notes that it has been advised by the (then) Department of Local Government and Regional Development (DLGRD) ‘that to use the provisions of the Act to move the campers on is not considered appropriate’.³⁵⁹

Second, the demand for the low-cost, low-facility and nature-based ‘camping’ experience also can, and does, lead to illegal camping. Many LGAs are of the view that the rise of the self-contained traveller has increased the incidence of illegal camping, especially in those areas where people can experience a naturalistic setting. The Shire of Manjimup reports that:

*the use of fully self contained “campervan” style mobile accommodation is rapidly increasing in the Shire of Manjimup and with the increase in this popular style of camping some serious consequences have resulted. The issues in particular relate to an increase in camping in accordance with legislation outside of licensed caravan and camping facilities ... and the increased demand for wastewater disposal dump points to be provided by the Shire of Manjimup.*³⁶⁰

Similarly, the City of Cockburn advises that:

*the majority of persons found to be illegally camping, are doing so on or near beaches. Discussions with campers have indicated that most are camping on beaches rather than in the approved caravan parks and camping grounds as they prefer camping in a beach environment and/or do not wish to pay for a short-term camp site.*³⁶¹

Many self-contained travellers argue that they only require a dump point or other infrastructure periodically and, by their own admission, would prefer a more isolated or naturalistic camping environment. There is, therefore, is a tendency by some of these to utilise caravan park (or other) facilities only when absolutely necessary, whether done legally or illegally. The City of Albany submits that:

access to sewerage dump points and other infrastructure by the owners of fifth wheelers and mobile homes has become a point of contention for many caravan park proprietors. This group seeks out bush camps, beach car parks and other discrete public spaces (some

³⁵⁸ Submission No. 75 from Department of Indigenous Affairs, 21 May 2009, p4.

³⁵⁹ Mr Steven Deckert, Chief Executive Officer, Shire of Laverton, Electronic Mail, 13 May 2009.

³⁶⁰ Submission No. 84 from Shire of Manjimup, 2 June 2009, p2.

³⁶¹ Submission No. 36 from City of Cockburn, 30 April 2009, p3.

*within sight of registered caravan parks) during overnight and extended stays. Caravan park proprietors report that this group only pays for caravan park accommodation (a single night) when they need the services and infrastructure that only a caravan park can provide, notwithstanding that those tourists may have holidayed in the district for several weeks.*³⁶²

Similarly, the York Caravan Park reports that many travellers:

*having camped out in the bush for a few days or more ... book into our park for one night to have a hot shower, leave rubbish and dump their toilet waste. Previous attempts by the park operator to charge a nominal fee for customers to use the dump point was met with disbelief by the customer, many would not pay.*³⁶³

Warroora Station in the Coral Coast region, noted above for its provision of the popular wilderness camping experience, also advised the Committee during its visit there that large RVs (particularly Winnebagos) often drive into the station, use the dump point provided for those staying in the camping areas, and then immediately leave the station without any payment or other acknowledgement. This presents a real problem for the station owner who pays for regular removal of the waste; a large RV, with anywhere up to a 200 litre waste storage tank, almost fills the dump point to capacity.

The Shire of Exmouth also advised the Committee during its visit to the Coral Coast region that people camping on the side of the road is a regular occurrence, in spite of a good supply of facilities and overflow sites used to provide additional sites during the peak season. The Shire pointed out the popularity of the nature-based experience, particularly amongst the older generations who had camped in the area for many years.³⁶⁴

The Shire of Broome reports particular problems with what it describes as illegal camping, claiming that there has been a ‘spike in illegal camping’ in Broome and surrounds.³⁶⁵ The issue of illegal camping, and the regulation of where people can camp, is discussed further in Chapter 9 at Section 9.4(d).

Finding 20

The rise of the self-contained vehicle and the increasing demand for nature-based camping experiences can, and does, lead to illegal camping.

³⁶² Submission No. 81 from City of Albany, 25 May 2009, p2.

³⁶³ Submission No. 63 from York Caravan Park, 14 May 2009, p7.

³⁶⁴ Shire of Exmouth, *Committee Briefing*, 2 June 2009.

³⁶⁵ Hingston, Chris, ‘Campers an “Eyesore”’, *Broome Advertiser*, 25 June 2009, p1.

Finding 21

Illegal camping occurs when caravanners ‘free’ camp in contravention of the *Caravan Parks and Camping Grounds Act 1995* (WA) and/or use facilities that they do not pay for or do not have the right to use.

Finding 22

Part of the illegal camping problem is brought about by the lack of supply of caravan and camping sites in peak season.

4.5 Demand Predictions: Looking to the Future

In 2007 demand for caravan and camping accommodation in Western Australia was perceived by State and federal tourism agencies to have been increasing for several years and it was predicted that this increase would continue at least until 2020, fuelled largely by the retirement of the baby boomers.³⁶⁶ These predictions generally assume that other factors remain constant, such as economic conditions and supply factors.³⁶⁷ These findings were supported by Tourism Research Australia’s 2008 publication *Through the Looking Glass: The Future of Domestic Tourism in Australia*.³⁶⁸ As at June 2008, tourist accommodation demand for caravan or camping accommodation Australia wide was ‘expected to continue to grow through to 2020’.³⁶⁹

Recently the outlook for the Western Australian tourism industry has been less than optimistic.³⁷⁰ However, there has been much speculation within the industry that lower fuel prices and the

³⁶⁶ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, pp8-9; Tourism Research Australia, *Snapshot: Caravan or Camping in Australia 2007*, June 2008, p2,9. Available at: http://www.tra.australia.com/content/documents/Snapshots/2008/Caravan_07_FINAL.pdf. Accessed on 16 February 2009.

³⁶⁷ Tourism Research Australia, *Snapshot: Caravan or Camping in Australia 2007*, June 2008, p9. Available at: http://www.tra.australia.com/content/documents/Snapshots/2008/Caravan_07_FINAL.pdf. Accessed on 16 February 2009.

³⁶⁸ Tourism Australia, *Through the Looking Glass: The Future of Domestic Tourism in Australia*, Tourism Research Australia, Canberra, February 2008, p19.

³⁶⁹ Tourism Research Australia, *Snapshot: Caravan or Camping in Australia 2007*, June 2008, p2. Available at: http://www.tra.australia.com/content/documents/Snapshots/2008/Caravan_07_FINAL.pdf. Accessed on 16 February 2009.

³⁷⁰ Tourism Western Australia, *Tourism Prospects as Wall Street Crunches Main Street*, report prepared by Geoff Carmody, Geoff Carmody and Associates, Tourism Western Australia, Perth, November 2008.

economic downturn will lead to domestic tourists taking more affordable holidays,³⁷¹ particularly domestic caravanning and camping holidays.³⁷²

In March 2009 it was reported that some caravan parks had not noticed any decrease in demand due to the economic downturn; if anything, they had noted an increasing interest in this form of travel or holiday.³⁷³ Indeed, Ms Pat Strahan, CIAWA, believes that the recent holiday at home campaign has led to caravanning being 'extremely popular at the moment'.³⁷⁴ Glowing predictions are also espoused by industry groups such as the Caravan, RV and Accommodation Industry of Australia (CRVA).³⁷⁵

Ms Strahan also believes that over the past few years more people purchased larger self-contained vehicles, largely due to the strong economic climate. She has observed that people still want to caravan and camp so are still buying caravanning and camping equipment and vehicles to holiday at home; however, they may be downsizing to less expensive vehicles and equipment.³⁷⁶ She describes the trend as follows:

*most people will start out buying a tent. They will take the kids in a tent, and that is their first experience in the industry. Then they may get to age 30 or 40 and decide that they do not want to sleep on the floor any more, and they would like a bit more comfort. They will then probably go to a camper trailer. From there, as they get a bit older, and it is probably a bit hard and they feel the cold a bit more, they say that a caravan would be nice now. That is the way the trend is going. In the past six months, due to the economic downturn, there has been a slight change. People are buying more second-hand caravans and perhaps not buying such large caravans. Prior to that, the sale of large caravans was very strong.*³⁷⁷

What the above demonstrates is that the type of caravanning and camping equipment may vary due to demographic and economic circumstance, but that overall, the demand for caravanning and camping accommodation is not likely to decrease into the future. In particular, it is very likely that

³⁷¹ See Sections 4.2 and 4.3 of this chapter.

³⁷² Horton, Stuart, 'Families Hit the Road', *The West Australian - Perth Caravan & Camping Show Insert*, 19 March 2009, pp10-11; Saunders, Amanda, 'Budget Caravans Beat Family Credit Crunch', *The West Australian*, 19 March 2009, p10; Submission No. 33 from South West Development Commission, 29 April 2009, p1.

³⁷³ 'Van Sales Defy Downturn', *The West Australian - Perth Caravan & Camping Show Insert*, 19 March 2009, p2.

³⁷⁴ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p2.

³⁷⁵ Caravan, RV & Accommodation Industry of Australia, 'Industry Gathers to "Look into the Crystal Ball" of Caravanning Future'. Available at: <http://www.welovethiscountry.net.au/newsnow.aspx?id=98>. Accessed on 30 March 2009.

³⁷⁶ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p3.

³⁷⁷ *ibid.*

demand for the nature-based or ‘wilderness’ type of camping (which includes caravans) will increase.

Thus, the Committee believes that it is possible that demand for caravan and camping accommodation will increase, at least until 2020, in line with industry predictions. However, the Committee is of the opinion that this demand may be for caravan and camping accommodation other than that offered by traditional caravan parks, with increasing demand for chalets, low facility RV sites and the nature-based experience continuing to change the face of demand into the foreseeable future.

Finding 23

Demand for caravanning and camping is expected to increase in coming years, particularly demand for nature-based caravanning and camping accommodation options such as those provided on pastoral leases.

CHAPTER 5 SUPPLY OF CARAVAN PARKS AND CAMPING GROUNDS

As demonstrated in Chapter 1, the importance of caravan parks and camping grounds has long been recognised and attention has been drawn to the loss of parks in particular areas. This chapter, Chapter 5, discusses issues concerning the supply of caravan parks and camping grounds in Western Australia, including the number of caravan parks and camping grounds, their capacity, types of accommodation sites provided, changes to supply and the supply of camping grounds and road-side rest areas. Given that this report is generally using the definitions of a caravan park and a camping ground as per the *Caravan Park and Camping Ground Act 1995* (WA) (CPCG Act), the following Sections 5.1 to 5.5 relate to caravan parks, which by definition include some camp sites. Discussion of camping grounds, ‘area[s] of land on which camps, but not caravans, are situated for habitation’,³⁷⁸ and road side rest areas is reserved for Sections 5.6 and 5.7.

5.1 Supply of Caravan Parks in Western Australia

(a) Caravan Parks

In its 2003 report on housing risk among caravan park residents, the Australian Housing and Urban Research Institute of Australia (AHURI) noted the long-standing difficulty in estimating the number of caravan parks in the country and their capacity, as well as the tenure and socio-economic status of caravan park residents.³⁷⁹ This AHURI report states that most attempts have relied on two sources of information, namely the Australian Bureau of Statistics (ABS) Census data and the ABS Survey of Tourist Accommodation (STA). However, as AHURI also notes:

*the specific definitions used by different data sources and definitional changes over time have made the job of better understanding the nature of the caravan park sector increasingly difficult. Combined with the limited amount of published information about support services used by individuals who reside in caravan parks, detailed information about this sector in Australia has been limited.*³⁸⁰

Furthermore, as AHURI also notes, following the 1997 restructure of the STA, ‘detailed information regarding all caravan parks after 1997 has been limited to sporadic information contained in the Tourism Indicator reports’.³⁸¹ Tables 5.1, 5.2 and 5.3 demonstrate some of the difficulties with the available data sets.

³⁷⁸ Section 5 *Caravan Parks and Camping Grounds Act 1995* (WA).

³⁷⁹ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p12.

³⁸⁰ *ibid.*

³⁸¹ *ibid.*, p15.

The Committee experienced similar difficulty in determining the precise number of caravan parks in the state. As at the March Quarter of 2009, ABS lists 198 caravan park establishments in Western Australia.³⁸² However, as noted previously, post-1998 ABS caravan park data must be used with caution as it incorporates only those parks with 40 or more powered sites and, therefore, does not give an accurate count of all parks.³⁸³

Furthermore, there appears to be no definitive list of all caravan parks in Western Australia. The data bases of industry organisations such as the Caravan Industry Association Western Australia Inc. (CIAWA), which shows 144 parks, are generally restricted to listings of member parks. There are also accommodation guides that provide listings of caravan parks. For example, Oz Holiday Parks, which lists caravan and camping sites on a regional and state by state basis, shows 299 caravan and camping parks for Western Australia.³⁸⁴ Tourism Western Australia (Tourism WA) submits that 'there are just over 200 caravan parks in WA'.³⁸⁵ Through its own desk based research, the Committee compiled a list of 395 caravan parks in Western Australia, excluding those developed as 'lifestyle villages', and it was this list that provided the basis for inviting submissions from owners and/or operators. It is disappointing that Tourism WA does not have a better understanding of the number of parks in the state.

At hearing, the Department of Local Government (DLG) advised that 'to the best of [... their] knowledge, there has never been any detailed research. There are snippets of information from all over the place, but there is no consolidated information database'.³⁸⁶ In an effort to develop a better understanding of the caravan parks in Western Australia, DLG has undertaken 'a fairly extensive survey to 139 local governments'.³⁸⁷ While at the time of the hearing, the department had had 'only 60 per cent of the surveys returned' it signalled its intention to follow up on the outstanding surveys and advised that its aim was to 'put together a fairly extensive database about the state of caravan parks, the nature of caravan parks, the number of caravan parks and the facilities in caravan parks'.³⁸⁸

The Committee congratulates DLG on this initiative and considers it vital that government develops a better understanding of the caravan park industry in the state. The department should be encouraged to complete this initial survey and maintain the database that results from it.

³⁸² Australian Bureau of Statistics, '8635.0 Tourist Accommodation, Australia'. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/8635.0/>. Accessed on 3 August 2009.

³⁸³ Australian Bureau of Statistics, '8635.5.55.001 - Tourist Accommodation, Small Area Data, Western Australia, Dec 2008: Explanatory Notes', December 2008. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/exnote/8635.5.55.001>. Accessed on 8 July 2009.

³⁸⁴ Oz Holiday Parks, nd. Available at: <http://www.ozholidayparks.com.au/search.asp>. Accessed on 6 April 2009.

³⁸⁵ Submission No. 60 from Tourism Western Australia, 8 May 2009, p7.

³⁸⁶ Mr Ross Earnshaw, Manager, Statutory Support, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p2.

³⁸⁷ *ibid.*

³⁸⁸ *ibid.*, pp2-3.

In discussing caravan parks Australia wide, AHURI notes that the 40 site restriction on ABS data collection ‘suggests that the ABS STA is not collecting data from a significant portion of the [caravan park] sector’.³⁸⁹ The difference in numbers shown in Tables 5.1 and 5.2 provide evidence of this deficit in current data. Taking 1997, a year for which two data sets are available, Table 5.1 shows a total of 320 parks while Table 5.2 shows only 214. While the ‘less than’ or ‘more than’ 40 powered sites data is not available for 1997, drawing on 1999 and 2001 data it seems reasonable to suggest that the difference in 1997 data reflects the number of smaller parks, rather than a dramatic decline in caravan park numbers.

In attempting to determine the total number of caravan parks in Western Australia the Committee found an additional 197 caravan park facilities throughout the state. Clearly, some of this difference from ABS data is due to the ‘more than 40 powered sites’ definition. Furthermore, while this list is significantly more comprehensive than what was previously available, the Committee can not be sure that it has compiled a definitive list. Based on the Committee’s research, the following provides the number of parks in each tourism region:

- Australia’s North West 65
- Australia’s Coral Coast 52
- Australia’s Golden Outback 62
- Experience Perth 84
- Australia’s South West 132

This data shows a concentration of parks in the South West Region, with far fewer parks in the larger North West and Golden Outback Regions. It is also important to note that the Experience Perth region is not restricted to the greater metropolitan area but, generally speaking, extends north through the Swan Valley and Yanchep to Lancelin, east through York, Northam and New Norcia, and south through Fremantle, Rockingham, Mandurah and Dwellingup.

Finding 24

The number of caravan parks in Western Australia, their capacity and the type of sites provided is difficult to determine as there is no one comprehensive and consistent data set.

³⁸⁹

Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p12.

Finding 25

Estimations of the number of caravan parks in Western Australia vary markedly.

Finding 26

The Department of Local Government is undertaking an extensive survey of caravanning and camping facilities within all local government areas in Western Australia.

Recommendation 2

The Department of Local Government complete its survey of local governments in relation to caravan parks.

Recommendation 3

The Department of Local Government develop and maintain a comprehensive data base of caravan parks in Western Australia, including caravan and camping facilities not licensed by Local Government Authorities.

(b) Overflow Areas

In addition to caravan parks, overflow areas are often made available for use in the peak tourist season for that particular region. These areas would not be reflected in ABS caravan park data and play a vital role in the supply of sites when demand is highest.

Overflow areas are defined in the *Caravan Park and Camping Ground Regulations 1997 (WA)* (CPCG Regulations) as ‘an area of a facility specified as an overflow area in the licence for the facility’.³⁹⁰ Such areas can be provided by the caravan park itself or by the local government authority. For example, the City of Rockingham advises that there are two caravan parks in its jurisdiction that provide overflow sites; one park has capacity for 12 overflow sites, the other for seven.³⁹¹ The Town of Port Hedland submits that it has ‘approved a seasonal, thirty site camping

³⁹⁰ Schedule 8 *Caravan Parks and Camping Grounds Regulations 1997 (WA)*.

³⁹¹ Submission No. 66 from City of Rockingham, 15 May 2009, p1.

ground at the Port Hedland Golf Club to act as an overflow area for the parks³⁹². The Shire of Roebourne also advised that there was an overflow provided at the golf course when parks were full.³⁹³ This is provided in partnership with the Karratha Country Club and the Karratha Visitor Centre. Here, permits are given for one night's use, with a maximum of three nights allowed. Permit issue is based upon the situation regarding accommodation availability and the applicant's needs.³⁹⁴ The Shire of York provides overflow facilities at the town oval when necessary,³⁹⁵ while in Esperance overflow facilities are provided at the showground.³⁹⁶

During its investigative travel the Committee saw a number of overflow areas in, for example, Augusta, Broome, Exmouth and Port Hedland, which were provided in a variety of locations such as the local racecourse, golf course or sports oval. As CIAWA states:

*overflow areas can be ovals, public parks or vacant areas of land that when all caravan parks in the town or location are full, can be used with local authority approval to accommodate during peak demand periods.*³⁹⁷

As the name suggests, overflow areas are necessary only when demand exceeds the capacity supplied in the caravan parks. Generally, this means that demand for overflow sites is highly seasonal. As Aspen Parks Property Management Ltd (Aspen Parks) explains, caravan parks experience a shortage of sites only in peak holiday periods, with lower occupancy rates either side of the peak season.³⁹⁸ Similarly, Pink Lake Tourist Park advised that:

*the only time that Esperance goes to an overflow area is Christmas-New Year and Easter. The rest of the year—it is probably the same as every other park in the state—to some extent it is seasonal. When the north is chock-a-block we are quiet, and vice versa. There are probably fewer than 300 sites in total for caravans in Esperance, but other than the Christmas-New Year and Easter periods, the shire does not open any overload areas.*³⁹⁹

Aspen Parks proposes that at such times either a caravan park operator could provide an overflow area on land adjoining the existing park, closing the area at non-peak times, or local governments could 'allow overnight camping in local ovals while caravan parks are full. When a vacancy appears in the park the free camper is asked to move to the park'.⁴⁰⁰ According to Aspen Parks the

³⁹² Submission No. 3 from Town of Port Hedland, 6 April 2009, p1.

³⁹³ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

³⁹⁴ Roebourne and Karratha Visitor Centres, *The Pilbara Coast: Holiday Planner 2008*.

³⁹⁵ Mr Peter Stevens, Shire of York, Electronic Mail, 13 May 2009.

³⁹⁶ Mr Greg Cole, Park Owner, Pink Lake Tourist Park, *Transcript of Evidence*, 27 July 2009, p3.

³⁹⁷ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p19.

³⁹⁸ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p6.

³⁹⁹ Mr Greg Cole, Park Owner, Pink Lake Tourist Park, *Transcript of Evidence*, 27 July 2009, p3.

⁴⁰⁰ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, pp6-7. Aspen Parks suggests that such overflow parks managed by operators on adjoining land could be operated with less strict regulations.

latter system ‘has operated with success in the north-west regions of the state during peak periods’.⁴⁰¹

The Shire of Exmouth confirms that they have successfully operated an overflow system in July when the caravan parks are full to capacity. In fact, two overflow facilities have been set up to accommodate the demand, one with 50 bays allocated amongst the four caravan parks and the other with 20 caravan bays. Prior to opening the overflow areas each season, the Shire endeavours to ensure the caravan parks are full. On occasion late night arrivals are simply placed in the overflow for the night and relocated to a park when time permits.⁴⁰²

Citing the Broome racetrack as an example, DLG confirms that while ‘overflow sites are generally made available by local governments, they generally have limited facilities and do not provide an amenable tourism experience’.⁴⁰³ This suggestion is supported by Pink Lake Tourist Park which advised that while the showground overflow area seems to work well, ‘probably the only detriment to it is that people have to go over to the leisure centre for showers, and they complain about the cost of showers’.⁴⁰⁴ As another example, the Shire of Roebourne overflow area has toilet and shower facilities available.⁴⁰⁵

Furthermore, in some regions the use of overflow areas has not fully met the demand for sites. For example, while as noted the Shire of Roebourne provides an overflow site at the golf course, the Shire advised that this site was also sometimes full.⁴⁰⁶ The Shire of Exmouth advised that its second overflow site was established as the first one had been full to overflowing in previous years.⁴⁰⁷

Throughout its investigative travel the Committee heard generally positive reports of overflow areas. However, Tourism WA stated that the agency has ‘debates with local governments every year about whether they are going to open their overflow caravan park site’.⁴⁰⁸

On a more positive note, there is evidence to suggest overflow areas are able to accommodate the larger recreational vehicles (RVs) that sometimes have trouble finding a suitable site in a traditional caravan park. The Shire of Exmouth’s second overflow facility mostly accommodates RVs with all but 20 caravan sites in this area being dedicated as an RV area.⁴⁰⁹

⁴⁰¹ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p7.

⁴⁰² Shire of Exmouth, *Committee Briefing*, 2 June 2009.

⁴⁰³ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p2.

⁴⁰⁴ Mr Greg Cole, Park Owner, Pink Lake Tourist Park, *Transcript of Evidence*, 27 July 2009, p3.

⁴⁰⁵ Roebourne and Karratha Visitor Centres, *The Pilbara Coast: Holiday Planner 2008*.

⁴⁰⁶ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

⁴⁰⁷ Shire of Exmouth, *Committee Briefing*, 2 June 2009.

⁴⁰⁸ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p11.

⁴⁰⁹ Shire of Exmouth, *Committee Briefing*, 2 June 2009.

Finding 27

In periods of peak demand overflow areas provide an important supply of caravan and camping sites, particularly as they often accommodate larger recreational vehicles.

5.2 Types of Caravan Park Accommodation Provided

Chapter 3 of this report discussed the demand characteristics of visitors to caravan parks and camping grounds, as well as factors influencing visitor trends and behaviour. Chapter 4 noted emerging demand trends largely driven by a combination of consumer expectations and market forces. Given the information provided in these chapters, it is sufficient at this stage to simply outline the different types of accommodation that can be supplied in caravan parks.

- Caravans: vehicles that are ‘fitted or designed for habitation,’⁴¹⁰ licensed under the *Road Traffic Act 1974* (WA) and able to be towed by another vehicle
- RVs: large motor vehicles with facilities for sleeping and eating which are used for recreational activities such as camping, and which do not require towing by another vehicle
- Camper Trailers: ‘tents that are built into trailers for convenient erection’⁴¹¹
- Tents: a collapsible, moveable shelter, often thought of as ‘good old fashioned camping’⁴¹²
- Holiday Vans (Annuals): ‘caravans with a fixed annex that are left permanently onsite on caravan parks’⁴¹³
- Long-stay Accommodation: accommodation provided on a ‘permanent’ or semi-permanent basis, possibly under a lease agreement
- Cabins/Chalets: onsite buildings ranging from cabins with very basic facilities, sometimes even without a shower and toilet, to 5 star lodgings providing extensive facilities, including ensuite, spa, television, etc.⁴¹⁴
- Lodgings: ‘budget on-site motel style accommodation preferred by backpackers, transient workers and budget minded travellers’⁴¹⁵

⁴¹⁰ Section 5(1) *Caravan Parks and Camping Grounds Act 1995* (WA).

⁴¹¹ Submission No. 60 from Tourism Western Australia, 11 May 2009, Attachment 4, Closed Evidence, p11.

⁴¹² *ibid*

⁴¹³ *ibid.*

⁴¹⁴ *ibid.*

- Park Homes: are also vehicles which are fitted or designed for habitation, but ‘in respect of which a vehicle licence is not required under s 15 of the *Road Traffic Act 1974*, because it could not be drawn by another vehicle on a road due to its size’⁴¹⁶

5.3 Changes in Supply of Caravan Parks in Western Australia

According to Tourism WA, ‘the number of caravan parks in Australia has been decreasing at an alarming rate’.⁴¹⁷ This study suggests that all states are facing the problem of caravan park closures with significant numbers either closed within the previous 3 to 4 years or currently facing closure. For example, in Queensland 35 parks closed and approximately 20 further parks were possibly to close in the near future. New South Wales experienced the closure of 50 parks over the same period.⁴¹⁸ The report notes that in the previous 5 years the number of caravan parks in Australia had decreased by more than 8%.⁴¹⁹

Based on ABS and AHURI data, Table 5.1 shows the total number of caravan parks in Western Australia between 1996 and 2001.

Table 5.1: Total Number of Caravan Parks in Western Australia⁴²⁰

Year (Sept Quarter)	40 or more Powered Sites	Less than 40 Powered Sites	Total Parks
1996*	na	na	319
1997*	na	na	320
1998	na	na	na
1999 (Dec Quarter)**	216	103	319
2001**	209	113	322

* Based on ABS data sets ** Based on AHURI data na = not available

⁴¹⁵ *ibid.*

⁴¹⁶ Regulation 4(1) *Caravan Parks and Camping Grounds Legislation 1997* (WA).

⁴¹⁷ Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p7.

⁴¹⁸ *ibid.*

⁴¹⁹ *ibid.*, p8.

⁴²⁰ Australian Bureau of Statistics, ‘8635.0 Tourist Accommodation, Australia’. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/8635.0/>. Accessed on 3 August 2009; Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p19.

It is worth noting at this point that while the total number of parks appears to have remained relatively steady between 1996 and 2001, the proportion of smaller and larger parks has changed. From 1999 to 2001, the number of smaller parks rose while the number of larger parks declined.

The Committee has used this data as it is the only aggregate data available from an independent source. However, the Committee, based on other data, evidence to the Inquiry and its own observations, has concerns about the accuracy of the data in terms of the level of capacity and trends in capacity in the industry. Specifically, it is the Committee's strong view that the reduction in the number of parks and in the capacity within the parks is significantly greater than indicated by the ABS data. In short, the Committee cautions readers against using this data in isolation. Again, this highlights a common theme found by the Committee that available data on the industry is neither adequate nor, in some cases, accurate, making analysis and decision-making difficult, if not impossible.

Tourism WA's report, *Understanding the Caravan Park Industry in WA*, argues that ABS statistics indicate that 'in 1997 there was a significant reduction in the number of caravan parks available in WA'.⁴²¹ However, it is possible that this report has not factored in the 1997 restructuring of the STA, and that the significant reduction Tourism WA points to is, in fact, the exclusion of all parks with less than 40 powered sites. It is unfortunate that so many submissions (from government and non-government agencies) and further reports rely upon, and cite extensively from, this report without either understanding or questioning the data presented or the methodology by which it was generated.

While taking into consideration the above-mentioned qualifications, and as Table 5.2 shows, ABS data remains useful in that it allows for some comparisons to be made over time.

It is clear that the number of larger (40 or more powered sites) caravan parks in Western Australia has been decreasing for some time. As Table 5.2 shows, from 1997 to 2000 the number fell from 214 to 206, a reduction of 3.7%, falling a further 3.9% to 198 in 2006. While the total number of parks has remained relatively steady since then, the 2 park variation between 2006-2007 and 2007-2008 was in the short-stay type of park, with the number of long-stay parks remaining constant over that period.

The decrease in supply has been a concern for some time. For example, in 1998, the then Member for Bassendean was prompted to call for a select committee to inquire into, among other things, 'ways to preserve the Western Australian lifestyle that enables the average family to enjoy a low cost caravan or camping holiday...[and, as such] ways to preserve existing caravan parks'.⁴²² In support of his argument, the Member for Bassendean cited various examples of closures, particularly in the south west of the state.⁴²³ He raised the issue again later that year, declaring that

⁴²¹ Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Caravan Park Operators*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Caravan%20Park%20Operators.pdf>. Accessed on 26 March 2009.

⁴²² Mr Clive Brown, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 May 1998, p2935.

⁴²³ *ibid.*, pp2936-7.

the caravan industry was expanding and that, unless supply issues were addressed in the short term, opportunity for preservation of the industry could be lost.⁴²⁴ He quoted an article from CIAWA which stated that ‘the caravan industry is at a crossroad. Sale of caravans is increasing by an average of 15% per annum ... and there is already a serious shortage of sites at many destinations’.⁴²⁵

Table 5.2: Caravan Parks and Camping Grounds in Western Australia^{*426}

Year	Number of Parks		
	Long-stay	Short-stay	Total
1997	76	138	214
1998-1999	Data Unavailable		
2000	79	127	206
2001-2003	Data Unavailable		
2005	25	180	205
2006	26	172	198
2007	26	170	196
2008	26	170	196
2009	26	172	198

* For 1996-2008 data is as at the September quarter for the year. For 2009 data is as at the March quarter.

Much the same concerns have been raised in the course of this Inquiry, with many submitters and evidence referring to the closure of caravan parks throughout the state. For example, Tourism WA stated that:

*before July 2005, Western Australia had lost 14 caravan parks. In the four years since then we have lost another 14. One more has yet to be closed. Two have opened over that time, and five new ones are proposed.*⁴²⁷

The South West Development Commission states that:

⁴²⁴ Mr Clive Brown, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 18 November 1998, p3716.

⁴²⁵ *ibid.*, p3716.

⁴²⁶ Australian Bureau of Statistics, ‘8635.0 Tourist Accommodation, Australia’. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/8635.0/>. Accessed on 3 August 2009. ABS advise that ‘from 1998 to 2004 the survey included hotels, motels and guest houses with 15 or more rooms and serviced apartments with 15 or more units on a quarterly basis. For the years 2000 and 2003 only, the collection also included holiday flats, units and houses of letting entities with 15 or more rooms or units; caravan parks with 40 or more powered sites and visitor hostels with 25 or more bed spaces’. See: [http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/5074352E6F5C86D8CA2569B50082B4DD/\\$File/86350_sep%2000.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/5074352E6F5C86D8CA2569B50082B4DD/$File/86350_sep%2000.pdf). Accessed 24 August 2009.

⁴²⁷ Mr Richard Muirhead, Chief Executive Officer, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p2. These parks are listed in Submission No. 60 from Tourism Western Australia, 8 May 2009, p7.

*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.*⁴²⁸

The Campervan and Motorhome Club Ltd (CMCA) submit that ‘supply in WA fell away very seriously with the boom period 2006-7 & 8 with parks becoming the de facto public housing supply’.⁴²⁹ The WAACCI also point to ‘a significant number (between 20 to 25) caravan park closures during the past decade’ in Western Australia.⁴³⁰ The Member for Wanneroo, Mr Paul Miles, MLA, similarly notes the fact that ‘many parks in outer metropolitan areas have closed in the past several years as these areas have become increasingly urbanised and consequently more valuable for residential housing’.⁴³¹

A number of local governments also point to the closure of caravan parks both in their areas and in the state, generally. For example, the Shire of Busselton submits that:

*ten percent of caravan parks in WA have closed, and there are more imminent closures. The Shire of Busselton has lost 6 (as at December 2007) caravan parks and more than 30% of capacity (800 caravan sites/beds) over the last 10 years.*⁴³²

The Shire of Augusta-Margaret River notes that ‘statistics show that there has been a significant reduction in the number of caravan parks available in WA’.⁴³³ Similarly, the Shire of Coorow expressed concern ‘regarding the reducing numbers of caravan parks and the increasing holiday pressures on existing parks occurring (sic) in holiday locations throughout the State’.⁴³⁴

Furthermore, few, if any, new parks are being developed.⁴³⁵ According to Tourism WA, the situation in Western Australia is ‘going backwards at a significant rate’.⁴³⁶ Local governments such as the City of Mandurah also recognise what the City describes as the ‘shift in the caravan park industry’ due to the closure and redevelopment of caravan parks.⁴³⁷ This City advises that the

⁴²⁸ Submission No. 33 from South West Development Commission, 29 April 2009, p1.

⁴²⁹ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p8.

⁴³⁰ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p13.

⁴³¹ Submission No. 47 from Mr Paul Miles, MLA, 1 May 2009, p4.

⁴³² Submission No. 55 from Shire of Busselton, 6 May 2009, p3.

⁴³³ Submission No. 76 from Shire of Augusta-Margaret River, 25 May 2009, p2.

⁴³⁴ Mr David Hadden, Manager Regulatory Services, Shire of Coorow, Electronic Mail, 12 May 2009, p1.

⁴³⁵ Submission No. 22 from Mandalay Holiday Resort and Tourist Park, 23 April 2009, p5; Submission No. 76 from Shire of Augusta-Margaret River, 25 May 2009, p2.

⁴³⁶ Mr Richard Muirhead, Chief Executive Officer, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p2.

⁴³⁷ Submission No. 70 from City of Mandurah, 18 May 2009, p5.

lack of ‘plans to replace the closed and closing caravan parks in and around Mandurah’ results in a ‘serious and significant gap, both tourism-wise and in housing opportunities’.⁴³⁸

While the number of parks has undoubtedly declined in recent years, it is less clear whether the remaining parks are large or small parks, what mix of long- and short-stay sites they provide, and what impact this has on their overall capacity to meet changing market demand.

Finding 28

Contrary to ABS data, there has been a significant decrease in the number and capacity of caravan parks in Western Australia.

Finding 29

While the overall number of caravan parks has declined in recent years, the available data does not provide information on the capacity of existing parks or the type of accommodation they provide.

Finding 30

State government agencies, local government authorities, industry associations and user groups have all expressed concern about the recent closures of caravan parks in Western Australia.

5.4 Caravan Park Capacity

Table 5.2 shows that the total number of caravan parks in Western Australia fell from 214 in 1997 to 198 in 2009, a decrease of 7.48% over that period. In spite of this post-1997 decline, as Table 5.3 demonstrates, the total capacity in Western Australia has been relatively stable. In 1997, large caravan park capacity stood at 26,636 sites, falling by just 897 (3.37%) to 25739 in 2009.

However, it is difficult to draw valid conclusions based on these overall figures. Instead, it is necessary to look at the mix of accommodation types that are represented by these total figures. What Table 5.3 shows is that while the total capacity has remained relatively steady, there has been considerable variation in the accommodation mix provided. The supply of on-site vans and other powered sites has remained relatively steady. In 1997, on-site vans represented 7.13% of the total capacity; by 2009, these vans represented 6.68% of total capacity. In 1997, other powered

⁴³⁸

ibid.

sites comprised 68.2%, falling to 64.96% of 2009 capacity. The most significant changes in the accommodation mix have been in the unpowered sites and cabins, flats, villas etc category of accommodation. Unpowered sites represented 17.41% of total capacity in 1997. The supply of these sites had fallen markedly, standing at 13.63% of 2009 capacity. The type of category with the most significant growth is that of cabins, flats, villas etc. This type of accommodation has doubled between 1997 and 2009, rising from 7.24% of total capacity to 14.73%.

ABS research recognises that ‘caravan parks provide either short-term or long-term accommodation’,⁴³⁹ and Table 5.3 also provides data on the capacity of long- and short-stay caravan parks as defined by ABS. As noted in Chapter 1, unlike the *Residential Parks (Long-stay Tenants) Act 2006* (WA) (RPLT Act), which defines long-stay users of caravan parks as residing for three months or longer, ABS data cubes are constructed on the basis that ‘if a caravan park has the majority of sites occupied by paying guests who have stayed continuously for two months or more during the survey period, the caravan park is classified as long-term’.⁴⁴⁰ Similarly, sites occupied by long-term guests are those ‘guests who have stayed continuously for two months or more’.⁴⁴¹

It is not clear whether this ABS data includes those park home parks developed as lifestyle villages; however, given that these are not commonly known as caravan parks it is unlikely that ABS is aware that in Western Australia such parks are currently licensed under the CPCG Act.

According to the data in Table 5.3, the total capacity of long-term caravan parks has declined significantly from 9,449 sites to just 3,117, or from 35.47% of total capacity to 12.11%. However, the total capacity of short-term caravan parks has increased from 17,187 sites to 22,622, or from 64.53% of total capacity to 87.89%. This reflects the change in the total number of long- and short-stay sites, as shown in Table 5.2. In 1997 there were 76 long-stay parks providing 9,449 sites (124.3 sites per park); in 2009 there were 26 long-stay parks providing 3,117 sites (119.88 sites per park). In 1997 there were 138 short-stay parks providing 17,187 sites (124.5 sites per park); in 2009 this had increased to 172 short-stay parks providing 22,622 sites (131.5 sites per park).

⁴³⁹ Australian Bureau of Statistics, ‘8635.5.55.001 - Tourist Accommodation, Small Area Data, Western Australia, Dec 2008: Explanatory Notes’, December 2008. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/exnote/8635.5.55.001>. Accessed on 8 July 2009.

⁴⁴⁰ Australian Bureau of Statistics, ‘8635.5.55.001 - Tourist Accommodation, Small Area Data, Western Australia, Dec 2008: Explanatory Notes’, December 2008. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/exnote/8635.5.55.001>. Accessed on 8 July 2009.

⁴⁴¹ *ibid.*

Table 5.3: Capacity of Larger Caravan Parks in Western Australia*⁴⁴²

	Capacity (per Type of Accommodation)				Total Capacity (Sites)**		
	On-site Vans	Other Powered Sites	Unpowered Sites	Cabins, Flats, Villas etc	Long-term	Short-term	Total
1997	1901	18166	4639	1930	9449	17187	26636
1998-1999	Data Unavailable				Data Unavailable		
2000	1623	17193	4030	2582	10076	16072	26148
2001-2004	Data Unavailable				Data Unavailable		
2005	1708	17688	3554	3122	3282	22790	26072
2006	1662	17190	3692	3263	3304	22503	25807
2007	1616	16875	3381	3247	3263	21856	25119
2008	1902	16887	3389	3505	3288	22395	25683
2009	1719	16720	3509	3791	3117	22622	25739

* For 1996-2008 data is as at the September quarter for the year. For 2009 data is as at the March quarter.

** Per type of park, either long- or short-stay.

Therefore, for larger caravan parks in Western Australia at least, it is only possible to say that while the total number of parks has fallen, caravan park operators have increased the capacity of their parks by increasing the average number of sites per park, while also changing the accommodation mix provided. This change in supply largely reflects the changes in demand, as discussed in Chapter 4.

While this data presents a more positive picture of supply than is generally perceived by those presenting evidence to the Inquiry, it is important to acknowledge that the data is aggregated for the whole of Western Australia and does not account for any regional variations. As the Committee observed during its travel, there is considerable variation in capacity and accommodation mix for parks throughout the state. Such variation is exemplified in the results of the Tourism WA survey of 100 caravan park operators. This survey showed the average number of tourist sites available in each park in the peak season to be:

⁴⁴² Australian Bureau of Statistics, '8635.0 Tourist Accommodation, Australia'. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/8635.0/>. Accessed on 3 August 2009. ABS advise that 'from 1998 to 2004 the survey included hotels, motels and guest houses with 15 or more rooms and serviced apartments with 15 or more units on a quarterly basis. For the years 2000 and 2003 only, the collection also included holiday flats, units and houses of letting entities with 15 or more rooms or units; caravan parks with 40 or more powered sites and visitor hostels with 25 or more bed spaces'. See: [http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/5074352E6F5C86D8CA2569B50082B4DD/\\$File/86350_sep%202000.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/5074352E6F5C86D8CA2569B50082B4DD/$File/86350_sep%202000.pdf). Accessed on 24 August 2009.

- Experience Perth 47 sites (for 20 parks surveyed)
- South West 93 sites (for 25 parks surveyed)
- Golden Outback 65 sites (for 21 parks surveyed)
- Coral Coast 89 sites (for 18 parks surveyed)
- North West 146 sites (for 16 parks surveyed)⁴⁴³

As noted above, concern has been expressed to the Committee about what is perceived as a trend to close caravan parks and the impact of such closures and other pressures on supply (as discussed in Chapter 6). Many of these concerns relate to the supply of long- and short-stay sites within caravan parks, and also the appropriate mix between the two types of accommodation provided in any particular caravan park. For a more detailed analysis of these concerns, see Chapter 8, at Section 8.3.

A further concern raised in evidence is that existing caravan parks are not able to adequately cater for RVs. Organisations such as CMCA submit that:

*Many caravan parks cannot accommodate large RV 'rigs'. Overhanging trees, restricted turning circles and narrow roadways, make it impossible to manoeuvre large vehicles 'on site'. Many of these vehicles can be the same length as a flat bed semi trailer, and are up to 19.5 meters in length. They require a turning circle up to 35 meters, and a height clearance of 44.5 meters.*⁴⁴⁴

This organisation expressed concern that 'when access is possible, these larger size vehicles are very often charged for two sites located at the very back of the Park - out of the way'.⁴⁴⁵ Furthermore, it suggests that while 'supply, particularly future supply, is highly dependent upon attitudes within WA toward the future growth of RV Tourism', caravan parks in the state are 'only now beginning to realise that they must change 1960's thinking for 21st Century reality and provide for these new technology vehicles that are fully self-contained and capable of standing alone from 1 to 14 days'.⁴⁴⁶

At hearing the Department of Environment and Conservation (DEC) confirmed what they see as a trend toward camping in vans, stating they 'have found that the Britz-type campervans are much

⁴⁴³ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p70.

⁴⁴⁴ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p7. See also p6.

⁴⁴⁵ *ibid.*, p6.

⁴⁴⁶ *ibid.*, p6 and p10.

more prevalent than previously'.⁴⁴⁷ In response to this, DEC 'have undertaken to redesign many of our camp sites to facilitate larger vehicles and the other infrastructure that goes with them'.⁴⁴⁸

Finding 31

While ABS data shows the total capacity of larger caravan parks in the state has remained relatively steady, the data shows there has been considerable variation in the accommodation mix provided:

- supply of on-site vans and other powered sites has remained relatively steady
- supply of unpowered sites has fallen markedly
- supply of alternative tourism accommodation such as cabins and villas has seen the most significant growth

5.5 Shortage or Seasonal Fact of Life?

Given that the above data is for parks with 40 or more powered sites, that the total number of parks falls far short of the number that actually exists in Western Australia and that the data is averaged across the state, it is difficult to make definitive statements in relation to any shortage of caravan parks or capacity in those parks. Having said that, and as Chapter 6 will show, based on the evidence presented to the Committee, there is no doubt that the supply of caravan park sites is under considerable pressure. What is less clear is whether there is a shortage of caravan parks per se or if there is a sufficient number of parks providing an inadequate mix of particular types of accommodation in particular areas at particular times.

It does seem that current excess demand and undersupply of caravan park sites depends largely upon geographical location and seasonal factors. According to Tourism WA's 2006 research, the most prominent areas of undersupply appear to be during 'peak season (i.e. May – September) in the North West region – particularly Broome, and to a lesser extent in the Coral Coast region'.⁴⁴⁹ Also 'in the South West region, during the school holiday periods in January and April there were some issues with a lack of caravan park accommodation'.⁴⁵⁰ CIAWA confirm this, submitting that:

⁴⁴⁷ Ms Tracy Shea, Acting Assistant Director, Policy and Planning, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p5.

⁴⁴⁸ *ibid.*

⁴⁴⁹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p109.

⁴⁵⁰ *ibid.*

many levels of Government and sectors of the community have the opinion that demand for sites outstrip[s] supply. This assumption may hold true for only a few weeks a year during the peak Christmas holiday season, whereby most if not all caravan parks achieve 100% occupancy. Aside from this period the availability of sites remains high throughout the year. Generally, an overall yearly occupancy rate of 37% shows that a significant capacity exists within caravan parks to accommodate the existing and anticipated demand.⁴⁵¹

In summary, Tourism WA's report suggests that:

- *Caravan parks in Perth had the highest level of occupancy throughout the year. Around two thirds of caravan parks in the Christmas/New Year and Easter school holidays reporting being more than 75% full.*
- *Peak capacity periods in the South West were between Christmas/New Year and the Easter school holidays.*
- *On average caravan parks in the Golden Outback and Coral Coast regions appeared to be have some capacity at most times of the year.*
- *The North West region had the greatest proportion of caravan parks at peak capacity from May to September, compared to the other regions. Due to the seasonality in this region, it also had the greatest over-capacity at other times of the year.⁴⁵²*

While, as Aspen Parks submits, 'caravan and camping operators, like other tourist operators, come under pressure during peak holiday periods where caravan parks are full for extended periods of time,⁴⁵³ it is apparent that aside from these peak periods the availability of sites remains high throughout the year. That is, with caravan park non-peak occupancy rates relatively low, 'typically running at 30%-35% occupancy year round on sites,⁴⁵⁴ a significant capacity exists within caravan parks to accommodate the existing and anticipated demand.

Furthermore, given the increased demand for RVs to camp outside of caravan parks, the supply of traditional caravan parks may be sufficient to meet current and future demands, particularly if the wider development and use of overflow areas is encouraged.

As Ms Pat Strahan, Chief Executive Officer (CEO) of CIAWA, stated:

I think in the north west people say that they get to Broome and they have not got accommodation; it might be for July and August. And the same in Exmouth and Coral Bay. July and August is the peak time for everyone to go up north. You cannot build a caravan park just to run for two months. No-one can. You can't afford to build one, but they work

⁴⁵¹ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p19.

⁴⁵² Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p110.

⁴⁵³ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p6.

⁴⁵⁴ *ibid.*

on overflow areas for those people, in Broome particularly, which works extremely successfully.⁴⁵⁵

Finding 32

It is difficult to make definitive statements in relation to any shortage of caravan parks or capacity within those parks. Nevertheless, there is no doubt that the supply of caravan park sites in Western Australia is under considerable pressure.

Finding 33

The demand and availability of caravan and camping sites depends largely upon geographical and seasonal factors.

Finding 34

Given the increase in demand for nature-based camping, future supply must cater to this trend.

5.6 SUPPLY OF CAMPING GROUNDS

As noted in Chapter 4, there is an increasing demand for sites that provide a more nature-based experience, particularly since the rise of the self-contained RV. This section of the report deals specifically with camping grounds, that is, with camping outside caravan parks.

While there are a small number of farm-stay and shire-provided camping areas, the main providers of camping grounds in Western Australia are DEC and pastoralists who have diversified on their leases.

(a) Camping on the DEC Estate

DEC advised the Committee that ‘there are about 140 nature-based camping areas on CALM Act land, predominantly on national parks and State forest’.⁴⁵⁶ The department further advised that

⁴⁵⁵ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p8.

⁴⁵⁶ Submission No. 69 from Department of Environment and Conservation, 19 May 2009, p2; Ms Tracy Shea, Acting Assistant Director, Policy and Planning, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p4. The CALM Act is the *Conservation and Land Management Act 1984* (WA).

there are more than 12 million visits to the DEC estate each year.⁴⁵⁷ Camping areas on the DEC estate generally provide ‘only basic facilities which may include toilets, barbecue areas/fireplaces and levelled tent sites’.⁴⁵⁸

DEC submits that the department has ‘concentrated on the recent provision of nature-based camping sites in areas where there are few, if any, nearby towns or alternative camping facilities, particularly in the north of the State’.⁴⁵⁹ In the north of the state, camping areas ‘recently developed or expanded by DEC include’:

- Devonian Reef Conservation Park (West Kimberley, inland from Derby)
- Mitchell Plateau conservation parks and national parks (North Kimberley)
- Cape Range National Park (Exmouth)
- Kennedy Range National Park (inland from Gascoyne Junction)⁴⁶⁰

In the ‘more populated south of the State’ campground works have largely been to repair and improve existing camping facilities as there are often alternative camping facilities provided in nearby towns or on rural private land accommodation enterprises’.⁴⁶¹

Visitors to camping areas in the DEC estate are generally short-stay, due mainly to two reasons. First, as DEC suggests, such basic facilities ‘are not attractive to long-term residents, particularly those who are working and require power, shower and laundry facilities at the minimum’.⁴⁶² Second, restrictions are placed on the length of stay through application of the *Conservation and Land Management Regulations 2002* (WA) (CALM Regulations). Under r 67(1)(b) an authorised DEC officer can direct a person to vacate a DEC site where that person has occupied the site for more than 28 consecutive days. During school holidays, this period of occupancy is reduced to 14 consecutive days, ‘whether or not all of those days occur during the school holidays’.⁴⁶³ DEC submit that such restrictions are intended ‘to maximise access by the public to highly sought after nature-based camping areas such as those in Cape Range National Park adjacent to the Ningaloo Marine Park’.⁴⁶⁴

⁴⁵⁷ Ms Tracy Shea, Acting Assistant Director, Policy and Planning, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p4.

⁴⁵⁸ Submission No. 69 from Department of Environment and Conservation, 19 May 2009, p2.

⁴⁵⁹ *ibid.*

⁴⁶⁰ *ibid.*, p3.

⁴⁶¹ *ibid.*

⁴⁶² *ibid.*, p2.

⁴⁶³ Regulation 67(1)(c) *Conservation and Land Management Regulations 2002* (WA).

⁴⁶⁴ Submission No. 69 from Department of Environment and Conservation, 19 May 2009, p2.

Access to camping grounds on the DEC estate is also sometimes limited according to type of vehicle. While ‘many of the nature-based camping facilities provided and managed by DEC ... are designed to accommodate caravans also’, some are not.⁴⁶⁵ As DEC explained:

*we actually have camp ground hosts who meet and greet the visitors, and they reside in caravans on the side, but generally they are there to act as our ambassadors for people who go camping. That occurs in a range of our national parks, such as Purnululu and various other parks and reserves. Depending on the management plan, sometimes people are allowed to go in with camper trailers. Sometimes they can go in with caravans, and sometimes they cannot. Purnululu, for example, in its management plan, prohibits caravans going into the park because of the problems associated with the access into that park. It is a pretty tough haul into that park; it is four-wheel drive access only. We have had occasions when large vans have been hooked up, because they have to go through river crossings and things, which can cause quite a bit of damage.*⁴⁶⁶

DEC submits that ‘the limited facilities provided for camping within the areas that it manages meet a demand by visitors for this style of experience’.⁴⁶⁷

(b) Camping on Pastoral Leases

As noted in Section 4.4(e)(i) of Chapter 4, demand for camping on pastoral leases is increasing. While this activity is not included in ABS tourism accommodation data, the Committee is aware that during the peak tourism season there can be many hundreds of people camping on pastoral leases.

Section 106(1) of the *Land Administration Act 1997* (WA) (LA Act) provides that pastoral land is not to be used for non-pastoral purposes ‘except in accordance with a permit issued under Division 5’.⁴⁶⁸ Following application from a pastoral lessee, under s 121(1) of the LA Act, the Pastoral Lands Board may issue a permit for ‘pastoral-based tourist activities of a specified kind, if it is satisfied that the activities will be purely supplementary to pastoral activities on the land’.⁴⁶⁹ This is interpreted by the Department of Regional Development and Lands (DRDL) to mean ‘low-key pastoral-based tourism’.⁴⁷⁰

In Western Australia there is a total 462 stations that together are the subject of 513 pastoral leases, that is, some stations are comprised of more than one leaseholding. Pastoral leases are

⁴⁶⁵ *ibid.*

⁴⁶⁶ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p4.

⁴⁶⁷ Submission No. 69 from Department of Environment and Conservation, 19 May 2009, p3.

⁴⁶⁸ Section 106(1) *Land Administration Act 1997* (WA).

⁴⁶⁹ Section 121(1) *Land Administration Act 1997* (WA). Tourism diversification is also possible via either s 79 or s 91 *Land Administration Act 1997* (WA).

⁴⁷⁰ Department of Regional Development and Lands, ‘Permits to Diversify’, nd. Available at: <http://lands.rdl.wa.gov.au/pastoral/13787.asp>. Accessed on 28 August 2009. See also: Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p5.

granted for anywhere between 18 and 50 years. All pastoral leases in the state end on 30 June 2015 and most leaseholders at this stage have elected to renew.⁴⁷¹ In accordance with the provisions of ss 106 and 121 of the LA Act, several of these lessees have opted to diversify into pastoral-based tourism. According to DRDL, as at the end of August 2009 there were:

- 19 Camping Permits
- 28 Station Stay Permits
- 1 Horse Trail Permit
- 5 Tag-along Tour/Wildflower Access Permits⁴⁷²

Pastoral leases may have more than one permit, for example, to allow diversification into both camping and station stays. However, applying for and being granted a permit does not guarantee that the proposed tourism diversification will proceed as pastoral lease diversification, like all development, is subject to the applicable local government planning schemes.⁴⁷³ For example, Brooking Springs, located in the Kimberley, applied for and received a permit from the Pastoral Lands Board, but has failed to receive local government approval.⁴⁷⁴ The permit system has helped pastoralists stay on the land and, according to the Department of Planning (DoP), also ‘gave some governance to the land uses in tourism within that area’.⁴⁷⁵

However, it is apparent to the Committee that pastoral lessees are caught in an overlap and duplication of regulatory function involving various government agencies and LGAs.

As part of its investigative travel, the Committee visited Barn Hill Station, situated 120 km south of Broome,⁴⁷⁶ and Warroora Station, situated ‘halfway between Carnarvon (190km) and Exmouth (190km) just south of Coral Bay (60km)’.⁴⁷⁷ At these stations the Committee observed the facilities provided and spoke with a number of visitors. At Warroora the Committee met with the lessee of that station, Ms Leonie McDiven and also the lessee of Quobba Station, Mr Tim

⁴⁷¹ Mr Andrew Prior, Senior Policy Officer, Pastoral Land, Department of Regional Development and Lands, Telephone Conversation, 27 August 2009. The renewal will be for the same period as the existing lease.

⁴⁷² Mr Andrew Prior, Senior Policy Officer, Pastoral Land, Department of Regional Development and Lands, Telephone Conversation, 27 August 2009.

⁴⁷³ Ms Anne Hill, Executive Director, Regional Planning and Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p6.

⁴⁷⁴ Mr Andrew Prior, Senior Policy Officer, Pastoral Land, Department of Regional Development and Lands, Telephone Conversation, 27 August 2009.

⁴⁷⁵ Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p5.

⁴⁷⁶ Barn Hill Station Stay, nd. Available at: <http://www.barnhill.com.au/index.html>. Accessed on 28 August 2009.

⁴⁷⁷ Warroora Ningaloo Wilderness, ‘Getting Here’, nd. Available at: <http://www.warroora.com/pages/gettinghere.htm>. Accessed on 28 August 2009.

Meecham. During the discussions at Warroora a number of issues were raised in relation to the management of camping areas along the Ningaloo coastal region and the impending excision of land from the leases. Concern was also expressed by Ningaloo Station that wilderness camping on pastoral leases in the region was subject to the CPCG Act. While other stations that also offer low-key tourism facilities would also face a variety of issues, the following discussion centres on the Ningaloo coast region for three main reasons. First, this is the region in which the Committee's Inquiry generated most interest. Second, it is an area of particular environmental sensitivity being subject to considerable and growing demand pressures. Third, what happens in this region may provide a model for similar developments throughout the state.

Overall, there are five stations situated along the Ningaloo coast, namely:

*Ningaloo, Cardabia, which surrounds Coral Bay, Warroora, Gnaraloo and at the bottom end of Ningaloo Reef is Quobba. There is a little part of Quobba at Red Bluff where there is a surfing spot there. The length of that area is either pastoral lease or in the case of Gnaraloo there are a couple of small lease areas that have been created under DPI arrangements.*⁴⁷⁸

While these stations for the most part provide campsites, some provide alternative accommodation options. According to the *Ningaloo Coast Region Visitor Statistics*:

*the two southern stations, Quobba and Gnaraloo, have more established campgrounds with toilets and cabin or chalet accommodation options in addition to campsites. The three northern stations, Warroora, Cardabai, and Ningaloo offer camping accommodation or a station stay. Campers are required to bring their own toilets. All stations require visitors to bring their own water. Access to most of the sites generally requires a fourwheel drive with the exception of Quobba.*⁴⁷⁹

The ocean-side boundary of pastoral leases is determined by a line drawn 40 metres above high water mark. The land above this mark forms part of the pastoral lease, while the land below it is incorporated into the Ningaloo Marine Park.⁴⁸⁰ There is a considerable amount of camping along the Ningaloo coast with access often gained through a pastoral lease. According to DoP, this access is usually via station tracks and 'informal arrangements of donations to the pastoralists'.⁴⁸¹ For example, Warroora Station charges an access fee to cross the leasehold to reach Ningaloo

⁴⁷⁸ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p8. See also Jones, Tod et al, *Ningaloo Coast Region Visitor Statistics. Collected for the Ningaloo Destination Modelling Project*, CRC for Sustainable Tourism Pty Ltd, Qld, 2009.

⁴⁷⁹ Jones, Tod et al, *Ningaloo Coast Region Visitor Statistics. Collected for the Ningaloo Destination Modelling Project*, CRC for Sustainable Tourism Pty Ltd, Qld, 2009, p19.

⁴⁸⁰ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p8; Submission No. 100 from Warroora Station, 4 August 2009, p1; Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p5.

⁴⁸¹ Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p5.

Marine Park.⁴⁸² Access fees for Warroora Station are \$5 per adult per day or \$25 per week, with no charge for children under 16 year of age.⁴⁸³

Warroora Station advises that ‘95% of the “wilderness camping” occurs within the 40metre line above the high water mark’,⁴⁸⁴ that is, it occurs within the Ningaloo Marine Park. The Committee observed first-hand that this is a situation that occurs along this entire coastal region, not just at Warroora Station. This means that generally speaking, ‘the dominance of occupation of that area is unlawful’.⁴⁸⁵

As noted above, permits for tourism based activities on pastoral leases are granted only where activities are purely supplementary to pastoral activities. However, the Committee observes that pastoralism is no longer the predominant activity or source of income on some of these leases. Indeed, over time pastoralism has evolved to include things such as pest management and tourism. For example, activities on Warroora Station now include farming livestock, mustering and marketing feral goats, and providing camping facilities.

Finding 35

The provision of camping and caravanning facilities has become a focus for a number of pastoral leaseholders, especially along the coast.

Finding 36

Pastoral leases constitute a major source of supply of nature-based camping grounds. This supply has been overlooked in some data collection.

Finding 37

The loss of nature-based camping sites on pastoral leases would constitute a major setback to tourism in Western Australia.

⁴⁸² Submission No. 100 from Warroora Station, 4 August 2009, p1.

⁴⁸³ Warroora Ningaloo Wilderness, ‘Camping, nd. Available at: <http://www.warroora.com/pages/camping.htm>. Accessed on 28 August 2009. Ms Leonie McDiven, Pastoralist, Warroora Station, *Committee Briefing*, 17 August 2009.

⁴⁸⁴ Submission No. 100 from Warroora Station, 4 August 2009, p7.

⁴⁸⁵ Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p5.

Finding 38

The further development of nature-based camping on pastoral leases would not only meet increasing demand from a particular market segment, but also expand the capacity of caravanning and camping overall.

Finding 39

Pastoral leases visited by the Committee were found to be well managed and to sustainably cater for a large number of visitors, some of whom regularly travel from other states.

Recommendation 4

Local and state governments encourage and support pastoral leaseholders to retain and further develop low-cost, nature-based tourism sites, especially along their coastline and in other appropriate locations.

(i) Exclusion of the Coastal Strip

One key area of concern raised by pastoralists who met with the Committee at Warroora Station is the exclusion of a portion of their leases for conservation purposes and the subsequent impact this has on their ability to manage these areas.

As the seriousness of these issues was not brought to the Committee's attention until relatively late in the inquiry process it has not been able to undertake an in depth a study of these issues, including talking with a wide range of interested parties. However, based on evidence received and the Committee's observations, it is able to provide the following discussion.

According to DEC:

*there has been a longstanding recommendation by the EPA of the day that goes back to 1976 when the government of Sir Charles Court endorsed a recommendation that the coastal strip abutting Ningaloo for two kilometres should be reserved for public purposes because of the public amenity value.*⁴⁸⁶

DoP confirmed that the Ningaloo coast exclusion plans go 'back to the ecosystems reports regarding the conservation and reserves planning in the late 1970s about trying to keep

⁴⁸⁶ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p8.

development a couple of kilometres back from the coast'.⁴⁸⁷ Working in conjunction with the then Department of Conservation and Land Management (CALM), now DEC, the Pastoral Lands Board aimed to 'gain lands back to the crown and preserve them for various uses, particularly conservation'.⁴⁸⁸ According to Mr David Nunn, then of the Ningaloo Sustainable Development Office, the opportunity for graziers to participate in tourist ventures in return for early surrender of the exclusion area had two primary objectives:

- 'to protect that environment that's there' and
- 'to bring with it over a long period of time a nature-based low-key, low impact tourism use and also retaining a mix and diversity in that'.⁴⁸⁹

While the government preference is for a two-kilometre exclusion strip, the actual width excluded from the lease will vary 'because of the terrain or fence lines, depending on the stock-carrying capacities and the physical characteristics of the area'.⁴⁹⁰ Mr Millan, Director, Strategic Projects, DoP, explained the situation as follows:

*In other cases it came down to one kilometre. Most of the time you tried to take into account the actual built environment and management of the pastoral lease. So it was not just an arbitrary line; it related to the physical characteristics there, access into it and things like that. Also, as part of the coastal reports, there were certainly tourism nodes developed and identified there. Most of the time they would be progressed with the full cooperation of the relevant pastoralist, because you are dependent in many ways for the infrastructure and the access. So you could get access easements et cetera to facilitate public access into discrete and identified nodes through that area.*⁴⁹¹

One implication for stations not signing exclusion agreements is the non-renewal of their entire lease.⁴⁹² The Committee is advised that under the previous government all except two stations, namely Ningaloo and Diemals (situated north of Southern Cross), signed exclusion agreements.⁴⁹³ However, as Mr Millan acknowledges, 'it was a matter without endorsement, but by agreement,

⁴⁸⁷ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p7.

⁴⁸⁸ Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p5.

⁴⁸⁹ Mr David Nunn, Ningaloo Sustainable Development Office, 'Seachange', *Four Corners*, 21 August 2006, transcript p3. Available at: <http://www.abc.net.au/4corners/content/2006/s1720356.htm>. Accessed on 28 August 2009.

⁴⁹⁰ Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p8.

⁴⁹¹ *ibid.*

⁴⁹² Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p7.

⁴⁹³ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p7; Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p8.

... you usually negotiated what the exclusion was from the particular property'.⁴⁹⁴ Other provisions were also sometimes made in relation to 'early surrender within two years, or some adjusted time frame'.⁴⁹⁵

The Committee understands that 'there were submissions to the current Minister for Lands to review that situation with a view to perhaps retreating the amount of the exclusion'.⁴⁹⁶ Mr Nunn explained that, to date, one framework agreement has been signed with the current Minister for Lands, namely that with Cardabia Station, which means that there is 'one two-kilometre exclusion on Cardabia Station that will be implemented'.⁴⁹⁷ Furthermore, with the exception of the two above mentioned stations, the other exclusion agreements 'are in place; they are locked'.⁴⁹⁸ However, the content and outcome of the current review are as yet unknown.⁴⁹⁹

DRDL advised that, in collaboration with the Minister for Lands, it is 'currently reviewing the situation on the Ningaloo coast to identify any alternative options for resolving a number of issues along this part of the Coast'.⁵⁰⁰ At this time, though, the department advised that 'it is too early to determine the outcome of these discussions'.⁵⁰¹

The Committee believes that these discussions have an important role to play in the provision of nature-based camping grounds in Western Australia. Furthermore, it encourages the Minister and DRDL to give top priority in the current negotiations to the development and expansion of low-cost eco-tourism facilities on pastoral leases.

It is the Committee's view that in any future departmental planning for the Ningaloo coast access for caravanning and camping is accorded top priority. The Committee believes that this is an area that has the potential to expand the eco-tourism experience in Western Australia.

⁴⁹⁴ Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p8.

⁴⁹⁵ *ibid.*

⁴⁹⁶ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p8. The Committee notes Ningaloo Station's submission to the Senate Environment, Communications, Information Technology and the Arts Committee Inquiry into Australia's National Parks, Conservation Reserves and Marine Protected Areas, and the Senate's April 2007 Report title *Conserving Australia*.

⁴⁹⁷ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p8.

⁴⁹⁸ *ibid.*

⁴⁹⁹ *ibid.*

⁵⁰⁰ Mr Nevin Wittber, General Manager, Pastoral Land, Department of Regional Development and Lands, Electronic Mail, 29 September 2009, p1.

⁵⁰¹ *ibid.*

Finding 40

The Ningaloo coast offers considerable potential to expand opportunities for a nature-based tourism experience in Western Australia.

Recommendation 5

In any future departmental planning for the Ningaloo coast, access for caravanning and camping must be given high priority to ensure no reductions from current levels.

Recommendation 6

State planning should ensure that future generations have sustainable access to camping along the coast and the opportunity to experience the marine park first-hand.

The Committee acknowledges that the excision of the coastal strip is an important issue for pastoralists and for the state as a whole. However, there are number of reasons why the Committee is not in a position to make further findings and recommendations directly in relation to the excision. First, the Committee received conflicting evidence in relation to the excision of the coastal strip from pastoral leases and heard a number of different views on the issues involved. Second, while conflicting evidence does not prevent discussion, as noted above, the Committee was informed of this relatively late in the Inquiry and does not believe it is in a position to make fully informed comment. Third, many of the issues raised with the Committee, while important, fall outside the scope of this Inquiry.

(ii) Regulation and Management of Coastal Tourism

In relation to the dual use of pastoral leases, that is for pastoral and tourism purposes, there is some concern around what DoP sees as the lack of formal planning and management of access to coastal land, particularly in areas such as the Ningaloo coastal region which have high visitor numbers.⁵⁰² Mr Nunn, Director of DoP, advised that ‘we were at a point where the government was looking to introduce a more normalised accountable arrangement there. Whether we do that on a pastoral lease or public land tenure with or without the pastoralists involved is a debatable point’.⁵⁰³

⁵⁰² Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p5.

⁵⁰³ *ibid.*

Nevertheless, diversification of pastoral leases into low-key tourism, including caravan and/or nature-based parks, is not seen as a planning issue. Ms Anne Hill, Executive Director, Regional Planning and Strategy, DoP stated that, ‘from the point of view of the planning framework, I do not think there are any major constraints on that happening, subject to the local council scheme there. So, from a planning point of view, it is not an issue’.⁵⁰⁴ Even in situations where the tourism development becomes large, where ‘it starts to get quite permanent and it starts to become effectively a little town,’ while there might be reasons for ensuring the high standard of the tourism experience on offer, ‘it is not so much a planning issue’, it is more of a regulatory issue.⁵⁰⁵ Citing the situation of some of the caravan parks in Coral Bay as an example of growth leading to an area being ‘under a lot of pressure’ and ‘perhaps not an ideal situation for anybody to stay in, whether it is short or long stay’,⁵⁰⁶ DoP argues that this is more of a regulatory concern than a planning issue.

Similarly, Mr Nunn believes that:

*the station stay level of things does not really raise a planning issue that the state has been mindful of. If it is administered through the diversification permit process, it is fine. It is just where you get that odd hot spot where the scale of it starts to change, and it brings a whole lot of implications with it.*⁵⁰⁷

Speaking on a *Four Corners* programme on camping on the Ningaloo coast, the then Minister for Planning and Infrastructure, the Hon. Alannah McTiernan, MLA, stated that while the government did not want ‘to corral people’ or put them ‘into neat little boxes, because that’s not what they want’, there was a need ‘to make sure that it [tourism on pastoral leases] is properly managed’.⁵⁰⁸ Ms McTiernan argued that the government had ‘to have a more active role in monitoring and making sure that damage is not occurring to the environment, to the reef and to the beach’.⁵⁰⁹

The pressure to regulate the Ningaloo coast remains. As Mr Nunn, Director, DoP, explained in evidence:

*there is pressure to regulate it. The strategy ... was to try to retain that low-key outback camping experience—not a caravan park experience, but bringing in a better standard of management in terms of the waste, the access and some of the damage that is actually occurring to that coastline as well, just from the sheer numbers of people.*⁵¹⁰

⁵⁰⁴ Ms Anne Hill, Executive Director, Regional Planning and Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p6.

⁵⁰⁵ *ibid.*

⁵⁰⁶ *ibid.*

⁵⁰⁷ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, pp5-6.

⁵⁰⁸ Hon. Alannah McTiernan, MLA, Minister for Planning and Infrastructure, ‘Seachange’, *Four Corners*, 21 August 2006, transcript p4. Available at: http://www.abc.net.au/4corners/content/2006/s17203_56.htm. Accessed on 28 August 2009.

⁵⁰⁹ *ibid.*

⁵¹⁰ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p7.

Both DoP and DEC propose government management of the area and that this should be conducted in partnership with the pastoralists. According to DoP, ‘the policy that was set out for that was to use the pastoralists in partnership to manage it’.⁵¹¹ DEC’s view is that the department:

*should continue with the undertaking that was endorsed by Sir Charles Court’s government, which was to secure that coastal fringe area back into public ownership, manage it for public benefit and look at how we can best undertake that management activity in partnership with the pastoral lessees, given that they are present.*⁵¹²

However, DoP, while recognising that it is the ‘state that is held accountable by the broader community about what is happening there,’ stated that ‘it does not necessarily want to have to go in and remove the pastoralists and have a role—step in and do it a la the national park, for example, but actually do it in a partnership’.⁵¹³

DEC acknowledge that primarily because of the length of the coastline they, themselves, ‘do not actually have the management capacity’, and for them to manage the coast effectively, they ‘actually have to develop an effective partnership with the people who are there’.⁵¹⁴ DEC have proposed to the pastoralists concerned that they ‘enter into some form of management agreement’, with the pastoralists acting as DEC’s agents to manage those areas.⁵¹⁵ According to DEC, this would allow the department to ‘actually invest money in bringing the coastal strip there up to standard, which would meet the needs of the visiting public’.⁵¹⁶

However, it seems from the evidence from DoP and DEC, and from the discussions the Committee had with pastoralists, that there are different ideas on what a government/pastoralist partnership might look like. Mr Nunn suggested that ‘there are different views about that [the management by partnership], and there is probably a lot of suspicion flying around from one side to the other about what really it was about’.⁵¹⁷ Mr Sharp, Director, Parks and Visitor Services, DEC, advised that while there had ‘been issues there between our department and the pastoral lessees over the years’, he believed that there were no issues that could not ‘be resolved with goodwill on both parts’.⁵¹⁸

⁵¹¹ *ibid.*

⁵¹² Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p8.

⁵¹³ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p7.

⁵¹⁴ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p8.

⁵¹⁵ *ibid.*, pp8-9.

⁵¹⁶ *ibid.*, p9.

⁵¹⁷ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p7.

⁵¹⁸ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p9.

However, during the Committee's travel concerns were raised about DEC's proposal and the department's ability to manage the coastal camping regions. Furthermore, the 2007 Senate Standing Committee report *Conserving Australia* noted several concerns raised 'about the land management practices of DEC in relation to leasehold land acquired for conservation purposes'.⁵¹⁹ These concerns centred on 'the lack of on-the-ground staff on properties and the consequent adverse effects this is having with regard to a range of property management issues'.⁵²⁰ The problems relayed to the Senate included the lack of:

- maintenance of fire breaks and fire access tracks
- maintenance of boundary fencing
- early detection of fire threats
- control of feral animals and weeds⁵²¹

However, DEC countered these claims, stating that it 'seeks to preserve an on-the-ground presence on properties', that the 'accusation that the department's program is "depopulating the rangelands" is a "myth" and that it 'questioned the notion that increased fire threat comes from DEC acquired properties'.⁵²²

Mr Sharp, Director, Parks and Visitor Services, DEC, acknowledged that:

*there has been a strong series of representations by the pastoral lessees and people who support them to retain those pastoral lessees and allow for the lessees to manage for public camping and other accesses on those pastoral lessees.*⁵²³

This support for pastoralist management of camping grounds on pastoral leases is clear. For example, on the 2006 Four Corners programme, *Seachange*, one station visitor said that pastoralists should be allowed to 'carry on the way they're doing it ... if CALM gets in here it's going to be buggered, it really is'.⁵²⁴ More recently, evidence provided to a study by the CRC for

⁵¹⁹ Senate Environment, Communications, Information Technology and the Arts Committee, *Conserving Australia. Australia's National Parks, Conservation Reserves and Marine Protected Areas*, Commonwealth of Australia, April 2007, p221.

⁵²⁰ *ibid.*, pp221-22.

⁵²¹ *ibid.*, pp222-23.

⁵²² *ibid.*, pp223-24.

⁵²³ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p8.

⁵²⁴ Ms Pam Marwick, Camper, 'Seachange', *Four Corners*, 21 August 2006, transcript p4. Available at: <http://www.abc.net.au/4corners/content/2006/s1720356.htm>. Accessed on 28 August 2009.

Sustainable Tourism ‘suggests that visitors would respond more positively to management from the pastoral station owners than government agencies’.⁵²⁵

As mentioned above, the Committee travelled to Warroora Station to see first hand the facilities provided. This visit made considerable impact on the Committee and members were impressed with the systems implemented by Warroora for the management of visitors, access to the coast and waste disposal.

Finding 41

Pastoralists, when provided where necessary with the appropriate training in conservation land management practices, are well placed to sustainably manage caravan and camping grounds on their pastoral leases.

Finding 42

Some pastoral leaseholders are providing highly valued and sustainably managed nature-based camping facilities.

Recommendation 7

The regulatory framework governing pastoral leases needs to be designed to support and promote the development of nature-based camping sites.

Recommendation 8

Pastoralists be provided with the necessary training to allow them to manage their leases in accordance with sustainable management practices.

⁵²⁵

Jones, Tod et al, *Ningaloo Coast Region Visitor Statistics. Collected for the Ningaloo Destination Modelling Project*, CRC for Sustainable Tourism Pty Ltd, Qld, 2009.

5.7 SUPPLY OF REST AREAS - ROADSIDE REST STOPS AND FACILITIES

The provision of roadside rest areas and the facilities provided in such areas was one of the most mentioned topics in submissions and briefings from travellers and their representative bodies. Much of this evidence discussed what is seen by the caravanning and camping community as a lack of roadside rest areas, a lack of facilities and the negative impact of some of the provisions of the CPCG Act and CPCG Regulations. This section provides information on the supply of rest areas and facilities. The regulation of the use of roadside rest areas under the CPCG Act and Regulations is reserved for Chapter 9.

(a) Roadside Rest Areas

There are several reasons why roadside rest areas are necessary and why this demand is increasing. First, as has been noted in Chapter 1 and elsewhere in this report, camping is seen as an Australian tradition and many travellers, particularly those with self-contained vehicles, want to either wild camp or camp in nature-based parks rather than traditional caravan parks in towns. Second, and as Ms Judith Maddams advises, ‘with vast distances in WA, it is not possible to stay in a town every night’.⁵²⁶ Third, as many travellers fall into the category of grey nomad and are, therefore, retirees, demand by these travellers ‘is built around short distances and stopping often. Three or four hours is an optimum travel distance and at a very leisurely pace and with regular breaks’.⁵²⁷ As Mr Phillip Chadd explained, ‘people of my ilk, and older and younger, will probably only want to drive 100 to 150 kilometres maximum for the day’.⁵²⁸ Fourth, again because Western Australia is a vast state with long distances between towns, providing roadside rest areas helps people take regular breaks, which helps combat driver fatigue. Thus rest areas are a genuine fatigue management tool.⁵²⁹ Fifth, roadside rest areas also provide a place to stop in emergency situations.

Raw data provided by Main Roads Western Australia (Main Roads WA) shows a total of 1699 roadside stopping places throughout Western Australia. These are classified as parking bays, information bays, rest areas, 24-hour rest areas, truck bays, bus bays and scenic lookouts.⁵³⁰ Table 5.4 shows the number of each type of roadside stopping place located along selected major Western Australian Highways.

⁵²⁶ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p2.

⁵²⁷ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p9.

⁵²⁸ Mr Phillip Chadd, State Representative, Campervan and Motorhome Club of Australia Ltd, *Transcript of Evidence*, 2 July 2009, p11.

⁵²⁹ Department for Transport, Energy and Infrastructure, *Roadside Rest Areas Strategy for South Australia*, Government of South Australia, June 2008, p7. Available at: http://www.transport.sa.gov.au/pdfs/Roadside_rest_areas_strategy_for_SA.pdf. Accessed on 5 September 2009.

⁵³⁰ The data provided included 14 scenic lookouts, which makes the total number of roadside stopping areas 1713.

The Main Roads WA publication *Roadside Stopping Places* contains the following policy statement:

*Roadside stopping places to service the convenience and rest needs of road users will be provided subject to Guidelines conditions, funding and work priority.*⁵³¹

This publication applies the following definitions:

Parking Bay: *A parking space adjacent to the road that allows drivers to rest and/or check their vehicle and load.*

Rest Area: *A Rest Area is an off-roadway space physically separated from the through carriageway with provision for the parking of vehicles and the resting of drivers and passengers.*

'24 Hour' Road Side Rest Area: *An area designated by a traffic sign erected in accordance with a written law, as a area (sic) which may be used for 24 hours for resting, stopping, or camping in a vehicle.*⁵³²

General or short break rest areas 'are provided for motorists to take short breaks from travelling'.⁵³³ Such areas are to provide:

- *An all weather surface for areas provided for motor vehicles,*
- *A table and seating,*
- *Shade (constructed shelter if tree shade is not available); and*
- *Litterbins*⁵³⁴

⁵³¹ Main Roads Western Australia, *Roadside Stopping Places*, 10 January 2008, p2. Available at: http://standards.mainroads.wa.gov.au/internet/standards/rtems/roadside/roadside_stops. Accessed on 15 May 2009. There are also National Guidelines for the Provision of Rest Area Facilities developed by the National Transport Commission and endorsed by the Australian Transport Council. These are discussed further in Chapter 9 in relation to the impact of the CPCG Act and Regulations.

⁵³² Main Roads Western Australia, *Roadside Stopping Places*, 10 January 2008, p8. Available at: http://standards.mainroads.wa.gov.au/internet/standards/rtems/roadside/roadside_stops. Accessed on 15 May 2009.

⁵³³ *ibid.*, p4.

⁵³⁴ *ibid.*

Table 5.4: Number of Road Side Stopping Areas by Type (for Selected Highways)

Highway	Length (km)	Parking Bays	Info Bays	Rest Areas	24 Hr Rest	Truck Bays	Bus Bays	Scenic Lookout	Total
H001 Albany	404	59	6	7	0	4	3	0	79
H001 Bunbury	163	14	2	6	0	0	3	0	25
H003 Eyre	721	38	2	16	4	0	0	0	60
H004 Brand	368	55	7	4	0	5	2	0	73
H005 Great Eastern	593	75	8	4	1	4	0	0	92
H006 Great Northern	3,194	246	9	13	8	14	12	2	304
H007 North West Coastal	1,295	133	5	16	6	0	0	0	160
H008 South Coast	475	39	2	5	1	2	2	0	51
H009 South Western	514	52	17	13	0	0	1	2	85

‘24-Hour’ rest areas are designed to allow ‘motorists to take long break from travelling of up to 24 hours’.⁵³⁵ In addition to the general rest area facilities, 24-hour rest areas are required to:

Have unisex toilets (suitable for disabled) and appropriate signage saying 24 hour camping permitted.

Be at least 200m from any residents; and

Be away from establishments providing fully serviced or self-contained overnight accommodation by at least 50km state-wide.⁵³⁶

⁵³⁵ *ibid.*

⁵³⁶ *ibid.*

Main Roads WA produces a series of Roadside Rest Areas and Amenities Brochures.⁵³⁷ These brochures show the location of rest areas, water, toilets, tables and chairs, caravan dump points, fireplaces, tree or shade shelter, telephone, driver reviver stops and 24-hour rest sites, with separate brochures for different sections of the state. The dissemination of information on roadside rest area facilities is an important issue, one recognised by the Caravan Parks and Camping Grounds Advisory Committee (the Advisory Committee). As Ms Donna Cocking explained at hearing, ‘a centralised brochure pinpointing on a map of Western Australia exactly all the roadside stops and dump points, and where travellers, in view of the great distances, to avoid fatigue can stop for 24 hours or up to three days with the permission of a landowner’ is on the Advisory Committee’s agenda, but it has not been able to progress this largely due to government restructuring.⁵³⁸ According to Ms Cocking, ‘that brochure is greatly needed, particularly when a lot of international visitors who do not speak English very well hire motor homes or totally inappropriate vehicles and decide to go out into the middle of nowhere’.⁵³⁹

Finding 43

There is a need for a comprehensive resource for travellers showing the location of all roadside stopping places in Western Australia and the facilities they provide.

Recommendation 9

Main Roads Western Australia takes responsibility for developing a comprehensive resource for travellers showing the location of all roadside stopping places in Western Australia and the facilities they provide, and for making it accessible to other agencies and users.

The major concerns of travellers and their representative organisations were the facilities provided at rest areas and the distances between stopping places. For example, Ms Maddams submits that ‘provision of rest areas, with at minimum a pit toilet and preferably an area screened by vegetation and away from the road is necessary in areas where distances are great. Adequate and regularly emptied rubbish bins are desirable’.⁵⁴⁰

Using data supplied by Main Roads WA, Table 5.5 shows the types of facilities provided at the roadside stopping places situated along the major highways in Western Australia. To provide a

⁵³⁷ These are available from the Main Roads Western Australia web site at: <http://www.mainroads.wa.gov.au/UsingRoads/TouringWAMaps/Pages/RestAreas.aspx>.

⁵³⁸ Ms Donna Cocking, Chairperson, Advisory Committee Caravan Camping Ground Act, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p5.

⁵³⁹ *ibid.*

⁵⁴⁰ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p2.

clearer picture of facilities provided for travellers, those provided at bus bays, truck bays and scenic lookouts have not been included in Table 5.5 data.

Comparing Main Roads WA policy requirements with the data in Table 5.4, it seems that the department is generally complying with its guidelines. For example, there is a total of 7 rest areas along the Albany Highway (H001), which means there should be 7 rubbish bins and 7 tables. Table 5.4 shows 66 bins and 24 tables. Similarly, there are 21 rest areas along the Great Northern Highway (H006) and 264 bins and 37 tables provided. The Committee has not conducted an audit of each roadside rest area to determine whether or not it meets Main Roads WA standards. Nevertheless, with the exception of the Eyre Highway (H003), which has only 6 tables for 20 rest areas, it seems that Main Roads WA by-and-large is observing its policy guidelines.

As noted above, the distance between rest areas is also a concern for travellers. *Roadside Stopping Places* also outlines the spacing between rest areas. For rest areas in the Inner Zone (the closely settled 'agricultural' areas of Western Australia situated between the Perth Zone and the pastoral/mining areas), the spacing is to be approximately 60 to 90 km for short break areas and approximately 120 to 180 km for 24-hour rest areas. For rest areas in the Outer Zone (the pastoral/mining area of the state, north and east of the Inner Zone boundaries), the approximate spacing for short break areas is to be 80 to 120 km apart, while for 24-hour rest areas it is to be 160 to 240 km.⁵⁴¹

Table 5.5: Facilities Provided at Roadside Stopping Places (for Selected Highways)

Highway	Total Sites	Rubbish Bin	Table	BBQ	Toilet	Water	Tele- phone	Shelter	Signage
H001 Albany	72	66	24	2	1	2	1	4	62
H001 Bunbury	22	19	9	1	1	1	0	1	19
H003 Eyre	60	54	6	8	3	4	3	4	39
H004 Brand	66	63	7	2	4	2	1	3	3
H005 Great Eastern	88	74	21	10	3	4	5	4	28
H006 Great Northern	276	264	37	28	12	3	4	17	192
H007 North West Coastal	160	156	23	8	10	0	0*	13	127
H008 South Coast	47	43	14	3	3	4	0	3	34
H009 South Western	82	76	30	2	2	3	3	8	61

* Two stopping areas on the North West Coastal Highway have a phone at the roadhouse opposite.

⁵⁴¹ Main Roads Western Australia, *Roadside Stopping Places*, 10 January 2008, p4. Available at: http://standards.mainroads.wa.gov.au/internet/standards/rtems/roadside/roadside_stops. Accessed on 15 May 2009.

Examination of the raw data provided by Main Roads WA shows that the distances between stopping places on Western Australian highways are generally relatively small, with some of the greater distances being only 40 km apart. As the following randomly selected examples demonstrate, the data shows that distances between stopping places on major roads is also usually relatively small:

- Minilya-Exmouth Road (H048): the data show stopping places to be no more than 20 km apart along the 212 km length of the road
- Goldfields Highway (H049): the greatest distance between stopping places along the 793 km highway is 41.3 km
- Shark Bay Road (M011): the greatest distance between stopping places along the 128 km road is 31.4 km
- Marble Bar Road (M030): there are 20 stops along the 434 km road, with most 20 to 40 km apart, the greatest distance being 91 km
- Indian Ocean Drive (M045): there are 10 stops along this 267 km road, some being situated within a kilometre of each other, and most approximately 10 km apart. The greatest distance between stopping places is 192 km.

The most obvious exception to the relatively short distances between stopping places is the Gibb River Road (M012), a 651 km road, with the greatest distance between stopping places being 215.58 km. However, there are 12 stops along this road, 8 of which are 30 km or less apart; there is also one instance each where the distance between two stopping places is 49, 70 and 90 km.

Based on this evidence it is apparent that Western Australia is well supplied with roadside stopping places. What seems to be the case is that there is a disjuncture between what is supplied and people's expectations. Based on evidence presented to the Committee (as discussed throughout this report), on briefings and discussions held by the Committee, and on the Committee's observations and discussions during its investigative travel, it seems that travellers generally want all facilities at all roadside stopping places, and for these to be between 50 and 100 km apart, and preferably designated as 24-hour rest areas.

However, this expectation loses sight of the intent of roadside rest areas, namely to act as a fatigue management tool by providing an area in which travellers can rest. The South Australian Government has recently stated the importance of recognising that roadside rest areas are not developed as caravan parks, playgrounds or parks.⁵⁴² According to this South Australian Government report, travellers generally can choose when to stop, and use roadside rest areas to take food and drink breaks, toilet stops and to rest so as to manage fatigue.⁵⁴³ *The Roadside Rest*

⁵⁴² Department for Transport, Energy and Infrastructure, *Roadside Rest Areas Strategy for South Australia*, Government of South Australia, June 2008, p8. Available at: http://www.transport.sa.gov.au/pdfs/Roadside_rest_areas_strategy_for_SA.pdf. Accessed on 5 September 2009.

⁵⁴³ *ibid.*, p10.

Areas Strategy for South Australia report also acknowledges the growing trend for travellers to ‘free camp’ in rest areas by using them for overnight stays. However, the report also held that ‘whilst overnight stays in rest areas are a genuinely acceptable method for fatigue management, stays longer than 24 hours are not encouraged’.⁵⁴⁴ While accepting the use of rest areas for fatigue management, the report stated that ‘any stays in excess of 24 hours are clearly against the intent for rest areas, and therefore should not be encouraged’.⁵⁴⁵ Instead, the report reiterates that rest areas have a ‘minimal level of facility’ and this is provided ‘for comfortable short breaks’, and encourages travellers who want better facilities for a longer stay ‘to plan their journey to take advantage of available opportunities in towns and commercial facilities’.⁵⁴⁶

Roadside Rest Areas Strategy for South Australia also holds that:

*overnight campers in rest areas must also accept that they are likely to experience disruption through other road users, particularly heavy vehicle drivers, continuing to utilise the rest area facilities, for genuine fatigue management reasons, at any hour of the day or night.*⁵⁴⁷

One of the main problems associated with roadside rest areas is that of maintaining standards. As Ms Maddams notes, ‘the mess that can be seen in some roadside rest areas and other non commercial campsites shows that there is an element in the community that is uneducated in common decency or has no respect for other people’.⁵⁴⁸ Local governments such as the Shire of Manjimup have also expressed concern about rubbish left at roadside rest areas.⁵⁴⁹ Main Roads WA advised that while the department had considered following DEC’s lead and removing all rubbish bins from rest areas, they did not intend to do so. According to Main Roads WA:

*the main trouble with our rubbish bins is people putting household rubbish in there. That is a real bugbear. If it is just the rubbish that comes from travelling, that is acceptable, but sometimes we find all sorts of things in there. So we did make up signs advising people that that is not on and we try to police it a bit.*⁵⁵⁰

A related problem is the cost of maintaining and cleaning the facilities provided, including rubbish removal. Rather than local government, it is a Main Roads WA responsibility to remove garbage from roadside stopping places. To this end, the department ‘has a series of term network contracts in place’.⁵⁵¹ As Main Roads WA explained, ‘part of the duties of contractors in each of our

⁵⁴⁴ *ibid.*, p8 and p10.

⁵⁴⁵ *ibid.*, p10.

⁵⁴⁶ *ibid.*

⁵⁴⁷ *ibid.*

⁵⁴⁸ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p2.

⁵⁴⁹ Submission No. 84 from Shire of Manjimup, 8 June 2009, p4.

⁵⁵⁰ Mr Pat Matthews, Plant Manager, Main Roads Western Australia, *Transcript of Evidence*, 28 July 2009, p5.

⁵⁵¹ *ibid.*, p2.

regions is to clean out bins and toilets, and generally to keep them tidy and also to cut the grass to keep them looking pretty good'.⁵⁵²

Maintenance costs are also a major disincentive to the provision of further roadside stopping places. As Mr Matthews, Plant Manager, Main Roads WA advised, 'the installation cost is a one-off, but maintaining happens every year and it is not cheap'.⁵⁵³ As the term network contracts are 'a bulk monthly payment', the department is not able to separate out the annual cost of maintaining roadside stopping places.⁵⁵⁴ Nevertheless, Mr Matthews was able to draw on a specific example to provide some indication of just how expensive facilities are to maintain. In relation to the rest area at Arrowsmith, which includes a toilet, it is estimated that the cost 'to have somebody go down twice a week to clean up just the toilet facility' is approximately \$30,000 per year.⁵⁵⁵ This site is relatively close to a major centre and it is reasonable to suggest that in more remote locations in the state the costs would be much higher.

While acknowledging travellers' desire to camp in non-regulated areas and have more freedom than that allowed in traditional caravan parks, Mr Matthews reiterated the core business of Main Roads WA as being to 'look[ing] after motorists and their fatigue'. The department recognises that caravanners and their representative bodies would 'like to see one [rest area] every kilometre, but that is not on either'.⁵⁵⁶

Finding 44

Main Roads Western Australia provides a considerable number of rest areas in Western Australia, many at considerable cost.

Finding 45

In remote areas, due to the distances involved, some of the rest areas may not be serviced as often as is desirable.

⁵⁵² *ibid.*

⁵⁵³ *ibid.*, p4.

⁵⁵⁴ *ibid.*, p5.

⁵⁵⁵ *ibid.*

⁵⁵⁶ *ibid.*, p6.

Recommendation 10

Where possible, Main Roads Western Australia should continue to develop rest areas throughout the state and communicate their location to travellers.

(b) Dump Points

The rise of self-contained vehicles used for caravanning and camping in Western Australia has been noted in Chapter 4. Given that, by definition, the facilities contained in these vehicles include washing, shower and toilet facilities, the provision of waste dump points, their location in Western Australia and their installation, cost and usage are very important issues. In fact, WAACCI submits that ‘the growing number of recreational type vehicles, including motor homes and caravans, equipped with either cassette type chemical toilets or holding tanks for chemical toilets, that need to be serviced regularly during travel are presenting a real problem’.⁵⁵⁷ Similarly, DEC stated that one of the issues the department faces ‘with people moving around with self-contained camper vans and the offroad vehicle caravans is the disposal of waste’.⁵⁵⁸

It seems that even ‘if there are public toilets’ people in self-contained vehicles opt to use their own facilities ‘because it is more comfortable. They often then require a dump point; they ask for dump points such as in a national park, even though they can use the facilities that are provided’.⁵⁵⁹ This puts added pressure on the supply of dump points.

(i) What is a Dump Point?

CMCA describes a dump point as follows:

*Normally—if you can imagine a septic system connected to a public toilet or a sewer connected to a public toilet — we provide a unit that is about 900 by 600 millimetres, which seals, and you take your cassette out of our vehicle and dump your sanitary waste into it. It is connected into the sewer ... the same as the above-ground unit.*⁵⁶⁰

(ii) Dump Points in Western Australia

The provision of chemical toilet dump points in caravan parks is prescribed under Schedule 7, clause 47 of the CPCG Regulations, which states:

⁵⁵⁷ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p23. See also Submission No 84 from Shire of Manjimup, 8 June 2009, p2.

⁵⁵⁸ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p6.

⁵⁵⁹ Ms Anna Lewis, Doctoral Researcher, Curtin University, *Transcript of Evidence*, 28 July 2009, p7.

⁵⁶⁰ Mr Phillip Chadd, State Representative, Campervan and Motorhome Club of Australia, *Transcript of Evidence*, 2 July 2009, p5.

there is to be a communal chemical soil waste dump point, in accordance with the requirements of AS/NZS 3500.2.2, which is connected to an approved waste water disposal system at all facilities, other than park home parks, nature based parks and transit parks.

Therefore, given that there are approximately 400 caravan parks in Western Australia, there should be approximately 400 dump points provided throughout the state. The Shire of Irwin believes that the compulsory provision of dump points by caravan parks requires discussion, as does whether 'their use be accessible, for a fee, to members of the public not using the caravan park'.⁵⁶¹ Given that one of the recommendations made by WAACCI is that this provision 'be strictly enforced as an essential requirement of all caravan parks in WA',⁵⁶² it is reasonable to assume that not all caravan parks do, in fact, have a dump point as required. However, the Committee has been unable to determine the level of compliance with this provision.

Furthermore, according to WAACCI, there are 'relatively few dedicated waste dump points available within WA'.⁵⁶³ Clearly, this must refer to dump points not located in caravan parks. Whether dump points are located inside or outside of caravan parks is a contentious issue in relation to access and charges, and these are discussed further below.

In relation to non-caravan park supplied dump points, again, the Committee has been unable to determine precisely how many have been installed in the state. The *Roadside Stopping Places* brochure produced by Main Roads Western Australia shows only one dump point. However, Mr Pat Matthews, Plant Manager, Main Roads Western Australia, advised at hearing that the department is 'developing more of those, again with environmental implications in mind. [...] I think we have something like 10 out there at the moment'.⁵⁶⁴ At hearing, Ms Donna Cocking of CIAWA advised that that organisation had undertaken 'a survey on the number of dump points in WA' and had determined that there are 'more than 104'.⁵⁶⁵ However, CMCA stated that the 26 units it had provided represented 60% of the publicly available dump points in the state,⁵⁶⁶ which makes the total available approximately 43.

The Committee understands that dump points are provided by some service stations and local government associations as a public service. For example, Mr Walker of WAACCI advised that there is a dump point 'tucked away' in Broome 'behind one of the fuel stations' and that this was provided as a free service.⁵⁶⁷ Similarly, the Shire of Murray has 'recently put in a free dump point and its anticipation was that it would bring a lot of motorhomes et cetera to the towns on their way

⁵⁶¹ Mr Felix Neuweiler, Environmental Health Officer, Shire of Irwin, Electronic Mail, 12 May 2009, p1.

⁵⁶² Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p23.

⁵⁶³ *ibid.*

⁵⁶⁴ Mr Pat Matthews, Plant Manager, Main Roads Western Australia, *Transcript of Evidence*, 28 July 2009, p4.

⁵⁶⁵ Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p13.

⁵⁶⁶ Mr Phillip Chadd, State Representative, Campervan and Motorhome Club of Australia, *Transcript of Evidence*, 2 July 2009, p6.

⁵⁶⁷ Mr Edward Walker, WA Association of Caravan Clubs Inc., *Transcript of Evidence*, 2 July 2009, p8.

through to the south west'.⁵⁶⁸ The Shire of Murray informed the Committee that the usage of this dump point is not monitored and as it is connected to the septic system they could not provide data on how many caravanners take advantage of this free service. However, the dump point is located beside the Tourism Centre and anecdotal evidence provided to the Shire by the Centre suggests it is well used.⁵⁶⁹

Dump points have also been provided through partnerships between CMCA and local government associations. As noted above, CMCA advised that that organisation 'has provided 60 per cent of the publicly available dump points in WA'.⁵⁷⁰ The partnership involves CMCA providing the physical unit, at approximately \$2,500 each and owner of the site covering the installation cost.⁵⁷¹ As CMCA stated at hearing:

*there are 26 Dump-Ezy units in WA that the club has subsidised, which, as I say, are 60 per cent of the all the units in WA. ... The installation in any place is at the cost of the owner of that site. We provide the above-ground unit. They make the connection into whatever is suitable. With the three 24-hour rest area installations that we have made in conjunction with Main Roads, we made those two years ago up in the north west, because that is an area that is very, very poorly serviced. They made three new rest areas and we volunteered the dump points for those.*⁵⁷²

(iii) Cost of Providing Publicly Available Dump Points

As would be expected, the cost of providing dump points varies markedly throughout the state depending on variables such as location and whether or not it is connected to Water Corporation sewerage systems.

CMCA advised that connecting a waste unit into the sewer 'costs the shire normally about \$2 500'.⁵⁷³ However, not all dump points are situated in regions that have sewerage connections and this variable has a considerable impact on the cost of installation. For example, the Shire of Manjimup advised that, in recognition of the issues associated with the discharge of waste from recreational vehicles, it had investigated the possibility of providing a dump point.⁵⁷⁴ However, a feasibility study 'revealed that the estimated cost to comply with the Water Corporation's standard

⁵⁶⁸ Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p13.

⁵⁶⁹ Ms Karen Laurendet, Personal Assistant to the Director, Shire of Murray, Telephone Conversation, 3 September 2009.

⁵⁷⁰ Mr Phillip Chadd, State Representative, Campervan and Motorhome Club of Australia, *Transcript of Evidence*, 2 July 2009, p5. See transcript for details of dump points provided in other states through such partnerships.

⁵⁷¹ Mr Phillip Chadd, State Representative, Campervan and Motorhome Club of Australia, *Transcript of Evidence*, 2 July 2009, p5.

⁵⁷² *ibid.*, p6.

⁵⁷³ *ibid.*, p5.

⁵⁷⁴ Submission No. 84 from Shire of Manjimup, 8 June 2009, p2.

requirements is approximately \$150,000'.⁵⁷⁵ This cost, particularly when combined with 'ongoing licensing and discharge costs' means that the provision of a dump point by the Shire was considered unviable.⁵⁷⁶ The Shire further suggests that 'in other the States and Territories of Australia, the requirements are much less expensive, simple to construct and operate, and are supported by State and Territory agencies'.⁵⁷⁷

The Water Corporation has recently drafted an information brochure: *Publication 40: Mobile Home and Portable Toilet Cartridge Disposal Facility*. This publication will outline the Corporation's policy and requirements for the provision of dump sites to ensure that the Corporation is meeting Australia's National Source Guidelines in relation to source protection. Publication 40 sets out the requirements for a dump point, and includes such things as appropriate signage, the supply of a trigger action hose, installation of bollards to protect the facility from damage et cetera. The Corporation will also require the dump point to be installed behind a hinged lockable lid with the key available from the service station, tourist centre or other such location. This requirement will allow the Corporation to monitor the use of the facility as required by its environmental licence and in keeping with National guidelines.⁵⁷⁸

In relation to costs, the Water Corporation advised that an industrial waste permit is currently \$195.60. There is also an establishment fee for assessing permit applications, and this is charged at \$110 per hour, with most applications assessed within one hour.⁵⁷⁹

Main Roads Western Australia advised that a dump point would cost the department between \$5,000 and \$10,000 depending upon whether or not there was already 'a backhoe out there digging a hole for the toilet'.⁵⁸⁰ This negates the need to get specialised plant into that area for the sole purpose of installing a dump point. While acknowledging that such variables make it difficult to quantify the cost, Mr Matthews believes the 'hardware costs three or four grand and you allow another two or three for putting them in if your digger is already on site; if not, maybe it is ten grand in total'.⁵⁸¹

(iv) Issues Arising

There are a number of issues and concerns raised in relation to the provision of dump points and the current practices of travellers in relation to the disposal of their waste.

⁵⁷⁵ ibid.

⁵⁷⁶ ibid.

⁵⁷⁷ ibid.

⁵⁷⁸ Mr Andrew Manzinger, Acting Supervisor Assessment, Commercial and Industrial Services, Water Corporation, Telephone Conversation, 4 September 2009.

⁵⁷⁹ ibid.

⁵⁸⁰ Mr Pat Matthews, Plant Manager, Main Roads Western Australia, *Transcript of Evidence*, 28 July 2009, p4.

⁵⁸¹ ibid.

First, it seems that the location of the publicly available dump sites is not well advertised in the locality or in any government publication of facilities in the state. As Ms Cocking of CIAWA advised, ‘there is no coordinated map or route planner where you can dump’.⁵⁸² One consequence of this is that travellers have difficulty in locating the site. This is exemplified by the experience of Mr Walker of WAACCI on his travels to Broome:

*Broome has one of those, but it is tucked away. I have been up to Broome a number of times and I have found it only recently; ... I went in there [a fuel station] and it was right up in the corner, so I went into the office and said, “I notice you’ve got a dump point; can I use it and how much does it cost?” He told me it was free. I said that I was happy to pay for it, but he said it was free.*⁵⁸³

As mentioned previously, Main Roads WA produces a brochure titled *Roadside Stopping Places*. This brochure is available from Main Roads WA regional offices and is updated each year to reflect the changes in facilities provided.⁵⁸⁴ Mr Matthews was hopeful that the ‘next updated brochure will indicate in which areas they [the 10 dump points] are’.⁵⁸⁵

The lack of readily available information is recognised by government as a problem. For example, as previously noted, DLG advised that a ‘centralised brochure’ showing facilities such as roadside stops and dump points ‘is greatly needed’.⁵⁸⁶ Tourism WA acknowledged that the agency gets a lot of complaints in relation to a lack of waste disposal points, with Mr Crawford, Director Strategic Policy, stating that ‘it is a matter of finding the access points. Where do you go?’⁵⁸⁷ In her role as Chairperson of the Advisory Committee, Ms Cocking advised that the production of a centralised brochure had been on the committee’s agenda but had not been able to be progressed largely due to government restructuring.⁵⁸⁸

Finding 46

There is a need for a readily accessible resource providing the location of publicly available dump points in Western Australia.

⁵⁸² Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p13.

⁵⁸³ Mr Edward Walker, WA Association of Caravan Clubs Inc., *Transcript of Evidence*, 2 July 2009, p8.

⁵⁸⁴ Mr Pat Matthews, Plant Manager, Main Roads Western Australia, *Transcript of Evidence*, 28 July 2009, p4.

⁵⁸⁵ *ibid.*

⁵⁸⁶ Ms Donna Cocking, Chairperson, Advisory Committee Caravan Camping Ground Act, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p5.

⁵⁸⁷ Mr Steve Crawford, Director Strategic Policy, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p13.

⁵⁸⁸ Ms Donna Cocking, Chairperson, Advisory Committee Caravan Camping Ground Act, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p5.

Recommendation 11

The Department of Local Government develop a resource providing the location of publicly available dump points in Western Australia.

Second, there are problems associated with the dumping of waste into composting toilets and consequently causing damage to that process. According to DEC, travellers sometimes ‘dump a lot of that stuff into our toilet systems and kill off all the bacteria we have got working there. That is an issue that I think is being faced not only by our agency but by local government authorities et cetera’.⁵⁸⁹ DEC confirmed that this has been a problem ‘on the Mitchell Plateau and a few other locations around the state, particularly in remote areas, where we put in these pretty high-tech systems. They are a hybrid system; but the addition of chemicals stops the composting processes’.⁵⁹⁰ Feedback from DEC officers in the Mid West Region (including the Shark Bay and Kalbarri areas) and the Kimberley also notes the dumping of chemical toilet waste into DEC managed toilets.⁵⁹¹ WAACCI argues that the limited number of dump points in the state leads to the dumping of waste into septic sewage systems ‘which kills the bacteria and prevents the correct treatment of waste’.⁵⁹² Main Roads WA advised that if travellers dump their black water waste into composting toilets, it knocks the ‘goodies on the head’ and, therefore, it was in the department’s ‘best interest to provide dump sites’.⁵⁹³

Third, there is the question of whether or not travellers generally behave responsibly in the disposal of their waste. Fourth is the issue of whether or not travellers are prepared to pay for the use of a dump point. As these issues are often interrelated, they are discussed together as follows.

WAACCI also advise that a further consequence of the lack of waste dump points in Western Australia is that travellers may dump ‘the contents on the ground (which may or may not be buried)’.⁵⁹⁴ The disposal of sanitation waste is an issue Australia-wide. According to Mr Walker of WAACCI, ‘four or five years ago there was an article in *The Bulletin* ... accusing caravanners of dropping their sanitation waste everywhere they went’.⁵⁹⁵ In response to this article, WAACCI stated that ‘caravanners generally try to do the right thing, but there are a lot of other people on the

⁵⁸⁹ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p6. See also Submission No. 108 from Department of Environment and Conservation, 16 September 2009, Table 1.

⁵⁹⁰ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p6.

⁵⁹¹ Submission No. 108 from Department of Environment and Conservation, 16 September 2009, Table 1.

⁵⁹² Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p23.

⁵⁹³ Mr Pat Matthews, Plant Manager, Main Roads Western Australia, *Transcript of Evidence*, 28 July 2009, p4.

⁵⁹⁴ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p23.

⁵⁹⁵ Mr Edward Walker, WA Association of Caravan Clubs Inc., *Transcript of Evidence*, 2 July 2009, p8.

road as well'.⁵⁹⁶ Mr Walker believes that caravan club members are aware of the issues surrounding waste disposal and generally 'wait until they return home to empty their cassettes or seek other authorised alternative means of servicing'.⁵⁹⁷

However, not all travellers are caravan club members, and evidence presented to the Committee during its investigative travel suggests that some travellers are less concerned about the responsible disposal of waste. For example, the Albany and Exmouth Districts suggest that illegal dumping of waste has increased over the last five years and much of that increase is due to chemical toilet dumping in DEC parks.⁵⁹⁸ This is particularly the case when service providers charge a fee for providing the dump point. While organisations such as WAACCI acknowledge that 'a servicing fee may be necessary to cover costs', it seems that people are unwilling to pay. As noted in Chapter 4, one caravan park operator explained:

*having camped out in the bush for a few days or more, many travelers (sic) book into our park for one night to have a hot shower, leave rubbish and dump their toilet waste. Previous attempts by the park operator to charge a nominal fee for customers to use the dump point was met with disbelief by the customer, many would not pay.*⁵⁹⁹

Tourism WA also acknowledge that 'there are people out there who, rather than pay \$5 to go to a dump point, just bung it down the road and let it loose. There will always be that kind of behaviour'.⁶⁰⁰

A further related consequence of the lack of sites, particularly when combined with the lack of willingness to pay, means that some people take advantage of sites provided for the paying patrons of caravan parks and camping grounds. During its meeting at Warroora Station the Committee heard of a couple in a self-contained vehicle using the station's dump point to empty its waste tank. When questioned by the caretaker as to whether they were camping at the station, they advised they were not. The caretaker then pointed out that they could not use the station facility, to which they replied that they would 'simply open the plug and let it out along the road'.⁶⁰¹

The Committee finds this type of attitude to be appalling and totally lacking in responsibility. It is Committee's view that any person found to be dumping their recreational vehicle waste in such a manner should incur a significant fine or other appropriate penalty.

⁵⁹⁶ *ibid.*

⁵⁹⁷ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p23.

⁵⁹⁸ Submission No. 108 from Department of Environment and Conservation, 16 September 2009, Table 1.

⁵⁹⁹ Submission No. 63 from York Caravan Park, 14 May 2009, p7.

⁶⁰⁰ Mr Steve Crawford, Director Strategic Policy, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p13.

⁶⁰¹ Warroora Station, *Committee Briefing*, 17 August 2009.

Finding 47

The dumping of blackwater waste other than in dump points is frequently occurring in Western Australia.

Finding 48

Disposal of blackwater waste other than in dump points provided in accordance with regulations shows a total lack of responsibility.

Recommendation 12

Any person found to be illegally disposing of the waste from their recreational vehicle tanks and cartridges should incur a substantial fine or other appropriate penalty.

Tourism WA also believes that there should be a system of ‘user pays. Just because you bought your Winnebago does not mean that there should not be any additional cost’.⁶⁰²

A lack of willingness to pay for using a waste disposal facility also fails to recognise the considerable cost that providers incur in such locations. For example, Warroora Station advises that they generally have their chemical toilet disposal facility pumped out by a private contractor four times a year at a cost of \$1,500 each time. However, this year has seen an ‘alarming increase’ in recreational vehicles accessing the station for ‘the sole purpose of emptying their huge tanks’.⁶⁰³ This has resulted in them needing to pump out the facility three times in the past four weeks,⁶⁰⁴ which represents a considerable cost to the station for which they receive no recompense. Similarly, when waste dump points are provided by local governments and there is an unwillingness on the part of travellers to pay for the service, it falls upon the ratepayer to ‘prop up’ the maintenance of the facility.⁶⁰⁵

⁶⁰² Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p13.

⁶⁰³ Ms Leonie McDiven, Pastoralist, Warroora Station, Electronic Mail, 3 September 2009, p1.

⁶⁰⁴ *ibid.*

⁶⁰⁵ Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p13.

(v) Suggested Solutions

Most of the suggested solutions to the problem of the provision of waste dump points were very similar and are exemplified by the strategy proposed by the South West Development Commission:

*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.*⁶⁰⁶

Caravan associations suggest that it is the government's responsibility to provide such facilities. For example, Mr Walker of WAACCI stated at hearing that 'it does come back to the government's responsibility to provide waste dump points and things so that if travellers have a tank that needs emptying, a dump point should be available'.⁶⁰⁷ CMCA advised that 'the Queensland government provides the industry with sanitation dump points' and that it had 'donated \$200 000 to the CMCA to put in dump points,' with the funds being administered by CMCA.⁶⁰⁸

A further option would be for local and state agencies to form partnerships to provide facilities. According to Mr Peter Sharp, Director, Parks and Visitor Services, DEC has:

*indicated to various local governments in the past that that might well be something DEC would contribute to, even if it were not on the CALM estate. If we have people going onto the CALM estate through the town, then I am not averse to a suggestion that some form of contribution be made if I can see that will be a direct benefit to us. Somehow I would have to weigh that up. I do not know how I will quantify that, but it is not an unreasonable thing for us to do. We should be working in partnership.*⁶⁰⁹

Finding 49

Dump points are an essential part of tourism infrastructure.

⁶⁰⁶ Submission No. 33 from South West Development Commission, 29 April 2009, p2. See also Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009; Submission No. 63 from York Caravan Park, 14 May 2009.

⁶⁰⁷ Mr Edward Walker, WA Association of Caravan Clubs Inc., *Transcript of Evidence*, 2 July 2009, p8.

⁶⁰⁸ Mr Phillip Chadd, State Representative, Campervan and Motorhome Club of Australia, *Transcript of Evidence*, 2 July 2009, p4 and p9.

⁶⁰⁹ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p6.

Finding 50

There is a need for more dump points throughout Western Australia and for a stakeholder-informed dump point strategy for the state.

Finding 51

No one group or agency has taken responsibility for the provision of dump points.

Finding 52

An information campaign is required to alert self-contained travellers to the need to dump waste responsibly.

Finding 53

There is a cost involved in the installation of dump points, but the environmental hazards associated with illegally dumped waste outweigh this cost.

Recommendation 13

The Department of Local Government facilitate the development and implementation of the dump point strategy for the state.

CHAPTER 6 PRESSURES ON SUPPLY

The primary motivation for this Inquiry was the Committee's concerns about the adequacy or otherwise of the supply of caravan parks and camping grounds, and whether or not this was sufficient to meet the requirements of those who want to travel throughout, or holiday in, Western Australia. The Committee was aware of anecdotal evidence that suggested a large number of caravan parks had closed and, consequently, that the supply of caravan parks in the state was under considerable pressure. The Committee therefore determined to investigate the various pressures to which caravan parks and camping grounds are subject, including the sale of caravan park land for residential housing development, the increasing occupancy of caravan parks by long-stay residents, the rising value of coastal land, the redevelopment of existing sites to include other forms of holiday accommodation, the use of caravan parks for the provision of worker accommodation, and various other supply-side factors that contribute to the viability of existing parks and the potential for the development of new parks 'as a legitimate and profitable land use'.⁶¹⁰

At this point it is also worth noting that such pressures are not unique to Western Australia. Rather, they are being felt across Australia, particularly in capital cities where caravan parks 'have provided a source of housing at the lower end of the market for many years'.⁶¹¹ As Reed and Greenhalgh state:

*emerging trends in the property market have threatened the viability of caravan parks, which are commonly valued on an income basis. For example, a recent phenomenon has been the closure of caravan parks for higher and better land uses, such as medium density accommodation. This is partly due to typical caravan park attributes, which are commonly large level parcels of land located on main roads with accompanying high exposure.*⁶¹²

This Australia-wide phenomenon is also recognised by the Western Australian Government. For example, the Department of Housing (DoH) submits that:

*due to a combination of rising land values and increased operating costs, including maintaining existing infrastructure, many caravan parks across the State have either been closed or sold to developers. This is an Australia wide phenomenon and is expected to continue into the future.*⁶¹³

While, as Tourism Western Australia (Tourism WA) also notes, such pressures are impacting on the supply of caravan parks across Australia,⁶¹⁴ this report examines the particular impacts such pressures are having on the industry and its consumers in Western Australia.

As figure 6.1 shows, the supply pressures can be divided into the following two main categories according to their impact on supply:

⁶¹⁰ Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p7.

⁶¹¹ Reed, Richard and Greenhalgh, Emma, 'The Changing Role of Caravan Parks', *Australian Property Journal*, vol. 37, no.7, August 2003, p507.

⁶¹² *ibid.*

⁶¹³ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p1.

⁶¹⁴ Submission No. 60 from Tourism Western Australia, 8 May 2009, p1.

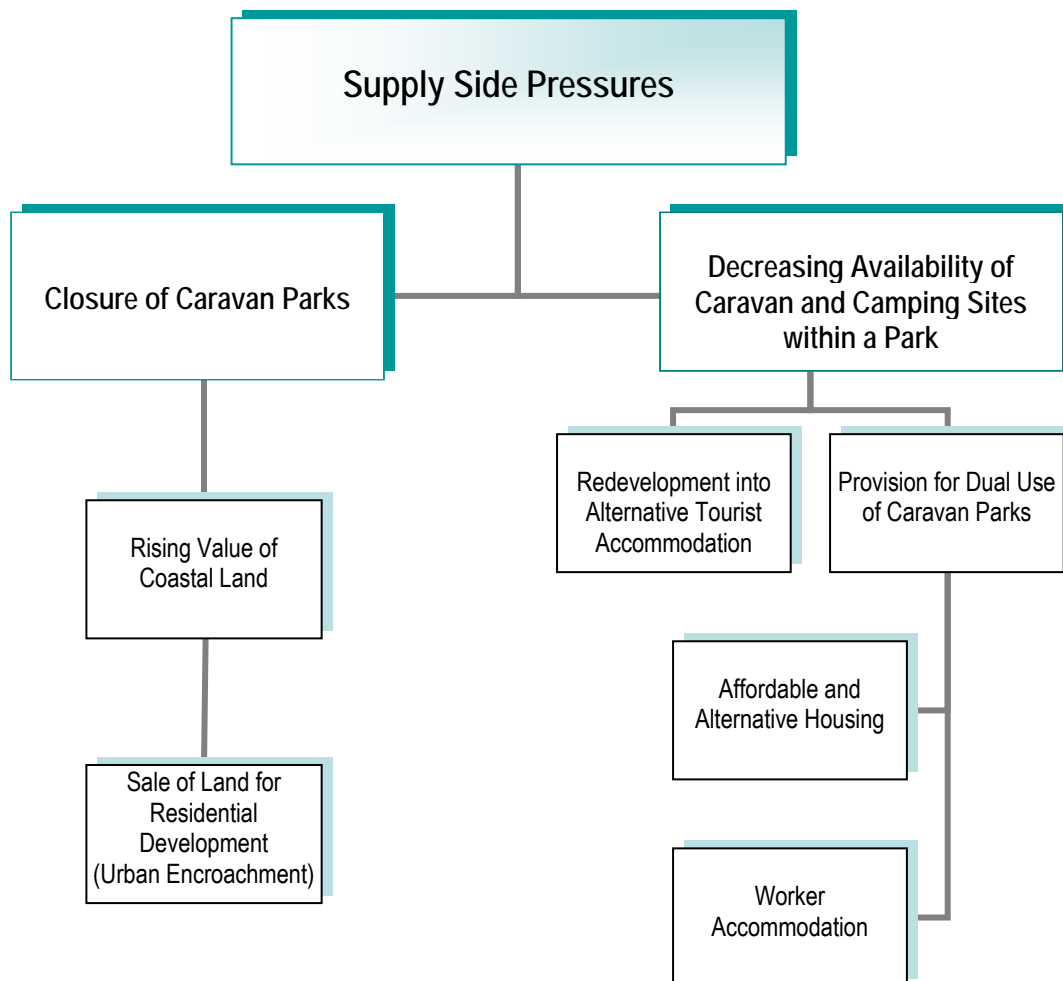
1. the actual closure of caravan parks
2. the decreasing availability of caravan and camping sites within an existing facility

Furthermore, the issues that impact on the availability of sites for tourism purposes can be sub-divided into two further categories:

- 2a. redevelopment of caravan parks and camping grounds into alternative (mostly self-contained) holiday accommodation
- 2b. occupancy of caravan parks by long-stay or 'permanent' residents

This chapter outlines pressures contained in category 1 and 2a above; that is, those that result in the closure of caravan parks and those that lead to the supply of alternative tourism accommodation at an existing facility. As the issues relating to category 2b are particularly complex, involve both supply and demand factors, and have significant social impacts, discussion of these is contained in a discrete chapter, Chapter 8.

Figure 6.1 Supply Side Pressures on Caravan Parks and Camping Grounds



Other supply-side factors that impact upon the viability of caravan parks and camping grounds, including increasing operating costs, seasonality of demand and planning issues, are also discussed in this chapter, at Section 6.2. While issues relating to the planning and

development of caravan parks also impact upon the supply of caravan parks and camping grounds, discussion of planning and development issues (such as land zoning and planning control) is reserved for Chapter 7.

Discussion of the issues and factors examined below are presented as if they were separate entities; however, it is important to acknowledge that they are interrelated and compounding difficulties with which the industry and its clientele must contend.

It should also be noted that increasing demand is also a supply pressure for caravan parks and camping grounds. As Chapter 4 demonstrates, there are differing opinions as to whether demand for caravan parks and camping grounds is increasing. Regardless of which proves to be correct, given the numbers of caravan park closures and the lack of new developments in the last decade,⁶¹⁵ demand will outweigh supply. As the Caravan Industry Association Western Australia Inc. (CIAWA) states, 'whilst adequate supply to meet current demands may exist, additional parks are required in the future to ensure sustainability of the industry'.⁶¹⁶ Such a situation will place extra pressure upon supply in existing caravan parks.

6.1 Closure of Caravan Parks and Camping Grounds: Higher Value Land Use

As noted in Chapter 5, there has been a significant number of caravan park closures in Western Australia. One of the primary factors in such closures is the shift to higher value land use for caravan park and camping ground land. This shift involves two main inter-related factors, namely the encroachment of urban development and the (often consequential) rising cost of land, particularly in prime coastal and metropolitan areas. These factors lead to the redevelopment of caravan parks for uses other than caravan parks, predominantly for residential housing.⁶¹⁷ Also impacting on the supply of caravan parks and camping grounds are the barriers to the development of new parks, with these being primarily the availability of land and the high costs of development.

(a) Urban Encroachment

As well as being situated along main travel routes, caravan parks and camping grounds have often been developed on the outskirts of a town or city, or in prime tourist locations and holiday destinations. This is particularly the case for caravan parks catering for travellers and holidaymakers, as well as those that accommodate annual visitors who leave their holiday van on site throughout the year. As Tourism WA notes, 'typically parks with a large holiday van market are located within 2-3 hours of a capital city, close to the water or other natural attractions'.⁶¹⁸

As the state's population has grown there has been increasing urban development, with this often encroaching on caravan park land. Somewhat ironically, it is this prime positioning of

⁶¹⁵ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p95.

⁶¹⁶ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p8.

⁶¹⁷ Another major area of caravan park redevelopment that arises from higher land values is the development of alternative, more 'up-market' tourist accommodation. This is discussed in Section 6.3.

⁶¹⁸ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p8.

caravan parks that makes them attractive for redevelopment due to the prospect of higher returns on investment. This is recognised by local and state governments, and by caravan park operators, as the following demonstrate:

*The encroachment of residential development fronts into what where (sic) traditionally fringe tourist areas such as Rockingham, Safety Bay, Cockburn Sound and the coastal strips of many regional towns.*⁶¹⁹

*The traditional location of such parks in attractive, accessible areas is part of their attraction and benefit for affordable holidays. However these very locations are often the ones under most pressure for redevelopment. The pressures of competing land uses, particularly in rapidly-growing areas such as the Peel Region, makes redevelopment a financially attractive option for owners and developers.*⁶²⁰

*It should be noted that caravan parks that have closed and redeveloped as high yielding properties were once in remote areas away from the then urban encroachment.*⁶²¹

*In recent years, across Western Australia (WA), well situated sites used as caravan parks have become sought after as residential or tourism hotel developments. Locations close to or near the coast in Wanneroo (Kingsway Caravan Park) and Mandurah (Miami Caravan Park) are under the heaviest development pressure and face closure for this reason. Other locations further inland such as the Springvale Caravan Park in High Wycombe are also to be closed for development.*⁶²²

*Caravan parks are typically located in desirable coastal or waterfront locations and are targeted for redevelopment into resort style accommodation.*⁶²³

Submissions have also drawn attention to specific parks that have either closed or are facing closure due to redevelopment pressures. Examples of these are the Doonbanks Caravan Park in Augusta,⁶²⁴ Kingsway Tourist Park in Wanneroo,⁶²⁵ Preston Beach Caravan Park in Preston Beach and Yalgorup Eco Park in Mandurah.⁶²⁶

Evidence also suggests that this type of pressure will continue. According to the Shire of Boyup Brook, 'a number of coastal caravan parks have recently closed in favour of residential subdivision and others are under pressure to do so'.⁶²⁷ There is concern for the number of parks currently subject to redevelopment pressures, for example, Springvale Caravan Park in High Wycombe, Miami Caravan Park in Mandurah.⁶²⁸ The City of Mandurah has advised that

⁶¹⁹ Submission No. 49 from Shire of Denmark, 1 May 2009, p2.

⁶²⁰ Submission No. 57 from Peel Development Commission, 5 May 2009, p3.

⁶²¹ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p7.

⁶²² Submission No. 64 from Department of Housing, 15 May 2009, p4.

⁶²³ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p1.

⁶²⁴ Submission No. 18 from Mrs Lorna Ellis, 20 April 2009, p2.

⁶²⁵ Submission No. 4 from Mr Lou and Mrs Molly Timmers, 6 April 2009, p2. See also Submissions No. 12 and 47, for example.

⁶²⁶ Submission No. 57 from Peel Development Commission, 5 May 2009, p2.

⁶²⁷ Submission No. 46 from Shire of Boyup Brook, 1 May 2009, p1.

⁶²⁸ Submission No. 64 from Department of Housing, 15 May 2009, p4.

Mandurah ‘recently lost its eighth caravan park - Yalgorup Eco Park - to residential development’ and that of its remaining seven caravan parks, one is ‘closed for proposed redevelopment’.⁶²⁹

One consequence of the ‘pending redevelopment’ status of some caravan parks is the potential for them to become run down to a very poor standard. For example, the Shire of Kalamunda submits that one of the caravan parks in its municipality ‘has required effort to ensure that standards are maintained’ and that this park ‘is expecting to redevelop for residential purposes in the near future’.⁶³⁰ Residents of Kingsway Tourist Park also suggest that since that park had been sold for redevelopment its standard of maintenance had declined. For example, one resident explained that once the park had been ‘a picture and fully staffed’, but following its sale ‘the beautiful park went down hill. Staff were slowly dismissed, or left and not replaced’.⁶³¹ Another resident explained that ‘at this stage closing the park’ would not be ‘a great loss. The park has been so run down lately ... Its (sic) a tip’.⁶³² The Committee also saw evidence of this consequence on its visit to Lancelin with one of the caravan parks in that town being left in what can only be described as a derelict state. It is hard to believe that this park is an operating park and even harder to believe that travellers and holidaymakers would want to stay the night.

Finding 54

Increasing urban development is placing pressure on caravan park and camping ground land that was once on the outskirts of a town or city.

Finding 55

The prime positioning of many caravan parks along main travel routes or in prime locations makes them attractive for redevelopment.

(b) Rising Value of Coastal and Urban Land

Section 6.1(a) noted the urban encroachment upon caravan park land. This, in part, has led to the steep rise in land values over the past five years which, in turn, has compounded the pressure of redevelopment, particularly when combined with the rising costs of caravan park and camping ground development (see Section 6.4).

Table 6.1 shows the unimproved value as determined by the Valuer General for a random sample of parcels of caravan park land. The data reveals some quite significant increases over time, particularly in the north of the state. The most spectacular of these increases is Carnarvon, but substantial increases have also been experienced in Broome and Port Hedland. The unimproved value of land has also increased in the South West, however the overall

⁶²⁹ Submission No. 70 from City of Mandurah, 18 May 2009, pp4-5.

⁶³⁰ Submission No. 21 from Shire of Kalamunda, 23 April 2009, p2.

⁶³¹ Submission No. 7 from Mrs Gwen Moffitt, 14 April 2009, p1.

⁶³² Submission No. 11 from Mrs S.R. Tucker, 15 April 2009, p11.

increase has been less sharp. It is notable that the land value in Wanneroo experienced a spike in 2008, but has now fallen to below its 2006 value.

As Tourism WA submits, 'Western Australia enjoyed the highest Gross State Product in the country in 2007. A high level of growth in the economy flowed on to other areas, in particular property prices'.⁶³³ In May 2008, the then Minister for Tourism, Hon. Sheila McHale, MLA stated that:

*there has been a significant increase in the value of land over recent years, which may have been low-value land 30 or 40 years ago, and this is a problem for not only tourism, but also the broader housing affordability issue. As caravan parks or long-term residential parks are sold, people who thought they had a lifetime planned out in those places now find that they must relocate.*⁶³⁴

Tourism WA also argues that 'this level of growth in property values is causing many caravan park owners to sell their land'.⁶³⁵ At hearing the agency advised that a lot of the caravan park closures 'have been driven by the economics of the land value and what would be seen as a more valuable use of a site for something else'.⁶³⁶ The South West Development Commission also includes 'high land values which increase the likelihood that the land will be redeveloped for other purposes' as one of the 'most significant issues'⁶³⁷ currently facing the industry and needing to be addressed.

⁶³³ Submission No. 60 from Tourism Western Australia, 8 May 2009, p6.

⁶³⁴ Hon. Sheila McHale, MLA, then Minister for Tourism, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 May 2008, pp109-119.

⁶³⁵ Submission No. 60 from Tourism Western Australia, 8 May 2009, p6.

⁶³⁶ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p3.

⁶³⁷ Submission No. 33 from South West Development Commission, 30 April 2009, pp1-2.

Table 6.1: Unimproved Values for Selected Caravan Park Land

Location (LGA)	Land Area (m ²)	2001 (000)	2002 (000)	2003 (000)	2004 (000)	2005 (000)	2006 (000)	2007 (000)	2008 (000)	2009 (000)	% Variation 2001-2009 [^]
Broome	87,922	1,200	1,260	1,510	1,810	2,200	2,420	2,780	3,470	4,000	233
Broome	84,125	1,500	1,650	1,900	2,180	3,800	4,370	6,100	10,600	10,000	566
Port Hedland	44,128	285	285	300	300	350	365	510	640	960	237
Port Hedland	55,821	270	270	270	270	270	380	1,100	1,430	1,730	540
Exmouth	83,446	na	na	na	na	na	710	860	1,030	2,700	280
Roebourne	56,657	na	na	na	na	na	na	na	3,000*	3,900	205
Carnarvon	40,375	na	na	na	na	na	na	4,050**	4,450	4,450	10
Carnarvon	72,898	550	550	550	550	550	3,850	5,750	6,300	6,300	1,045
Northampton	19,315	315	315	315	325	650	650	800	960	1,250	297
Swan	96,071	940	940	940	940	990	1,040	1,750	1,790	3,200	240
Wanneroo	49,340	na	na	na	na	na	5,950***	5,950	7,400	4,450	-25
Bussetton	41,387	na	na	na	na	3,600	4,500	5,200	6,000	5,500	53
Bussetton	31,028	850	850	850	900	950	1,140	1,300	1,500	1,400	65
Albany	42,328	500	500	550	820	1,050	1,180	1,400	1,400	1,300	160
Albany	50,231	300	300	400	450	495	570	650	700	650	116
Esperance	36,849	na	na	na	na	na	na	na	na	550	na

na = not available * \$1,280 as at 1.6.08 **\$2,700 as at 1.6.07 *** \$3,500 as at 1.2.07 [^] where data is not available for entire time the % variation is calculated over the years for which data is available

The impact of rising land values on caravan parks is also recognised by industry across the state. For example, Aspen Parks submits that:

*with urban pressure surrounding once remote caravan parks/towns, land values have outstripped the value of a caravan park as a going concern which has resulted in the closure and redevelopment of many caravan parks within WA.*⁶³⁸

CIAWA supports this view, stating that caravan parks have closed because higher and better uses are 'provided for under local town planning schemes' and that there is 'minimal incentive for those landowners to retain that particular land use when redevelopment for other residential use or for a motel is probably far more economically viable'.⁶³⁹

Mr Graeme Campbell, proprietor of the Roebuck Bay Caravan Park, also suggests that:

*the issue facing (sic) Broome is not dissimilar to other areas in so much that there is a drive to utilize caravan parks for other uses primarily because of the value of the land for uses other than caravan parks.*⁶⁴⁰

User groups such as the WA Association of Caravan Clubs Inc. (WAACCI) also recognise the impact of rising land prices upon the availability of caravan parks. State President, Mr Edward Walker, stated that 'a lot of these caravan parks are located on land along the coast. There has been a major increase in land values, and what people pay for caravan parks. Someone might pay a million dollars and then a million and a half, so up it goes'.⁶⁴¹

The rising price of land impacts not only on caravan parks, but also on camping grounds. While acknowledging that evidence is largely anecdotal, the Shire of Nannup submits that 'with the increase in coastal real estate values some "public" camping areas have been lost to development'.⁶⁴² This point is reiterated by the Shire of Augusta-Margaret River which suggests that the sale of land to developers has reduced the number of caravan parks in Western Australia which, in turn, 'has reduced the overall number of sites available for the caravanning and camping [public] in general'.⁶⁴³

As the following demonstrate, evidence presented to the Committee also suggests that the rising price of land is having particularly significant impacts in coastal regions.

⁶³⁸ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p7.

⁶³⁹ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p4.

⁶⁴⁰ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1.

⁶⁴¹ Mr Edward Walker, State President, WA Association of Caravan Clubs Inc., *Transcript of Evidence*, 2 July 2009, p2.

⁶⁴² Submission No. 68 from Shire of Nannup, 18 May 2009, p1.

⁶⁴³ Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p3.

*The demand for housing by the sea and the recent property market boom (and the resultant land tax increases) has placed pressure on caravan parks, especially those located along the coast.*⁶⁴⁴

*This [reduction in available sites] is even more apparent in the coastal regions where the prime site caravan parks have been sold to developers who have developed the land for non caravanning purposes.*⁶⁴⁵

*Notwithstanding the recent state-wide property downturn, which is yet to see an end, Mandurah has in recent years experienced spectacular property price increases, particularly with its waterfront land.*⁶⁴⁶

As well as recognising the rising land values and the resulting redevelopment of caravan parks and camping grounds, submissions express a sense of inevitability of further closures. The Shire of Kalamunda, for example, in discussing a park that is expected to close for residential development, acknowledges ‘that the closure of this park will be disruptive and of concern to the current residents however it is viewed as a commercial decision and given the residential development that now surrounds this site is inevitable’.⁶⁴⁷

This is clearly echoed by industry participants. For example, in relation to Palm Grove Caravan Park in Broome, Mr Angus Murray of PRD Nationwide Project Marketing (WA) (PRD Nationwide) submits that:

*due to its close proximity to Cable Beach, the land value is unlikely to sustain a caravan park in the long term. The site is bound to be redeveloped for a higher and more profitable use at some point. In the meantime the business remains quite profitable and is well maintained.*⁶⁴⁸

The submission from the former Department for Planning and Infrastructure (DPI) exemplifies the general sentiment expressed to the Committee throughout this Inquiry:

*The rising value of land, particularly in metropolitan, coastal and attractive holiday locations, and the relatively low returns available from caravan parks, will continue to provide an incentive for caravan park owners to capitalise their land value.*⁶⁴⁹

As part of the research that resulted in the *Understanding the Caravan Park Industry in WA* report, Tourism WA and Tourism Australia attempted to quantify the park owners’ intentions in

⁶⁴⁴ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p8. Submissions addressing the issue of rising land prices often did so in connection with the increasing costs of developing and/or operating a caravan park. These issues are discussed elsewhere in this report.

⁶⁴⁵ Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p3.

⁶⁴⁶ Submission No. 70 from City of Mandurah, 18 May 2009, p5.

⁶⁴⁷ Submission No. 21 from Shire of Kalamunda, 23 April 2009, p2.

⁶⁴⁸ Submission No. 19 from PRD Nationwide Project Marketing (WA), 20 April 2009, p1.

⁶⁴⁹ Submission No. 48 from Department for Planning and Infrastructure, 1 May 2009, p3.

relation to the redevelopment of their land as a residential area.⁶⁵⁰ One hundred operators ‘from across all regions in WA’ were asked ‘what is the probability that in the next 5 years the land will be ... redeveloped as a residential area?’⁶⁵¹

Table 6.2: Potential Redevelopment of Caravan Parks for Residential Land Use⁶⁵²

Region	Probability of Redevelopment within the Next Five Years				
	0%	1 - 25%	26 - 50%	51 - 75%	76 - 100%
North West (n=16)	15			1	
Golden Outback (n=21)	19	2			
South West (n=25)	20	1	1		3
Coral Coast (n=18)	14	1	2		1
Perth (n=20)	14	4	1		1
Total (n=100)	82	8	4	1	5

This survey data, reproduced in Table 6.2 shows that the while the majority of operators said there was 0% probability for the residential redevelopment of their caravan park land, a significant proportion of those in the South West (12%), Coral Coast (6%) and Perth (5%) tourism regions said there was between 76 and 100% probability of such a redevelopment. The Department of Commerce (DoC) refers to this data and submits that ‘the report also noted that one in ten park operators indicated that they were likely to close or redevelop their parks into residential accommodation by 2012’.⁶⁵³

At one level this data is somewhat reassuring in that 70% or more of operators in all regions did not see themselves redeveloping their land over the next five years. At another level, however, the percentages of those in the South West, Coral Coast and Perth regions indicate a significant loss of facilities in those areas.

At this point, though, it is important to note that this data should be used with caution. The Committee estimates that there are approximately 400 caravan parks located across Western Australia. While the *Understanding the Caravan Park Industry in WA* report sample of 100

⁶⁵⁰ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p101.

⁶⁵¹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p20 and p101.

⁶⁵² Developed from data contained in Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p101.

⁶⁵³ Submission No. 52 from Department of Commerce, 1 May 2009, p8.

represents 25% of the total number, it remains a relatively small sample. The report also does not provide information on the representativeness or otherwise of the sample in relation to location, type of park or facilities provided.

Furthermore, discussions the Committee had with both Local Government Authorities (LGAs) and industry participants show that the pressure to redevelop is considerably higher than the report data suggests. Therefore, the Committee believes that the risk of further caravan park closure for development purposes is much greater than suggested.

In the light of a seemingly steady demand (as discussed in Chapter 4) for caravan and camp sites across the state, any reduction in the number of parks, and thus the number of sites, will have considerable impact on those that use the parks and their facilities. Not only will holidaymakers and travellers experience difficulty in finding a caravan or camp site, particularly in peak seasons, long-stay tenants of caravan parks will continue to face eviction. As the latter consequence of the closure and/or redevelopment of caravan parks and camping grounds is particularly relevant to dual use parks, it is discussed further in Chapter 8.

Finding 56

Increases in land values, particularly in coastal areas, means that caravan park and camping ground land has been lost to development for other purposes.

Finding 57

The combined pressures of urban development and rising land prices are expected to continue resulting in further caravan park closures.

6.2 Factors Impacting Upon the Viability of the Caravan Park and Camping Ground Industry

According to Tourism WA, 'over the past decade, the state has seen a significant number of caravan park closures due to the high value of land and the increasing costs of operation making caravan parks less viable'.⁶⁵⁴ The Committee received submissions from caravan park operators expressing concern about maintaining the viability of their parks. For example, the Pink Lake Tourist Park submission states:

*the costs of operating a caravan park are increasing with many fixed and variable costs being Government related charges including water, electricity, rates etc.*⁶⁵⁵

⁶⁵⁴ Submission No. 60 from Tourism Western Australia, 8 May 2009, p3.

⁶⁵⁵ Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p2.

The pressures on viability are also recognised by WAACCI:

*The increasingly higher land values available to park owners, particularly on the coastal strip and popular scenic sites, together with the substantial growth in government fees and charges, eg land tax; water drainage sewerage rates; and power rates etc, are encouraging park operator/owners to follow the trend or sell out to the entrepreneurial investor/developer.*⁶⁵⁶

There are many factors that impact upon the viability of the caravan park and camping ground industry, none of which act in isolation, but rather combine to affect the operation and maintenance of these facilities. Rather than discuss all such factors, this section provides information on the major factors raised in evidence to the Committee. These include seasonality of demand, operating costs (such as land tax, land rates, electricity and water charges), replacement of aging infrastructure, and compliance costs.

(a) Seasonality of Tourist Demand

Seasonality of demand (and, therefore, occupancy and income) necessarily impacts upon the financial viability of caravan parks. It is also clear that Western Australia is not alone in its experience of seasonality. In relation to the Australia-wide situation, the Australian Housing and Urban Research Institute (AHURI) reports that a 2003 survey of local governments in three jurisdictions found that '[caravan] parks were only viable during peak periods, and that during off-peak periods the small numbers of persons using the park(s) made them increasingly unviable'.⁶⁵⁷ In Victoria, for example, the utilisation of sites throughout the year is a major issue. It is reported that Victorian parks 'commonly experience close to 100% occupancy at peak times, but as little as 10–20% during off peak'.⁶⁵⁸

Seasonality of tourist demand for caravan park and camping sites in Western Australia is a factor that impacts upon some areas more than others, and in different ways. As the Western Australian Local Government Association (WALGA) states:

*it is also important to understand that Caravan Parks are a seasonal business. Full accommodation only occurs during the peak in most places, with less than (sic) half full in the off peak - which is most of the year (estimated at approximately 40 per cent). The Peak period is only 16 weeks a year typically, with 4 weeks either side with high numbers of accommodation.*⁶⁵⁹

This is also understood by Tourism WA:

⁶⁵⁶ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p15.

⁶⁵⁷ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, piv.

⁶⁵⁸ Department of Sustainability and Environment, *Caravan and Camping Parks on Coastal Crown land*, Victorian Government, Melbourne, May 2006, p8.

⁶⁵⁹ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p5.

*The demand for caravan park accommodation fluctuates significantly between seasons which can affect the viability of caravan parks due to significant low seasons - particularly in the Australia's North West tourism region.*⁶⁶⁰

Research by Tourism WA also found 'significant variability in the peak tourist season in caravan parks across WA in terms of the duration of the peak season and the time of year'.⁶⁶¹ Seasonal variations in demand are described by park operators. The City of Cockburn submit that 'recent discussions with the caravan parks management has indicated that demand for short-stay caravanning and camping sites is largely seasonal, with all parks indicating that they are busy in peak periods'.⁶⁶² PRD Nationwide advise that at Binningup Beach, 'demand for caravan and camping bays is extremely seasonal, with high demand over the Christmas period and April school holidays, but very little trade for the balance of the year'.⁶⁶³ Other operators in the South West tourism region made similar comments in their submissions:

*There is a huge demand for the ten day Christmas, New Year period. We then work hard to fill the park for the remainder of January and February. The park is quiet in March. We fill again for one week at Easter and then our season finishes. July school holidays is empty, October school holidays are 35%.*⁶⁶⁴

*Holiday makers, primarily family groups, have historically visited Albany during several relatively short 'spurts' over the summer months, with the two weeks immediately following Christmas being the busiest times for caravan parks. The introduction and marketing of major events (Albany Classic, Vintage Blues Festival, Soapbox Derby, etc) has progressively extended the holiday season, but (sic) has not levelled (sic) out the peaks and troughs in demand for caravan park sites.*⁶⁶⁵

However, at Palm Grove in Broome:

*demand for caravan bays, camping sites and cabins at this location is extremely strong and patrons are less sensitive to price. The caravanning season commences in April and runs through to the end of September. The demand for cabins extends to the end of October and for a short time over Xmas. These cabins fill a gap between the Resorts and the backpacker Hostels.*⁶⁶⁶

⁶⁶⁰ Submission No. 60 from Tourism Western Australia, 8 May 2009, p5.

⁶⁶¹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p69.

⁶⁶² Submission No. 36 from City of Cockburn, 30 April 2009, p3.

⁶⁶³ Submission No. 19 from PRD Nationwide Project Marketing (WA), 20 April 2009, p1.

⁶⁶⁴ Submission No. 22 from Mandalay Holiday Resort and Tourist Park, 24 April 2009, p2.

⁶⁶⁵ Submission No. 81 from City of Albany, 28 May 2009, p2.

⁶⁶⁶ Submission No. 19 from PRD Nationwide Project Marketing (WA), 20 April 2009, p1.

The Shire of Carnarvon advised the Committee that ‘during the “tourist season” (May–September) the occupancy rate is high; and, at “off season” (October–April) is low. Proprietors sometimes comment on the lack of patronage during the “off season”’.⁶⁶⁷

The following comment by Aspen Parks exemplifies the general sentiments expressed around seasonality of demand:

*given the fact that most caravan parks are located in regional areas and users are required to travel long distances, particularly in WA, the use of these sites is highly volatile. Compounding this are short and defined peak tourist seasons that see townships and caravan parks swell to capacity only to experience high levels of vacancies in non-peak periods.*⁶⁶⁸

Clearly demand rises at school holiday times and in other holiday periods such as Christmas and Easter. However, holidays are not the only factor in seasonality. The weather, too, plays a major role. As Aspen Parks submits, ‘the market is also highly influenced by climatic conditions with some caravan parks in remote cyclonic areas or areas of high temperatures, making holidaying at these times undesirable’.⁶⁶⁹ During its travel to the North West region, the Committee heard many comments in relation to the impact of cyclone season on caravan parks. Chapter 7, Section 7.6 discusses cyclones in terms of building standards which apply to caravan parks.

Climate as a factor in demand is also recognised by caravan park users, as indicated by the following from the Campervan and Motorhome Club of Australia Ltd (CMCA):

*seasonal demand revolves around too hot, too cold, too wet, and too dangerous. The window of opportunity in some locations is between 12 and 20 weeks, whilst in most others, 40 weeks is very capable of promotion.*⁶⁷⁰

Similarly, Tourism WA acknowledges that:

*whilst there is excessive demand for caravan sites during the peak periods in WA, there are also some significant periods of low occupancy during the low season. Low seasons are generally related to weather and given the sheer size of WA, these off peak periods vary between tourist areas. In the Australia’s North West [tourism region] the off season is during summer as average temperatures range in the mid 30s with heavy rainfalls and tropical cyclones. In the Australia’s South West [tourism region], the off season occurs during winter where maximum temperatures average around 16 degrees and over 50% of the annual rainfall occurs between May and August.*⁶⁷¹

⁶⁶⁷ Mr Alan Hobbs, Environmental Health Officer, Shire of Carnarvon, Electronic Mail, 21 May 2009.

⁶⁶⁸ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p10.

⁶⁶⁹ *ibid.*

⁶⁷⁰ Submission No. 27 from Campervan and Motorhome Club of Australia Limited, 30 April 2009, p9.

⁶⁷¹ Submission No. 60 from Tourism Western Australia, 8 May 2009, p6.

Evidence such as this presented to the Committee suggests that the tourist season in the South West tourism region is particularly short while in the North West tourism region it is much longer. The North West region experiences extended ‘shoulder’ periods of demand due to some travellers, such as backpackers, coming to the region during the ‘off season’ to experience the Australian summer.⁶⁷²

Seasonality of demand necessarily affects the pricing structure of accommodation offered at caravan parks and camping grounds. As noted in Chapter 4, operators face the challenge of providing not only the type of accommodation demanded but also doing so at a price the market can bear. The South West Development Commission sees ‘managing seasonal variation in demand for caravan park facilities’ as one of the most significant issues facing the industry.⁶⁷³ Seasonality of demand also impacts upon the development of new caravan parks. According to Tourism WA, seasonality has an impact on the ‘viability of caravan park developments ... without the correct mix of accommodation and pricing policy’.⁶⁷⁴ This sentiment is also expressed by the Shire of Denmark, which submits that ‘it is uneconomic to build and staff tourist caravan parks to cater for a peak tourist season of only 9 days a year when parks are full’.⁶⁷⁵

Finding 58

Seasonality of demand is a defining characteristic of the caravan park and camping ground industry.

Finding 59

While seasonality of demand varies according to region, climate, duration and time of year, it necessarily affects the pricing structure and composition of accommodation offered at caravan parks and camping grounds.

(b) Increasing Operating Costs

There is a wide range of costs involved in operating a caravan park ranging from utilities to wages to fuel to insurance. This report is concerned with those costs and charges that arise from government charges and/or regulation, rather than those incurred for services such as wages, insurance or fuel, for example.

⁶⁷² Shire of Exmouth, *Committee Briefing*, 2 June 2009.

⁶⁷³ Submission No. 33 from South West Development Commission, 30 April 2009, p2.

⁶⁷⁴ Submission No. 60 from Tourism Western Australia, 8 May 2009, p6.

⁶⁷⁵ Submission No. 49 from Shire of Denmark, 1 May 2009, p2.

It is clear from the evidence presented to this Inquiry that increasing operating costs is of great concern to the caravan park and camping ground industry.⁶⁷⁶ As one park owner states:

*gone are the days of being able to arrive at a caravan park next to the ocean, pitch a tent and enjoy a week with the family for a peppercorn daily rate. Re-zoning, skyrocketing council rates and land taxes, double digit increases in running costs and over-regulation has seen to this.*⁶⁷⁷

The South West Development Commission submits that one of the ‘most significant’ issues currently affecting the caravan park industry and, therefore, needing to be addressed is ‘substantial and/or increasing operating costs (electricity, water rates and charges, wages, gas, maintenance costs, waste removal, council rates, fuel and land tax)’.⁶⁷⁸ Research conducted for the *Understanding the Caravan Park Industry in WA* report found that while there was some regional variation, overall across the regions the ‘most significant operating costs’ for caravan parks were electricity, and water rates and charges.⁶⁷⁹ Land tax was listed in seventh place and council rates were number eight on the list. However, evidence presented to the Committee shows that land tax and council rates are of much greater concern to operators than this listing suggests.⁶⁸⁰

Evidence of the extent of operating costs was provided by some operators. For example, Mandalay Holiday Resort and Tourist Park submit that:

The day of the low cost caravan or camping holiday are long gone if you want to stay in a park. Some of our operating costs for 2007/2008, excluding wages and bank charges, include:

Shire Rates \$28903

Water Rates \$15472

Sewer \$38995

Land Tax \$59100

Electricity \$51266

Gas \$9253

⁶⁷⁶ See, for example, Submissions No. 13, 19, 22, 29, 30, 37, 38, 45, 49, 63, 65, 67, 70, 73, 76, 77, 80, 81 and 84.

⁶⁷⁷ Submission No. 29 from Albany Holiday Park, 28 April 2009, p2 and p3.

⁶⁷⁸ Submission No. 33 from South West Development Commission, 30 April 2009, p1.

⁶⁷⁹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p83. Wages was the third most significant costs, but a discussion of wages is beyond the scope of this Inquiry.

⁶⁸⁰ This may be a function of the relatively small sample size of this study, as mentioned previously. It may also be partly due to the change in land values since the research was conducted.

Insurance \$28503

Public Liability \$28321

Workers Compensation \$19872

Advertising: \$120,000

The charge out cost for house keepers, ground staff and receptionists is about \$32 per hour.⁶⁸¹

Horrocks Beach Caravan Park submits that 'for us to run this Park it cost (sic) us in the region of \$125,000 a year before we make a cent for ourselves'.⁶⁸²

While some caravan park operators provided information on their tariffs and occupancy rates, the Committee does not have sufficient data to make any comments on the profitability or otherwise of caravan parks or make a determination as to whether profitability has increased or decreased over recent years. Nevertheless, it is clear that caravan parks are major users of land and of utilities such as water and electricity. Therefore, their costs in these areas are significant. Furthermore, it is likely that caravan parks are experiencing heavy cost pressures and may be subject to sharply increasing costs.

In light of the above, the following sections provide discussion on the main operating costs as advised in evidence to the Inquiry.

(i) *Electricity Supply and Charges*

Given that caravan parks generally provide powered sites, it is reasonable to expect that electricity would be a major operating cost. In addition to the cost of electricity, though, it is also the way in which the pricing of electricity for caravan park residents is regulated that is of concern to caravan park operators. The issue of most concern is the differential between the price charged by electricity suppliers and the price that caravan parks are able to charge their long-stay residents.

The supply of electricity in Western Australia is subject to a suite of legislation including the *Electricity Industry Act 2004* (WA) (EI Act), the *Electricity Corporations Act 2005* (WA), the *Electricity Transmission and Distribution Systems (Access) Act 1994* (WA), the *Energy Operators (Powers) Act 1979* (WA), and associated subsidiary legislation. Charges to be paid by customers of either Synergy or Horizon Power are specified in Schedule 1 of the By-laws for the Electricity Retail Corporation or the Regional Power Corporation respectively.

Section 7 of the EI Act provides that a person cannot construct or operate generating works (s 7(1)), a transmission system (s 7(2)), or a distribution system (s 7(3)) without the appropriate licence. Also under this section, a person 'must not sell electricity to customers except under the

⁶⁸¹ Submission No. 22 from Mandalay Holiday Resort and Tourist Park, 23 April 2009, p3.

⁶⁸² Submission No. 37 from Horrocks Beach Caravan Park, 29 April 2009, p2.

authority of a retail licence or an integrated regional licence' (s 7(4)). Such provisions would negatively impact upon the operation of caravan parks. However, under clause 5 of the *Electricity Industry (Caravan Park Operators) Exemption Order 2005 (WA)*,⁶⁸³ which came into effect on 22 April 2005, caravan parks receive exemption from ss 7(1), 7(3) and 7(4) of the EI Act, which means that caravan park operators can, in fact, operate generating works and a distribution system without a licence and can sell electricity without a retail licence. Caravan park operators are able to charge for the provision of electricity services to the long-stay sites, which means that they can charge for providing and maintaining the electricity reticulation system and site metres, connecting power to the site, preparing and issuing electricity accounts to a site and any other incidental or associated cost.⁶⁸⁴ Clause 6(3) of the Exemption Order limits this charge to 25.57 cents per day.

In May 2004, in an effort to 'ensure that permanent residents pay the same as other residential customers for their power and be eligible for energy rebates', the state government introduced the Power Price Equity Scheme for Permanent Caravan Park Residents.⁶⁸⁵ The main provisions of this scheme are listed following.

- *From 1 July 2004, permanent caravan park residents who hold valid concession cards are eligible for the Scheme's energy subsidies.*
- *From 1 November 2004, permanent park residents will pay no more than Horizonn (sic) Power's uniform residential tariff of 13.94 cents (incl GST) per unit of electricity regardless of their geographic location or power supply arrangements.*⁶⁸⁶
- *From 1 January 2004, permanent residents will be provided with itemised electricity accounts that clearly separate any electricity charges from other fees charged to residents, including rental charges.*⁶⁸⁷

These provisions are enacted via the abovementioned *Electricity Industry (Caravan Park Operators) Exemption Order 2005 (WA)*. As noted, clause 5 exempts the supply of electricity in caravan parks from s7(1)(3) and (4) of the EI Act and clause 6 details the conditions necessary for these exemptions to apply. The most relevant to this Inquiry are listed following:

Clause 6(1):

⁶⁸³ Government of Western Australia, 'Electricity Industry (Caravan Park Operators) Exemption Order 2005', *Western Australian Government Gazette*, vol. 65, 22 April 2005, pp1339-41.

⁶⁸⁴ Order 4, Government of Western Australia, 'Electricity Industry (Caravan Park Operators) Exemption Order 2005', *Western Australian Government Gazette*, vol. 65, 22 April 2005, p1340.

⁶⁸⁵ Horizon Power, *Caravan Park Price Equity Scheme*, 2007, p1. Available at: http://www.horizonpower.com.au/business/your_account/prices_fees/caravan_rebates.html. Accessed on 17 July 2009.

⁶⁸⁶ This uniform residential tariff has been changed, and is discussed further below.

⁶⁸⁷ Horizon Power, *Caravan Park Price Equity Scheme*, 2007, p1. Available at: http://www.horizonpower.com.au/business/your_account/prices_fees/caravan_rebates.html. Accessed on 17 July 2009.

Unless subclause (2) applies, any charge imposed by the caravan park operator for electricity supplied to a site occupied by a permanent park resident must not exceed 13.94 cents per kilowatt hour.

Clause 6(2):

If the electricity supplied to a site occupied by a permanent park resident is generated using generating works that are owned or operated by the caravan park operator, any charge imposed by the caravan park operator for that electricity must not exceed the amount necessary for the caravan park operator to recover the costs of generation.

and Clause 6(3):

Any fees or charges imposed by the caravan park operator for the provision of electricity services in relation to a site occupied by a permanent park resident must not, in total, exceed 25.57 cents per day.

It is important to note the definition of ‘permanent park resident’ in this Order, being ‘a person who occupies a site in a caravan park as the person’s principal place of residence’.⁶⁸⁸

This policy and provision has received criticism from caravan park operators. For example, the submission from Albany Holiday Park lists the Power Price Equity Scheme as one of the major challenges they have confronted ‘over the last 5 years’.⁶⁸⁹ Park operator, Mr Ed Nelson, states:

in 2004 we received a letter from the Minister for Energy’s office saying caravan parks could now only charge .13 cents per unit for electricity (we were charging .20 cents), even though we were paying up to .19 cents per unit. Our cost has now gone up to .26 cents per unit and we are not allowed to increase what we charge. We’ve had 4 years of losing money on every unit of power our residents use and I have challenged the Office of Energy on this matter as it is a policy that punishes parks that have long stay customers and is unsustainable.⁶⁹⁰

This issue is also raised by the Shire of Boddington which operates the park in its jurisdiction. The Shire’s submission states that they:

are being charged a certain rate for the supply of power to the park. Unfortunately, because of the requirements of the Electricity Industry (Caravan Park Operators) Exemption Order 2005, ... we have to charge the caravan park tenant less for the electricity used than what it costs to provide. This Order needs to be updated urgently or repealed.⁶⁹¹

⁶⁸⁸ Order 3, clause 3, Government of Western Australia, ‘Electricity Industry (Caravan Park Operators) Exemption Order 2005’, *Western Australian Government Gazette*, vol. 65, 22 April 2005, p1339.

⁶⁸⁹ Submission No. 29 from Albany Holiday Park, 28 April 2009, p1.

⁶⁹⁰ *ibid.*, p2.

⁶⁹¹ Submission No. 45 from Shire of Boddington, 1 May 2009, p1.

On 8 May 2009, since these submissions were received, a new Order, the *Electricity Industry (Caravan Park Operators) Exemption Amendment Order 2009* (WA), was gazetted. This new Order amends the above mentioned clauses 6(1) and (3). Under the amended clause 6(1) any charges imposed by caravan park operators ‘must not exceed the charge for metered consumption’ payable under the By-laws that apply to either the Electricity Retail Corporation or the Regional Power Corporation, whichever is applicable.⁶⁹²

As noted above, the Exemption Order refers to a permanent resident as one who occupies a site as his or her principal place of residence. The intention of the policy is clearly to ensure that residents of caravan parks are paying the same price for electricity as any other residential customer.

The Office of Energy (OE) is aware of the issues arising from the move to cost reflectivity for commercial electricity rates, particularly those in relation to the ‘buy in’ and ‘on sell’ pricing of electricity. The OE advised that when the ‘power price equity policy was introduced caravan parks supplied via the South West Interconnected System (SWIS) were given the opportunity to switch free of charge (including new switch board meters etc) to R1 time of use rate’,⁶⁹³ a significantly lower rate than the residential rate at the time. As caravan park customers of Horizon Power’s Regional Non Interconnected Networks can not opt for time of use rates, they receive a subsidy ‘to compensate them for the difference between the commercial rate they buy at and the residential rate at which they must sell to permanent residents’.⁶⁹⁴

In the SWIS, most caravan parks will be on time of use tariffs, R1 or R3. Some parks have opted not to buy in on the time of use tariffs, and others have opted out of the tariff system ‘as they were contestable and as commercial contract rates were lower at the time’.⁶⁹⁵

The OE acknowledges that since the introduction of the price equity policy any advantage for park operators ‘was slowly eroded as commercial rates were not frozen (unlike residential)’ and that over the 18 months to April 2008, the ‘R 1 probably delivered an average rate above the residential rate.’⁶⁹⁶ However, the OE argues that:

⁶⁹² Clause 6(1)(a) refers to the Energy Operators (Electricity Retail Corporation) (Charges) By-laws 2006, now 2009; Clause 6(2A)(a) refers to the Energy Operators (Regional Power Corporation) (Charges) By-laws 2006, now 2009.

⁶⁹³ Mr R Gerritsen, Senior Manager Community, Office of Energy, Electronic Mail, 28 July 2009, p1. A time of use tariff involves a fixed supply charge (cents per day) and a unit charge (cents per kilowatt hour) that varies in accordance with the time of day, that is, whether electricity is used during peak or off peak times. See Office of Energy, *Electricity Retail Market Review. Review of Electricity Tariff Arrangements. Final Recommendations Report*, Office of Energy Report to the Minister for Energy, Government of Western Australia, Perth, January 2009, p23. Available at: <http://www.energy.wa.gov.au/cproot/1448/13014/OOE%20Final%20Recommendations%20Report%20Submitted%20to%20Minister%20-%20Final.pdf>. Accessed on 3 August 2009.

⁶⁹⁴ Mr R Gerritsen, Senior Manager Community, Office of Energy, Electronic Mail, 28 July 2009, p1.

⁶⁹⁵ *ibid.* The Shire of Boddington, for example, advised that its park operates under the L3 General Supply Tariff. Once parks have opted to join the free market via contestable rates they cannot opt to return to the tariff system.

⁶⁹⁶ Mr R Gerritsen, Senior Manager Community, Office of Energy, Electronic Mail, 28 July 2009, p1.

*it is highly likely that over the next four years increases to the residential tariff will outstrip increases in commercial tariffs as residential tariffs require greater increases to become cost reflective. At cost reflectivity commercial rates are likely to be lower than residential rates.*⁶⁹⁷

The OE, though, is not in a position to guarantee that the residential rate will outstrip the commercial rate as this depends upon state government decisions in relation to cost reflectivity in pricing.⁶⁹⁸

While the best protection for caravan park operators in the SWIS is to opt for time of use tariffs, many long-stay residents of caravan parks are retirees and others who are home throughout those parts of the day when the tariff is highest, and this impacts on the effective of time of use tariffs for park operators. Again, the OE is aware of this issue and advised that at the time of the move toward cost reflectivity in power pricing they offered to cooperate with caravan park operators to help educate residents in relation to time of use tariffs and how best to use power. This was included in the 18 month transition package that was offered at the beginning of the Pricing Equity Scheme. However, the OE received very little response to this offer.⁶⁹⁹

There appears to be an issue with the supply of electricity to caravan parks in that government policy reveals a social aim of minimising the cost impact on long-term residents while at the same time treating parks like a business. Ultimately, given that to remain viable caravan park operators must recover their costs, they will factor into their daily tariffs the difference between their costs and what they can charge residents. In effect, and until the residential rate outstrips the commercial rate, this means that travellers and holidaymakers are subsidising the cost of electricity for long-term residents. There are similar issues in the cost of water supply and waste water charges, and the Committee makes further comments on all these issues jointly at the end of Section 6.2(b)(ii) below.

Finding 60

There appears to be an issue with the supply of electricity to caravan parks in that government policy reveals a social aim of minimising the cost impact on long-term residents while at the same time treating parks like a business.

Finding 61

While caravan park owners pay a commercial rate for all electricity consumed in their parks, they can only charge their long-stay residents the lower residential tariff.

⁶⁹⁷ *ibid.*

⁶⁹⁸ Mr R Gerritsen, Senior Manager Community, Office of Energy, Telephone Conversation, 27 July 2009.

⁶⁹⁹ *ibid.*

Recommendation 14

The charging policy for electricity should ensure no disadvantage to the park owner or long-stay residents.

(ii) Water Usage and Waste Water Costs

The increase in charges relating to water supply and waste water was also raised as a concern for caravan park operators. For example, the submission from the Albany Holiday Park states that one of ‘major challenges’ faced over the previous five years is the ‘change of water rating to include new sewer charges’.⁷⁰⁰ This ‘increased water rates/charges by up to 500% for parks’ making it one of the ‘top 4 expenses for the business’.⁷⁰¹ The park owner submits that everyone expects a caravan park to be green, well it’s now nearly impossible to afford it’.⁷⁰²

Caravan park operators participating in the *Understanding the Caravan Park Industry in WA* study listed water rates and charges as the second most significant operating cost, and as one of the two operating costs to ‘have increased the most overall in the last 5 years’, the other being electricity.⁷⁰³

Water pricing and the tariff structure are determined by the state government and based upon recommendations of the Economic Regulation Authority (ERA). In its report on its *Inquiry on Country Water and Wastewater Pricing in Western Australia*, the ERA notes the ‘substantial support [in submissions] for uniform prices up to a certain level of water usage. Above that level, prices would be governed by the costs of providing water’.⁷⁰⁴ The ERA reports that it ‘sought to develop a pricing regime that would make prices above the threshold more cost-reflective and consistent with the objective of encouraging efficiency in water use’.⁷⁰⁵ The ERA ‘therefore made recommendations regarding the threshold up to which uniform prices would apply and has focussed its recommendations with respect to above-threshold prices on efficiency and an appropriate level of cost recovery’.⁷⁰⁶

⁷⁰⁰ Submission No. 29 from Albany Holiday Park, 28 April 2009, p1.

⁷⁰¹ *ibid.*

⁷⁰² *ibid.*

⁷⁰³ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, pp83-84.

⁷⁰⁴ Economic Regulation Authority, *Final Report: Inquiry on Country Water and Wastewater Pricing in Western Australia*, Economic Regulation Authority, Perth, 23 June 2006, pi.

⁷⁰⁵ *ibid.*, pii, p28 and p40.

⁷⁰⁶ *ibid.*, ppi-ii.

Following the ERA's recommendations, and 'to encourage water efficiency by ensuring the customer is aware of the cost of their service', the Water Corporation introduced a programme of water tariff reforms to be made progressively, in most instances, to 2013/14.⁷⁰⁷ Water pricing reforms included, for metropolitan charges, 'changing the water usage charge to reflect the cost of new water sources', and for country commercial charges, adjusting the charges 'to reflect the total cost of providing water in country areas'.⁷⁰⁸

The Water Corporation recognises that caravan parks often have a number of long-stay residents and, therefore, they are not just a commercial site. The Water Corporation also recognised that many of the long-term residents of caravan parks would be eligible for a seniors or other concession.⁷⁰⁹ Therefore, where a caravan park operator declares a number of bays as long-term residential, the Water Corporation provides some concessions.⁷¹⁰ These concessions are discussed further below.

Water supply and waste water services are separate services and have their own unrelated Water Corporation assets. Taking water supply first, for non-residential customers, this is further divided into a service charge and a water use charge.⁷¹¹ In both the metropolitan and country areas, caravan parks without long-stay residents pay a service charge based upon the size of the meter providing water service to the property. Metropolitan water usage charges are based on a three-tiered pricing structure: 117.1 c/kl for 0-600kl; 122.0 c/kl for 601-1,100,000kl; and 120.8 c/kl for usage over 1,100,000kl.⁷¹²

Water usage charges for country commercial use are based on cost-reflective prices for each particular town. Using the individual records for each town's cost of supply, a 15-band pricing structure was developed and each town was placed in a particular band according to the cost of supplying water to that town. There is a difference of approximately 10% between each band. For example, for the first 300kl, band 1 is 119.7 c/kl, band 2 is 113.9 c/kl and band 3 is 149.6 c/kl.

Some towns were being charged a cost-reflective price and so experienced relatively small transition rises. For other towns where the introduction of cost-reflective pricing meant much larger differences, rather than introducing the new pricing in one step, the Water Corporation is phasing in increases incrementally over six years, with charges increasing one band per year. The

⁷⁰⁷ Water Corporation, *Water Tariff Reforms 2009/10*, nd, p1 and p2. Available at: http://www.watercorporation.com.au/T/tariff_reforms.cfm. Accessed on 25 July 2009.

⁷⁰⁸ *ibid.*, pp1-2.

⁷⁰⁹ Mr Duncan Bell, Pricing Manager, Water Corporation, Telephone Conversation, 29 July 2009.

⁷¹⁰ Water Corporation, *Long-term Residents of WA Caravan Parks*, nd. Available at: http://www.watercorporation.com.au/_files/PublicationsRegister/8/Caravan_charges.pdf. Accessed on 25 July 2009.

⁷¹¹ See Water Corporation, *2009-2010 Rates and Charges - Metropolitan Non-Residential, 2003-2008*, Available at: http://www.watercorporation.com.au/A/accounts_rates_metro-comm.cfm. Accessed on 25 July 2009; and *2009-2010 Rates and Charges - Country Non-Residential, 2003-2008*. Available at: http://www.watercorporation.com.au/A/accounts_rates_country-comm.cfm. Accessed on 25 July 2009.

⁷¹² Water Corporation, *2009-2010 Rates and Charges - Metropolitan Non-Residential, 2003-2008*, Available at: http://www.watercorporation.com.au/A/accounts_rates_metro-comm.cfm. Accessed on 25 July 2009, p2.

following Table 6.3 provides a random sample of towns and demonstrates the change in pricing band to be implemented.

Table 6.3: Pricing Bands for Water Use Charges*

Town	Pricing Band	Pricing Band	Pricing Band	Expected Year for Final Band to be Reached
	2008-2009	2009-2010	Final	
Albany	2	3	5	2011/12
Broome	1	1	1	2009/10
Carnarvon	6	7	13	2015/16
Exmouth	6	7	9	2011/12
Geraldton	1	1	1	2009/10
Kalgoorlie	8	9	15	2015/16
Karratha	6	7	8	2010/11

* Based on information provided by the Water Corporation.

For caravan parks who advised the Water Corporation that they have a proportion of long-stay residents, an adjustment is made to the water use charges so as to treat this proportion of residents as normal residential customers. The Water Corporation also assumes that these are concession card discount customers as most long-stay residents are seniors. Therefore, it levies normal commercial charges on a pro-rata basis based on the proportion of declared long-stay to short-stay residents. In relation to the annual service charges, the Water Corporation also uses a concession card basis of charging long-stay residents. The current annual service charge for long-stay residents is \$140.80. Furthermore, a 150kl adjustment is made for each long-stay bay as this is the average need for a 2 to 3 person household. This means that the first 150kl of water for a long-stay site is charged at residential rates and water in excess of this is charged at commercial rates.⁷¹³

The waste water charges for use are uniform state-wide – there is a service charge and a usage charge. The service charge depends on the number of major sewerage fixtures (generally toilets and urinals) installed. The usage charge is an estimate of the amount of water discharged into the system as an estimated percentage of the total amount supplied to the property. While the default position for a caravan park is the Water Corporation's estimate for that business, the discharge can be measured on request. Where caravan parks use bore water, it is assumed that this is for gardens and other uses that do not lead to a discharge into the waste system. Therefore, in such cases, all water supplied by the Water Corporation is deemed to be discharged as waste water.⁷¹⁴

⁷¹³ Mr Duncan Bell, Pricing Manager, Water Corporation, Telephone Conversation, 29 July 2009; Water Corporation, *Long-term Residents of WA Caravan Parks*, nd. Available at: http://www.watercorporation.com.au/_files/PublicationsRegister/8/Caravan_charges.pdf. Accessed on 25 July 2009.

⁷¹⁴ Mr Duncan Bell, Pricing Manager, Water Corporation, Telephone Conversation, 29 July 2009.

Once again the Water Corporation provides concessions for long-stay bays by not counting these as fixtures at the normal commercial rates. Such fixtures are charged at a discounted rate of \$209 each. The Water Corporation also assumes that 75 kl of water provided to each long-stay bay is waste and is therefore treated as residential, that is, the amount of waste water charged is reduced by 75 kl per long-term bay.⁷¹⁵

These water tariff reforms have met with criticism from the caravan park industry. According to Tourism WA, while ‘at the time the new arrangements were not contested by the caravan park sector ... the sector has since expressed specific concerns to the Water Corporation regarding the application of the user pays system which they maintain has had an unjust effect on caravan parks’.⁷¹⁶ CIAWA submits that:

*the water reform changes introduced in 2004 have resulted in significant increases in costs which directly impact on the cost of water for most caravan parks, because the increases are phased in over a 10 year period.*⁷¹⁷

Furthermore, the Association believes that:

*the average increase in water and sewerage rates and charges has been estimated at \$25,827 for each caravan park (CIAWA Water and Sewerage Reforms - Effect on Caravan Parks, March 2004). The seasonable nature of the caravan park industry limits the opportunity to sustainably absorb these costs, thus jeopardizing the ability to provide affordable holidays and affordable housing.*⁷¹⁸

Tourism WA points to what it calls competitive disadvantage resulting from the application of the new tariffs.⁷¹⁹ For example, Caravan Park A has 100 bays but has opted to provide facilities in an ablution block with a total of 20 fixtures. Park A’s sewerage service charge would be \$7959.50.⁷²⁰ Caravan Park B, also with 100 bays, has opted to provide ensuite facilities to all its bays, that is, it has 100 fixtures. Park B’s sewerage service charge would be \$39,455.50. While this is certainly a significant difference in charges, the decision to provide ensuite facilities must be seen as a business decision of the caravan park operator who would take such factors into consideration when making his or her decision to provide such facilities with the aim of moving to a higher value use of the park.

⁷¹⁵ *ibid*

⁷¹⁶ Submission No. 60 from Tourism Western Australia, 8 May 2009, p8.

⁷¹⁷ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p9.

⁷¹⁸ *ibid.*

⁷¹⁹ Submission from Tourism WA to the Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995*, 11 November 2005, p2. Available at: <http://www.tourism.wa.gov.au/publications%20library/polices%20plans%20and%20strategies/tourism%20wa%20submission%20to%20caravan%20park%20act%20review.pdf>. Accessed on 12 February 2009.

⁷²⁰ If the park had advised of long-stay residents, this amount would be discounted as appropriate.

The Water Corporation acknowledged that there is no perfect way of applying a uniform method of estimating the cost of a fixed charge. Major fixtures are considered to be the best option from a range of imperfect alternatives. The Water Corporation advised that many of its costs are driven by the capacity that the system needs to service its customers, whether those services are used or not. Therefore, the system needs to be sized to cater for maximum usage. This has obvious cost impacts for the Water Corporation, and major fixtures are seen as a good representation of the capacity required of the system.

Furthermore, since the implementation of the *Caravan Parks and Camping Grounds Act 1995* (WA) (CPCG Act) and the *Caravan Parks and Camping Grounds Regulations 1997* (WA) (CPCG Regulations), a certain number of fixtures is required depending upon the number of sites in the park. Schedule 7 clause 20 of the CPCG Regulations details the number of showers, toilets and hand basins as well as the length of urinal space required. For example, a park with 91–100 sites is required to have six pedestals, 3,000mm of urinal trough, nine showers and eight hand basins in the male facilities and nine pedestals, nine showers and eight hand basins in the female facilities. Given that the legislation determines the number of fixtures required per number of sites, the Water Corporation believes that the number of fixtures is a fair means of charging for the sewerage service charge.⁷²¹

According to Tourism WA, CIAWA's recommendations in relation to water charges are:

- *Maintaining a minimum fixture charge in line with the Caravan and Camping Act;*
- *Adopting a discharge factor of 40% rather than 95% to reflect industry usage;*
- *Extending a phase-in period to new caravan parks to encourage the development of new parks;*
- *Reviewing barriers to preventing on-site grey and black water treatment; and*
- *Providing incentives to the industry to encourage water efficient design and implementation.*⁷²²

The Committee believes that as businesses caravan parks should be able to pass on increases in these charges to short- and long-stay residents alike. It is important that the business is not asked to subsidise residents who choose to live in a caravan park. If the government decides, for social or other reasons, to mitigate or reduce utility price increases to residents, any such reduction should be made directly by government, not by forcing the subsidy onto park operators. Again, the Committee notes that caravan parks are commercial enterprises and have no other recourse than to pass costs on where they can to recoup the money. This will result in travellers and holidaymakers subsidising residents' cost of living.

⁷²¹ Mr Duncan Bell, Pricing Manager, Water Corporation, Telephone Conversation, 29 July 2009.

⁷²² Submission No. 60 from Tourism Western Australia, 8 May 2009, p9.

While there is currently a policy direction to increase the costs of water and electricity to reflect its increasing scarcity value, caravan parks are major users of these commodities and increasing utility costs are putting real pressure on caravan parks and affecting their ongoing viability.

Finding 62

Rising water and electricity costs are eroding the viability of some caravan parks.

(iii) Rating and Taxing Land Values (Council Rates and Land Tax)

Increasing land valuations as determined by the Valuer General are also seen as problematic by the caravan park industry as it is these valuations that form the basis of LGA charges (council rates) and state government land tax. For example, Albany Holiday Park cites the ‘re-valuation of land values resulting in increased land tax and council rates’ as one of the ‘major challenges’ faced recently, and states that the rates for the property ‘have gone from around 6,000.00 to 28,000.00 per annum over 5 years’.⁷²³ Tourism WA submits that:

*currently in Western Australia, taxes relating to property are calculated based on their Unimproved Value (UV). In the case of caravan parks, the UV is often based on zoning which may permit higher uses than that of a caravan park. For this reason, caravan park owners are charged high land taxes and Council rates.*⁷²⁴

The 2006 *Tourism Planning Taskforce Report* recognises that ‘the impact of land tax on the sustainable operation of a range of regional tourist accommodation facilities has become an issue of concern to the tourism industry over recent years’.⁷²⁵ In fact, land tax was one of the primary submission issues noted by the Tourism Planning Taskforce (the Taskforce).⁷²⁶ It was also one of the most mentioned issues in submissions to this Inquiry. This section of the report outlines how land is valued for rating and taxing purposes, recent changes to valuations and the impact this has on council rates. Because of the particular concern voiced in relation to land tax, discussion of this is reserved for the following section.

The *Valuation of Land Act 1978* (WA) (VL Act) is the Act that provides for the valuation of land in Western Australia. Section 7(1) of the VL Act provides that ‘the Valuer-General shall have the general administration of this Act’ and thus has responsibility for the valuation of land in the state. Under s18 of the VL Act, and for general valuation purposes:

⁷²³ Submission No. 29 from Albany Holiday Park, 28 April 2009, p2.

⁷²⁴ Submission No. 60 from Tourism Western Australia, 8 May 2009, p16.

⁷²⁵ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pvii.

⁷²⁶ *ibid.*, p5.

the Valuer-General shall determine, or cause to be determined, with respect to rateable land, the gross rental value or the unimproved value, as the case requires, so far as that value is required by a rating or taxing authority for the purpose of assessing any rate or tax or is, in the opinion of the Valuer-General, reasonably likely to be so required before the next general valuation of the land is made.

On behalf of the Valuer-General, the Valuation Services branch of Landgate provides property valuations to government agencies and local governments for a number of purposes ‘including the use of values as a basis for assessing rates and taxes’.⁷²⁷ There are two types of values made, namely the Unimproved Value (UV) and the Gross Rental Value (GRV). UV is defined in s 4 of the VL Act, and in certain circumstances, is calculated as a statutory formula. Generally speaking, though, UV is largely divided into land situated within a townsite and land situated outside a townsite. For townsite land the UV is the site value or the value of the land ‘as if it were vacant land with no improvements except merged improvements ... such as clearing, draining and filling’.⁷²⁸ Land not situated in a townsite is valued as if was ‘in its original, natural state, although any land degradation is taken into account’.⁷²⁹ There are certain exceptions to these general provisions, such as for mining tenements, pastoral leases and strata plans, but these general descriptions of UV suffice for this report. UVs are determined by the ‘comparable sales evidence method’ which involves investigation of land property sales at the date of valuation, exclusive of unsuitable sales such as those between related parties.⁷³⁰

Section 4 of the VL Act, also defines GRV, with land GRV meaning:

the gross annual rental that the land might reasonably be expected to realize if let on a tenancy from year to year upon condition that the landlord were liable for all rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land.

The VL Act also makes provisions for circumstances in which the above is difficult to determine or where land is not used for residential purposes only. GRVs are determined using a database of rental evidence, property inspections and analysis of actual rentals. According to Landgate, ‘the GRV normally represents the annual equivalent of a fair weekly rental. For instance a GRV of \$10,400 represents a weekly rental of \$200’.⁷³¹ Under s 32 of the VL Act, landowners have the right to object to a valuation or decision and, if dissatisfied with the Valuer General’s response, under ss 33, 34 and 35 may take the decision to the State Administrative Tribunal (SAT) for review.

⁷²⁷ Landgate, *Valuer General’s Guide to Rating and Taxing Values*, April 2008, p1. Available at: [http://www.landgate.wa.gov.au/docvault.nsf/web/INF_LG_Rating_and_Taxing_Values_200804/\\$FILE/INF_LG_Rating_and_Taxing_Values_200804.pdf](http://www.landgate.wa.gov.au/docvault.nsf/web/INF_LG_Rating_and_Taxing_Values_200804/$FILE/INF_LG_Rating_and_Taxing_Values_200804.pdf). Accessed on 17 July 2009.

⁷²⁸ *ibid.*, p2.

⁷²⁹ *ibid.*, p1.

⁷³⁰ *ibid.*, p2; Brzezinski and Office of the Valuer General [2008] WASAT, 166, 18 July 2008, p3.

⁷³¹ Landgate, *Valuer General’s Guide to Rating and Taxing Values*, April 2008, p2. Available at: [http://www.landgate.wa.gov.au/docvault.nsf/web/INF_LG_Rating_and_Taxing_Values_200804/\\$FILE/INF_LG_Rating_and_Taxing_Values_200804.pdf](http://www.landgate.wa.gov.au/docvault.nsf/web/INF_LG_Rating_and_Taxing_Values_200804/$FILE/INF_LG_Rating_and_Taxing_Values_200804.pdf). Accessed on 17 July 2009.

The Department of Treasury and Finance uses the UV for its assessment of land tax payments. In determining council rates, local government assessments use UVs for rating 'mainly in rural and fringe urban areas'⁷³² and GRVs for rating urban areas. GRVs are also used by local governments to determine sewerage and drainage rates.

Following the determination of the GRV, the LGA calculates the council rates to be charged by determining a 'rate in the dollar' which is then multiplied by the GRV. For example, the Shire of Broome determined the 2008/09 residential rate to be 10.127 cents in the dollar; for a GRV of \$18,000, the council rates would be \$1,822.86 (\$18,000 x 0.10127).⁷³³ The City of Stirling determined its rate in the dollar to be 5.836 for 2009/10, which means for a GRV of \$18,000 the City of Stirling rates would be \$1,050.48.⁷³⁴

Evidence provided to the Committee suggests that the Valuer General has 'adopt[ed] a new regime of assessing Gross Rental Values for the caravan park industry, [and that] GRV's increased dramatically resulting in increased Council Rates'.⁷³⁵ CIAWA submits that:

*the current rating system is considered to penalise those parks which accommodate permanent residents. This fact combined with rising land values is significantly increasing GRV's often as much as 10 fold.*⁷³⁶

This current valuation system was greatly affected by the enactment of the CPCG Act which led to changes in the way the Valuer General considered the valuation of caravan park land. Prior to this Act, the Valuer General had valued the GRV of caravan park land 'in its entirety, that is, as one parcel of land'.⁷³⁷ However, according to a valuer who carried out a valuation that was then subject to review, 'this legislative change was of great significance in relation to the way he approached valuation of the land and the way in which the Valuer General has approached valuation of similar properties. In particular, it made it appropriate to value the land according to the aggregation method'.⁷³⁸

The fact that the CPCG Act allowed the long-term occupation of caravan parks led to the development and implementation of two policies, namely *Valuer General's Office Policy 3.108 - Valuation of Caravan Parks - Fixtures v Chattels (Policy 3.108)* and *Valuer General's Office*

⁷³² *ibid.*, p1.

⁷³³ Shire of Broome, 'All About Rates', nd. Available at: <http://www.broome.wa.gov.au/rates/ratesfaq.pdf>. Accessed on 30 September 2009.

⁷³⁴ City of Stirling, *Statutory Budget 2009-10*, 2009, p11. Available at: <http://www.stirling.wa.gov.au/NR/rdonlyres/F5F8E231-E6AF-49D8-8D70-0447956796C0/0/CityofStirling20092010StatutoryBudget.pdf>. Accessed on 30 September 2009.

⁷³⁵ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p8.

⁷³⁶ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p9.

⁷³⁷ Justice M L Barker, President, State Administrative Tribunal of Western Australia, *JB Investments Pty Ltd and Valuer General [2006] WASAT 55, 3 March 2006*, p4.

⁷³⁸ *ibid.*, p7.

*Policy 3.214 - Valuation of Caravan Parks - Fixtures v Chattels (Policy 3.214).*⁷³⁹ Both Policy 3.108 and 3.214 contain the following:

For the determination of [gross rental value] for Caravan Parks, each site capable of occupation on a year to year basis (Long Stay and Park Homes sites) shall be valued separately and the total of those aggregated with the [gross rental value] of the balance of the Caravan Park determined on a head tenancy basis.

In effect, these policies required each long-stay or transportable home site to be valued and then aggregated or added together. This means that the rental agreement for each site is taken into consideration in calculating the GRV.

As noted above, valuations can be appealed to the SAT for review, and one such review provides insight into these changes and their impact on the caravan industry. This case involved the contestation of the provisions of s 24 of the VL Act which allows the Valuer General to assign a land valuation by aggregating the valuations that would have been assigned separately to any parts of the land under valuation.⁷⁴⁰

In 2006, the SAT heard an application from J B Investments Pty Ltd which held that the GRV for its Mandurah park home estate as determined by the Valuer General using the aggregation valuation method was ‘not fair or is unjust, inequitable or incorrect’.⁷⁴¹ The GRV for this property for 2001/2002 was \$97,760, which made the rates payable to the City of Mandurah \$13,070.45. The GRV for 2002/2003, based on the aggregation method, was assessed at \$520,000, making the City of Mandurah’s rates assessment \$39,393.35.

The SAT ‘consider[ed] that the aggregation method results in a valid and appropriate determination of gross rental value of the land, and that the evidence presented enables the determination of gross rental value in accordance with this method’.⁷⁴² The Tribunal held that its members had ‘no doubt’ that one of the premises on which Parliament enacted s 24 of the VL Act:

*was that a taxpayer’s affairs might be valued and subsequently assessed or taxed in a way that exposed them to rather more tax than if they had been engaged in, or were regarded as being engaged in, separate transactions, units or parts of commerce, trade, business, use or ownership. The same would apply, as here, where a corresponding division into or recognition of those parts for the subsequent aggregation of them is, in effect, permitted.*⁷⁴³

The obvious consideration to be made here is whether a caravan park operator could reasonably be expected to absorb such high increases in rate values as other businesses do, and simply increase

⁷³⁹ Mr David Dumas, Valuer, cited in Justice M L Barker, President, State Administrative Tribunal of Western Australia, JB Investments Pty Ltd and Valuer General [2006] WASAT 55, 3 March 2006, p7.

⁷⁴⁰ Section 24 is subject to ss 62 and 63 of the *Strata Titles Act 1985* (WA).

⁷⁴¹ J B Investments Pty Ltd cited by Justice M L Barker, President, State Administrative Tribunal of Western Australia, JB Investments Pty Ltd and Valuer General [2006] WASAT 55, 3 March 2006, p7.

⁷⁴² Justice M L Barker, President, State Administrative Tribunal of Western Australia, JB Investments Pty Ltd and Valuer General [2006] WASAT 55, 3 March 2006, p9.

⁷⁴³ *ibid.*, pp15-16.

their daily tariff or long-stay rent. Aspen Parks advised that its 2005 attempts to increase rent in at one of its parks by \$10 has resulted in 2 years of court and SAT proceedings.⁷⁴⁴ According to Aspen Parks, this demonstrates the price sensitivity of the market. This issue is discussed further in Section 6.2(c) below.

Recommendation 15

Local government rates for caravan parks that provide predominantly tourist caravan and camp sites should be based on a GRV calculated on caravan park use rather than general tourism use.

(iv) Land Tax

As noted above, land tax is one of the most significant issues the caravan park industry suggests it is currently facing. According to the Shire of Augusta-Margaret River, ‘probably [the] most important issue for the ongoing viability of caravan parks in WA is the current State Land Tax debate’.⁷⁴⁵

Land tax is based upon the value of the land at its unimproved market value (UV) which, in turn is based upon the best use of the land. The highest and best use land value is determined by the zoning of the land. Therefore, regardless of the extent of development on the site, or its existing earning capacity, the tax levied will reflect the highest possible value of that land in accordance with its zoned use.⁷⁴⁶

The Valuer General’s office advised the Taskforce that:

*this trend [to redevelop low-cost forms of tourist accommodation] relates to the immature nature of the tourism industry in Western Australia, where currently a higher value is placed on prime tourism land for residential use, and is driven by the valuation process used for calculating land tax. As properties are valued at their highest and best use, based on an unimproved land value, where they are under a common tourist zoning it can result in similarly sized and located properties paying similar land tax, irrespective of the extent of development or income-earning potential of the property. A low-key accommodation facility [for example, a caravan park] may pay similar land tax to a five-star resort, resulting in continued pressure for the redevelopment of the low-key property to generate sufficient income to manage an increasing tax liability.*⁷⁴⁷

⁷⁴⁴ Mr Lino Brolese, Aspen Parks Property Management Ltd, Telephone Conversation, 31 July 2009.

⁷⁴⁵ Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p4.

⁷⁴⁶ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pviii and pp55-56; Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p8.

⁷⁴⁷ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p17.

Land tax is charged according to a progressive scale, as shown in Table 6.4.

Table 6.4: Land Tax Rates 2008–2009 and 2009–2010⁷⁴⁸

Total Taxable Unimproved Value of Land	Rates
0 - 300,000	Nil
300,001 - 1,000,000	0.09 cent for each \$1 in excess of \$300,000
1,000,001 - 2, 200,000	\$640 plus 0.47 cent for each \$1 in excess of \$1,000,000
2, 200,001 - 5,500,000	\$6,270 plus 1.22 cents for each \$1 in excess of \$2,200,000
5,500,001 - 11,000,000	\$46,530 plus 1.46 cents for each \$1 in excess of \$5,500,000
Over 11,000,000	\$126,830 plus 2.16 cents for each \$1 in excess of 11,000,000

As noted, assessing land tax on the basis of best use value for a particular zone means that a caravan park site on tourism zoned land may be valued on the same basis as tourism zoned land containing a resort or some other high-value tourism accommodation.⁷⁴⁹

As land tax is calculated on a progressive scale, the increase in land values has also had a significant impact on the tax payable by caravan park operators.⁷⁵⁰ The Chamber of Commerce and Industry and the Tourism Council of Western Australia (CCI/TCWA) argue that ‘all businesses, including caravan parks, are increasingly burdened by land tax’.⁷⁵¹ These organisations ‘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’.⁷⁵²

This method of determination has a number of consequences for caravan parks and camping grounds. According to submissions to the Taskforce:

the State land tax framework [is] encouraging the redevelopment of many low-cost forms of tourist accommodation to resort-style developments, and resulting in a loss of

⁷⁴⁸ Adapted from Department of Treasury and Finance, *Land Tax - Rates*, Government of Western Australia, Perth, nd, p1. Available at: http://www.dtf.wa.gov.au/cms/_print.aspx?id=239. Accessed on 3 August 2009.

⁷⁴⁹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p55.

⁷⁵⁰ Submission No. 29 from Albany Holiday Park, 28 April 2009, p1.

⁷⁵¹ Submission No. 73 from Chamber of Commerce and Industry/Tourism Council of Western Australia, 20 May 2009, p2.

⁷⁵² *ibid.*

*accommodation diversity. It was noted that this trend had the potential to intensify as the cumulative effect of a number of years of significantly increasing land tax took effect.*⁷⁵³

Increasing land tax was also believed to negatively affect the general earning potential of caravan parks, as demonstrated by the following quotes.

*Land tax bills have often increased beyond the earning capacity of the park.*⁷⁵⁴

*Land tax increases that are disproportionate to increases in income-earning potential have been perceived as affecting the general affordability of coastal holiday opportunities and reducing the range of accommodation available, through encouraging redevelopment.*⁷⁵⁵

*Without some form of concession provided to operators of the caravan parks there is a real risk of the industry going into decline. The current expense of land tax, plus insurance is not sustainable, because operators must pass on these costs to the holiday makers, creating affordability issues.*⁷⁵⁶

Tourism WA lists the implications of land tax as following:

- *Considerable financial burden on operators, many of whom are on a break-even level*
- *Limitations to passing on costs due to publication of tariffs and package deals*
- *Negative occupancy impact of tariff increases required to cover increased costs*
- *Potential closure of caravan parks and resorts*
- *Very limited potential to increase tariffs in the off-season with costs being recovered by increases in tariffs in peak school holiday periods*
- *Significantly increased pressure for redevelopment to enable income-generation potential to match land tax liabilities*⁷⁵⁷

Before considering what, if anything, might be done by government in relation to land tax, it is useful to examine the position of other Australian jurisdictions.

⁷⁵³ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p17.

⁷⁵⁴ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p8.

⁷⁵⁵ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pvii.

⁷⁵⁶ Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p4.

⁷⁵⁷ Tourism Western Australia, *Tourism Planning Taskforce Report: Summary*, January 2006, p8. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Polices%20Plans%20and%20Strategies/Summary%20of%20Report.pdf>. Accessed on 16 February 2009.

All Australian jurisdictions levy land tax with the exception of the Northern Territory and the Australian Capital Territory. Several states have land tax exemptions in place with respect to caravan parks. In South Australia, for example, ‘land may be wholly exempted from land tax if the land constitutes a caravan park’.⁷⁵⁸ Land used as a caravan park in Victoria is likewise exempt from land tax. If the land is sold for an alternative use or ceases to be used for a caravan park, however, it becomes subject to a special land tax. This is a one-off tax that is payable when the land ceases to be exempt and is charged at the rate of five cents in the dollar of the taxable value of the land.⁷⁵⁹ When the Victorian government introduced the land tax exemption for caravan parks with effect from 1 January 2005, it cited the desire to ‘ensure the supply of caravan parks is maintained in the future’.⁷⁶⁰ The land tax exemption was seen as a way of keeping the cost of providing caravan park accommodation down, without which many caravan parks would be sold for redevelopment. As such, the land tax exemption would help preserve the mix of affordable accommodation.⁷⁶¹ Significantly, once the exemption is claimed for a caravan park, it cannot be discontinued without incurring the special land tax, and therefore acts as an incentive for caravan park owners to stay in the industry.

In Queensland, an exemption applies to land used predominantly as a moveable dwelling park (that is, where caravan or manufactured home sites are leased or rented) if:

*more than 50% of sites in the park are occupied, or solely available for occupation, for residential purposes for periods of more than 6 weeks at a time.*⁷⁶²

In New South Wales, owners of residential parks (including caravan parks) primarily used and occupied by retired persons may be eligible for a complete or partial exemption from land tax subject to certain criteria being met.⁷⁶³

In Tasmania⁷⁶⁴ and the Australian Capital Territory,⁷⁶⁵ land used as a caravan park is still subject to land tax.

⁷⁵⁸ Section 5(10)(d) *Land Tax Act 1936* (SA).

⁷⁵⁹ State Revenue Office Victoria, ‘Land Tax Exemptions’, December 2008, p3. Available at: [www.sro.vic.gov.au/sro/SROWebSite.nsf/revenue/2A6AA771DC52C88FCA25752E0004D132/\\$File/publication-LTX-05_2009.pdf](http://www.sro.vic.gov.au/sro/SROWebSite.nsf/revenue/2A6AA771DC52C88FCA25752E0004D132/$File/publication-LTX-05_2009.pdf) Accessed on 17 June 2009.

⁷⁶⁰ Victoria Department of Treasury and Finance, ‘Land tax exemption: Caravan Parks’, December 2004. Available at: [www.dtf.vic.gov.au/dtf/rwp323.nsf/0/8bb130f49e8f5a25ca256f6500801dc2/\\$FILE/ATTZP6R9/CaravanParks_Brochure.pdf](http://www.dtf.vic.gov.au/dtf/rwp323.nsf/0/8bb130f49e8f5a25ca256f6500801dc2/$FILE/ATTZP6R9/CaravanParks_Brochure.pdf). Accessed on 17 June 2009.

⁷⁶¹ *ibid.*

⁷⁶² Queensland Office of State Revenue, ‘Exemptions, Concessions and Deductions’, April 2009. Available at: www.osr.qld.gov.au/land-tax/exemp-reb-land-tax/index.shtml Accessed on 28 May 2009.

⁷⁶³ New South Wales Office of State Revenue, ‘Land Tax - Other Exemptions’, March 2009. Available at: www.osr.nsw.gov.au/taxes/land/exemptions/other. Accessed on 25 May 2009.

⁷⁶⁴ Land used as a caravan park is not listed as exempt land under ss 17, 18 or 19 of the *Land Tax Act 2000* (Tas).

⁷⁶⁵ ACT Revenue Office, ‘Land Tax’, June 2009. Available at: www.revenue.act.gov.au/land_tax. Accessed on 29 June 2009.

In states where land tax exemptions apply to caravan parks, it offers a clear financial incentive to caravan park owners to stay in the industry. In Victoria, as noted above, this financial incentive is further reinforced by a penalty (one-off special land tax) should the caravan park use be discontinued. New South Wales and Queensland specifically target certain sectors of the market by offering land tax exemptions to caravan parks catering predominantly for retired persons or long-term residents respectively. It is reasonable to suggest that these incentives are aimed at ensuring alternative forms of affordable housing are available for these sections of the community.

In Western Australia, from 2005–2006 under s 39B of the *Land Tax Assessment Act 2002* (WA) (LTA Act) a 50% land tax concession became available for caravan park land as defined in s 39A. Under s 39A(2) of the LTA Act, land is deemed to be dwelling park land if:

- (a) *The land is, or is part of, a caravan park or camping ground;*
- (b) *The caravan park or camping ground is –*
 - (i) *operated or required to be operated, under a licence issued under the Caravan Parks and Camping Grounds Act 1995; or*
 - (ii) *operated by a local government on land that is not owned by, or vested in, the local government; and*
- (c) *the land is used solely for dwelling park purposes.*⁷⁶⁶

This concession was introduced by the Government of Western Australia in response to representations from owners of tourism properties in general, and caravan park owners in the south west, and on the advice of the Taskforce.⁷⁶⁷ The Explanatory Memorandum for the Revenue Laws Amendment Bill (No. 3) 2005 acknowledged that in recent years the:

*rapid growth in land values has led to large increases in land tax bills faced by some caravan park and camping ground owners, particularly in coastal areas and the south-west region. In 2005-06, around a third of caravan parks are expected to experience land value increases of between 30% and 100% relative to the 2004-05 values.*⁷⁶⁸

The Bill also increased the land tax exemption threshold and the progressive tax rates in an effort to help address bracket creep due to rising land values. However, the Bill also recognised that ‘increases in land tax bills resulting from revaluations of this magnitude would have the potential to threaten the on-going viability of these facilities, despite adjustments to the land tax scale’.⁷⁶⁹

⁷⁶⁶ Section 39A(1) defines dwelling park purposes as ‘the purpose of use, as sites on which caravans, caravans and camps, or park homes [certain classes of vehicles designed for habitation as defined in the *Caravan Parks and Camping Grounds Act 1995*] are, or may be situated for habitation and any related purposes’.

⁷⁶⁷ Hon. Eric Ripper, MLA, Treasurer, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 23 June 2005, pp3348-49.

⁷⁶⁸ Explanatory Memorandum, Revenue Laws Amendment Bill (No. 3) 2005, p1. The Bill received Royal Assent on 29 August 2005 and the Act came into operation on Assent as Act No. 10 of 2005.

⁷⁶⁹ Explanatory Memorandum, Revenue Laws Amendment Bill (No. 3) 2005, pp1-2.

According to the then Treasurer, the Hon. Eric Ripper, MLA, the ‘object of the exercise is to preserve caravan parks as a low-cost holiday destination, and we are giving an incentive to caravan parks, through the 50 per cent land tax concession, to remain in operation’.⁷⁷⁰ Furthermore, Mr Ripper argued that as well as generally increasing the tax burden on caravan park operators, it was clear that the rapid increase in land values was ‘creating a financial incentive for caravan park owners to either subdivide or change the use of the land’.⁷⁷¹ The government’s decision to introduce the concession was based upon a desire to maintain the viability of caravan parks and to ‘preserve the ability of Western Australian families to have a low-cost holiday in a caravan park’.⁷⁷²

The Bill and subsequent amendments to the LTA Act also contained a clawback provision aimed to be a ‘disincentive should a person decide to take a profit from subdividing and not having the caravan park remain in operation’.⁷⁷³ In the event that a caravan park (dwelling park) land is subdivided, s 15A of the LTA Act provides that the subdividing owner must repay the land tax concession claimed for the 5 years prior to subdividing.

In a 2005 discussion paper, the then Department of Local Government and Regional Development (DLGRD) suggested that caravan park land tax concessions apply in order to lower ‘operational costs for caravan park owners and provide an incentive for the development of further caravan parks’.⁷⁷⁴ Nevertheless, while the 50% land tax concession is seen as ‘a considerable benefit’⁷⁷⁵ and something that is welcomed by caravan park operators, concern was expressed to the Committee that the effect of the concession has been negated by rising land values. For example, Mandalay Resort and Tourist Park submits that:

*following the 2002 Ministerial Tourism Taskforce’s Investigation of the Impact of Combining Permanent Residential Accommodation on Tourist Zoned Land and the Impact of Strata Titling of Tourist Accommodation, the WA State Government decided to discount the Land Tax on Caravan Parks by 50%. The Year it was introduced, the Valuer General did a land revaluation of our property (which doubled) and the Land Tax remained almost the same.*⁷⁷⁶

Similarly, Tourism WA submits:

⁷⁷⁰ Hon. Eric Ripper, MLA, Treasurer, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 23 June 2005, p3369.

⁷⁷¹ *ibid.*, p3349.

⁷⁷² *ibid.*

⁷⁷³ *ibid.*, p3369.

⁷⁷⁴ Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995: Discussion Paper*, September 2005, p12. Available at: <http://www.dlgrd.wa.gov.au/Publications/Docs/CaravanParksCampingGroundsActPaper.pdf>. Accessed on 12 February 2009

⁷⁷⁵ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p4.

⁷⁷⁶ Submission No. 22 from Mandalay Resort and Tourist Park, 24 April 2009, p5.

*in 2005/06 the Western Australian Government granted a 50% concession on land tax for caravan parks. However, due to heavy increases in land values (some over 100%), many caravan park operators were still faced with higher tax bills than the year before.*⁷⁷⁷

Submissions to the Inquiry suggested a number of options to reduce the cost of land tax to caravan park businesses. The Shire of Augusta-Margaret River submits that ‘concessions for caravan parks from this tax would reduce the overhead costs of the parks, hence reducing the tariffs and in turn making caravan parks a more attractive investment option’.⁷⁷⁸

Tourism WA suggests following South Australia and Victoria in providing a full exemption on land tax for caravan parks while they remain caravan parks.⁷⁷⁹ Aspen Parks, while acknowledging that ‘some relief by the 50% concession in Land Tax in 2005 has been beneficial to the industry’, calls for Western Australia to adopt Victorian and South Australian policy, arguing that:

*a further reduction or complete exemption is considered necessary to ensure those remaining within the industry continue to remain profitable, irrespective of the zoning of their land. Other states including Victoria and South Australia have abolished Land Tax on caravan parks which should be adopted here in WA.*⁷⁸⁰

Tourism WA suggests that ‘land valuations take into account current use of the land, not potential uses’ as this will reduce the land rates and taxes paid by caravan park operators and thus encourage them to remain in the caravan park industry.⁷⁸¹

The *Tourism Planning Taskforce Report* also calls for ‘the use of a detailed zoning framework that zones tourism sites for a specific purpose or category of tourism development’.⁷⁸² According to the report, this ‘can have ancillary benefits in ameliorating land tax increases through reducing the speculative effect on the valuation of such land’.⁷⁸³

However, the CCI/TCWA express doubts that ‘re-zoning tourism zoned land to caravan park zoning would adequately address industry’s concerns about rising land tax.’⁷⁸⁴ Rather, they ‘are

⁷⁷⁷ Submission No. 60 from Tourism Western Australia, 8 May 2009, p15.

⁷⁷⁸ Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p4.

⁷⁷⁹ Submission No. 60 from Tourism Western Australia, 8 May 2009, p15.

⁷⁸⁰ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p8.

⁷⁸¹ Submission No. 60 from Tourism Western Australia, 8 May 2009, p16.

⁷⁸² Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pviii.

⁷⁸³ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pviii.

⁷⁸⁴ Submission No. 73 from Chamber of Commerce and Industry/Tourism Council of Western Australia, 20 May 2009, p2.

concerned that re-zoning may distort the market and fail to recognise a proponent's decision for investing in tourism zoned land'.⁷⁸⁵

Imposing land tax on the basis of best use value for a particular zone means that caravan parks are taxed as if they have redeveloped to the highest land use. This, in effect, provides further incentive to operators to redevelop their land. This has the added impact of placing further pressures on caravan park supply.

Finding 63

Rising land values have effectively negated the value of the 50% land tax concession to caravan park operators.

Finding 64

Land tax charges based on best use value of the land provide further incentive to caravan park operators to redevelop their land, thus further reducing the supply of caravan parks and/or sites.

Recommendation 16

The land tax concession for caravan parks that provide predominantly tourist caravan and camp sites be increased to 100%.

Recommendation 17

The clawback provision for a 100% land tax concession should be increased to 10 years.

(c) Potential Impact of Rising Costs on Supply

The cost of electricity supply and charges, water usage and waste water costs, and rating and taxing land values were the main cost issues raised in evidence to the Committee. Evidence presented to the Committee suggests that these and other increasing costs have a significant impact on the supply of caravan parks and camping grounds. According to Tourism WA:

⁷⁸⁵ *ibid.*

*there is a general concern amongst operators that increasing operating costs will price caravan parks out of the market with the most significant being electricity, water rates, land tax and charges and wages.*⁷⁸⁶

The Albany Holiday Park submits that ‘it is now nearly impossible to run a small park profitably due to the increased costs and this fact will be borne over the next few years as the small operations close due to financial losses or dereliction’.⁷⁸⁷

Generally speaking, when a business incurs increased operating expenses it incorporates those increases into the selling price of its goods and/or services, thus impacting upon the purchasers. The proprietor of the Margaret River Tourist Park and Country Cottages argues that it is ‘important for the relative authorities to realise that the various taxes and charges do not hurt the operator but the consumer’.⁷⁸⁸ The Pink Lake Tourist Park submits that the increasing costs of operating a caravan park ‘are passed on through increased tariffs (sic)’.⁷⁸⁹ This park recognises ‘the need to balance costs, affordability (sic) and return’.⁷⁹⁰ According to the York Caravan Park, ‘although the economic circumstances are a cause for concern, the cost of goods and services continues to rise, with the increased cost being passed on to the customer’.⁷⁹¹

While this may be the case, there is evidence to suggest that the caravan park industry is a price sensitive industry and that passing on increased costs is not always an option. According to Aspen Parks:

*given the price-sensitive nature of the industry, these increases quite often can't be passed on to the end users who include retirees travelling around Australia and an increased domestic demand for 'the affordable family holiday'.*⁷⁹²

In 2005 a petition was presented to the Legislative Assembly of Western Australia in which the residents of Woodman Park Caravan Park and Coogee Beach Caravan Park expressed their ‘outrage’ at the ‘decision of ASPEN PARKS to increase our Annual Rent by 10%, given that CPI is below 3%’.⁷⁹³ The petition bore 222 signatures and called upon the Minister for Consumer Affairs ‘to investigate the behaviour of the ASPEN GROUP’.⁷⁹⁴ The Committee understands that

⁷⁸⁶ Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Caravan Park Operators*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Caravan%20Park%20Operators.pdf>. Accessed on 26 March 2009.

⁷⁸⁷ Submission No. 29 from Albany Holiday Park, 28 April 2009, p1.

⁷⁸⁸ Submission No. 38 from Margaret River Tourist Park and Country Cottages, 6 May 2009, p1.

⁷⁸⁹ Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p2.

⁷⁹⁰ *ibid.*

⁷⁹¹ Submission No. 63 from York Caravan Park, 14 May 2009, p6.

⁷⁹² Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, pp8-9.

⁷⁹³ Hon. Fran Logan, MLA, then Minister for Housing and Works, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 23 August 2009, p4364.

⁷⁹⁴ *ibid.*

the rental increase was approximately \$10 per week and that the residents and Aspen Parks had the matter heard before the SAT.⁷⁹⁵

This notion that the industry is price sensitive is supported by Tourism Australia/Tourism WA data that found that while Western Australian park prices are similar to those offered by Eastern States parks, ‘users were concerned that the price is getting too expensive for the type of accommodation offered’.⁷⁹⁶

The CCI/TWA also ‘understand some caravan parks are highly price sensitive due to seasonal demand which limits the ability to pass on cost increases to consumers’.⁷⁹⁷ The York Caravan Park also suggests that this results in caravan park operators being ‘obliged to offer discounts. Package deals may be popular at off peak times. Pensioners and seniors are always grateful when a discount is offered’.⁷⁹⁸

One suggested consequence of the price-sensitive nature of the caravan park industry is the possibility that parks will not be adequately maintained. According to the *Understanding the Caravan Park Industry in WA* report, increasing operating costs mean that these costs must be largely absorbed in order to keep this type of accommodation within the range of affordability of its traditional source market (i.e. families and caravanners). This can mean a reduction of services, the running down of facilities, or decreasing staff to uncomfortable levels.⁷⁹⁹ This is supported by the Shire of Denmark which attributes the decline in caravan parks, in part, to:

*parks becoming run down and financially unviable and finally closing due to their inability (sic) to meet the costs of major maintenance and upgrading to meet RAC star rating levels and current industry amenity standards.*⁸⁰⁰

Similarly, Tourism WA submits that:

*if operators are not able to pass on these increasing operating costs to users and instead absorb the increases, it has been suggested that the quality of the product will be affected as improvements and upgrades will not be able to be financed.*⁸⁰¹

⁷⁹⁵ Mr Lino Brolese, Aspen Parks Property Management Ltd, Telephone Conversation, 31 July 2009.

⁷⁹⁶ Tourism Western Australia, *Understanding the Caravan Industry in WA: Fast Facts for Caravan Park Operators*. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Research/Fast%20Facts%20for%20Caravan%20Park%20Operators.pdf>. Accessed on 26 March 2009.

⁷⁹⁷ Submission No. 73 from Chamber of Commerce and Industry/Tourism Council of Western Australia, 20 May 2009, p2.

⁷⁹⁸ Submission No. 63 from York Caravan Park, 14 May 2009, p6.

⁷⁹⁹ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p82.

⁸⁰⁰ Submission No. 49 from Shire of Denmark, 1 May 2009, p2.

⁸⁰¹ Submission No. 60 from Tourism Western Australia, 8 May 2009, p8.

Another impact of increasing operating costs is the trend toward redevelopment of caravan parks either into residential housing (as discussed above) or into alternative forms of tourist accommodation (see Section 6.3 below).

According to WAACCI:

*the level of growth in high property values together with the relatively large increases in the park operating costs (land tax, water, drainage, sewerage & power rates etc), is causing many caravan parks owners to sell their land or convert to other higher yielding developments such as resorts, apartments, residential and mining accommodation.*⁸⁰²

The *Understanding the Caravan Park Industry in WA* report notes ‘anecdotal feedback’ suggesting that ‘significant increases in operating costs of caravan parks has made it difficult for some operators to continue to provide tourism accommodation’.⁸⁰³ Tourism WA also acknowledges that ‘absorbing the increasing costs reduces the profit on the business and can make other redevelopment options look more attractive’.⁸⁰⁴

Finding 65

The absorbing of increasing operating costs by caravan park owner/operators reduces the profitability of caravan parks and, in turn, makes other redevelopment options more attractive.

Finding 66

Increasing operating costs of caravan parks are leading caravan park owner/operators to develop higher yielding tourism accommodation. Therefore, controlling operating costs in the caravan park industry is paramount to retaining the supply of caravan parks.

(d) Aging Infrastructure

Aging infrastructure is an issue that generally impacts upon caravan parks more than camping grounds. As WALGA advises:

camping grounds do not have the same associated costs and can offer an excellent little business. Camping grounds offer lower costs of set up, because they do not require the

⁸⁰² Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p14 and p15.

⁸⁰³ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p1.

⁸⁰⁴ Submission No. 60 from Tourism Western Australia, 8 May 2009, p8.

*same level of infrastructure, as they don't require underground power or sealed roads, and as a result also have much less maintenance.*⁸⁰⁵

Nevertheless, as WALGA also acknowledges, while camping grounds have fewer infrastructure requirements and can often cater for larger numbers of visitors, 'on the other side of the equation a operator can't charge as much for camping (\$13 - \$30)'.⁸⁰⁶ Given this, and while not diminishing the infrastructure costs associated with camping grounds, this section deals predominantly with the aging infrastructure of caravan parks.

Australia-wide, the ability to 'finance the upgrading of parks as regulations change' is noted as problematic for park operators.⁸⁰⁷ This is particularly pertinent for older parks, and 'the financing of upgrading infrastructure like access roads, and the increasing costs of providing facilities as clients' needs change'.⁸⁰⁸

Aging infrastructure is highlighted as a particular issue around Australia:

*there are serious concerns about the age of Australia's caravan parks and the implications from the effect of obsolescence. It has been shown that most of Australia's parks were built before 1979 and constructed to cater for the holiday expectations of that era. As the infrastructure of a caravan park has a life of approximately 25 years, properties that have not been refurbished or are not planning to, are in serious danger of becoming uninteresting and stale.*⁸⁰⁹

The Victorian Reference Group found that user expectations regarding facilities in parks were becoming harder to meet. It states:

*while the market research conducted by the Reference Group indicates that users of Victoria's coastal Crown land parks prefer their 'low key' and undeveloped look and feel, the general community's expectations for higher-quality caravan and camping facilities is increasing. The Reference Group predicts that this shift in expectations will continue over the next decade. Some parks in particular will need to improve their level of facilities, especially if they are to increase visitor numbers outside traditional peak times.*⁸¹⁰

⁸⁰⁵ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p6.

⁸⁰⁶ *ibid.*

⁸⁰⁷ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, piv.

⁸⁰⁸ *ibid.*

⁸⁰⁹ Reed, Richard and Greenhalgh, Emma, 'The Changing Role of Caravan Parks', *Australian Property Journal*, vol. 37, no.7, August 2003, p509.

⁸¹⁰ Department of Sustainability and Environment, *Caravan and Camping Parks on Coastal Crown Land*, Victorian Government, Melbourne, May 2006, p8.

The Reference Group also found that facility upgrades and maintenance were an increasing cost for parks. Furthermore, a large number of parks in Victoria did ‘not have long-term management plans to guide sustainable development’.⁸¹¹

According to Aspen Parks, the caravan park industry faces several issues in relation to infrastructure, as listed following.

- *Infrastructure investment with most parks built in the 60’s (ageing power, water, sewer and gas infrastructure);*
- *Investment in tourist facilities within the property (i.e. resort style swimming pools, etc); and*
- *Investment in communal building (games rooms or ablution blocks).*⁸¹²

This property group sees infrastructure investment as a factor of land tenure arrangements, and this is discussed further in Section 6.4(c). The CCI/TCA also understands that caravan parks operating on leasehold land are ‘limited in their ability to source finance’, with the consequence that ‘operators’ willingness to invest in infrastructure and facilities’ is limited.⁸¹³

The Horrocks Beach Caravan Park acknowledges that ‘for a Park to run properly you have to have a good infrastructure’.⁸¹⁴ However, this operator also has concerns about the standard and cost of infrastructure in caravan parks, submitting that:

*90% of Shire owned Parks are old and worn out and it isn’t fair that the Lease holders have to foot the bill for essential Buildings at their expense when the Buildings etc are owned by the Shire (Maintenance [Yes] but major work [No]).*⁸¹⁵

According to the City of Albany, the infrastructure provided in the caravan parks in its locality ‘varies markedly’.⁸¹⁶ Information received by the City of Albany suggests that parks operated as part of a national chain or franchise must maintain a particular standard and that this leads to considerable capital investment in such parks. However, as the City of Albany submits:

the smaller caravan parks have generally invested considerably less in maintaining infrastructure for those tourists using a caravan or tent, and they have progressively

⁸¹¹ *ibid.*

⁸¹² Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p4.

⁸¹³ Submission No. 73 from Chamber of Commerce and Industry/Tourism Council of Western Australia, 20 May 2009, p3.

⁸¹⁴ Submission No. 37 from Horrocks Beach Caravan Park, 4 May 2009, p1.

⁸¹⁵ *ibid.*

⁸¹⁶ Submission No. 81 from City of Albany, 28 May 2009, p1.

*increased the number of chalets and permanent occupants, particularly where the caravan parks are more remote from urban areas and major tourism destinations.*⁸¹⁷

Throughout its investigative travel to various parts of the state the Committee observed a wide variation in the quality of infrastructure ranging from exceptional through average to poor and even derelict. The Committee believes that the poor state of some parks is possibly a reflection of the owner's intention in relation to the land, that is, to keep it for its speculative value as land rather than a going concern as a caravan park, or in contemplation of higher value use.

The former DLGRD acknowledges that the industry has identified the raising of funds for refurbishment and redevelopment of aging infrastructure as an issue affecting park viability.⁸¹⁸ One issue identified to assist in this regard is 'support to raise finance for investment in facilities'.⁸¹⁹

Finding 67

Aging infrastructure and a lack of investment in the upgrading and refurbishment of caravan parks are major problems confronting the caravan park industry.

Finding 68

The high cost associated with caravan park refurbishment increases the likelihood of further redevelopment of caravan park land for alternative uses.

Finding 69

The poor state of some caravan parks is possibly a reflection of the owner's intention in relation to the land, that is, to keep it for its speculative value rather than its current use as an operating caravan park.

Evidence presented to the Committee also suggests that caravan park operators are concerned about the cost of complying with government legislation and regulations, particularly in relation to infrastructure. Issues relating to compliance are discussed further in Chapter 9 on the impact of legislation on the viability of caravan parks and camping grounds. It suffices to note at this stage that there are two aspects to compliance, namely the annual compliance cost associated with

⁸¹⁷ *ibid.*

⁸¹⁸ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p4.

⁸¹⁹ *ibid.*

meeting licence requirements and the redevelopment compliance costs involved in redevelopment or refurbishment.

6.3 Provision of Alternative Tourist Accommodation

As noted in the introduction to this chapter, the supply of caravan parks has been impacted by the redevelopment of caravan parks and camping grounds into alternative (mostly self-contained) holiday accommodation. The demand trend for alternative tourist accommodation was noted in Chapter 4.

Evidence presented to the Committee shows that many caravan parks are diversifying the types of accommodation they provide by building higher end accommodation on traditional caravan and camping sites. There is also evidence that some caravan parks are redeveloping the entire park and converting to higher yielding, more up-market types of tourism accommodation such as resorts.⁸²⁰

According to the Shire of Augusta-Margaret River:

*there has been a significant increase in cabin type accommodation to improve the product mix within the parks to cater for the diverse needs of the clients. There is increasing demand for this type of accommodation that competes with mid-level motel accommodation but offered the additional benefits of staying in a caravan park.*⁸²¹

Similarly, the Shire of Albany submits that:

*the smaller caravan parks have generally invested considerably less in maintaining infrastructure for those tourists using a caravan or tent, and they have progressively increased the number of chalets and permanent occupants, particularly where the caravan parks are more remote from urban areas and major tourism destinations.*⁸²²

As the following demonstrate, this trend is also acknowledged by government and industry bodies.

*Some former traditional caravan parks have been converted into permanent affordable accommodation, or 'lifestyle villages', while others have been developed for higher yielding tourist accommodation or residential development.*⁸²³

*Existing parks, predominantly mixed, are understood to be redeveloping to accommodate the changes in demand for both affordable housing and an increase in the variety of holiday accommodation.*⁸²⁴

⁸²⁰ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p9; Submission No 81, Shire of Albany, 28 May 2009, p1; Submission No. 22 from Mandalay Resort and Tourist Park, 24 April 2009, p4.

⁸²¹ Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p2.

⁸²² Submission No. 81 from Shire of Albany, 28 May 2009, p1.

⁸²³ Submission No. 60 from Tourism Western Australia, 8 May 2009, p3.

⁸²⁴ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p8.

Furthermore, the shift to higher value accommodation has been noticed by those who use caravan parks and camping grounds. For example, Mrs Rose Haggett, someone who has used the same park for over 40 years, submits that:

*the trend seems to be towards more expensive accommodation, e.g. units and cabins, where we see a need for short stay, low cost facilities, that accommodates families who enjoy camping e.g. grassed, shady areas for tents and caravans.*⁸²⁵

The Wedge Island Protection Association Inc. notes that ‘caravan parks throughout the State are either being redeveloped for upmarket tourist facilities or sites are on a first come first served basis, especially in the north’.⁸²⁶

The redevelopment to alternative tourist accommodation appears to be more prevalent in coastal regions. This is hardly surprising as ‘caravan parks are typically located in desirable coastal or waterfront locations and are targeted for redevelopment into resort style accommodation’.⁸²⁷ Local governments have also noticed the predominance of this trend in coastal areas. The Shire of Carnamah states that:

*of recent times many privately owned coastal caravan parks have been closed to the traditional user and upgraded to a higher standard of accommodation and/or converted to ‘townhouse’ type accommodation. No doubt this phenomenon will continue as the value of coastal land continues to escalate.*⁸²⁸

The City of Mandurah also submits that:

*Mandurah, like many ‘sea-change’ coastal areas, is experiencing a shift in the caravan park industry, as parks located on prime waterfront land are closed and redeveloped as either resort-style accommodation or upmarket residential complexes. Whilst this boosts the availability of high-end accommodation in Mandurah, it negatively impacts on the availability of budget tourist accommodation, and also displaces a large number of permanent park residents.*⁸²⁹

In summary then, there are several reasons why park owner/operators have opted to develop higher yield accommodation. Those suggested to the Committee throughout the Inquiry are outlined following.

⁸²⁵ Submission No. 2 from Mrs Rose and Mr Gordon Haggett, 7 April 2009, p1.

⁸²⁶ Submission No. 51 from Wedge Island Protection Association Inc., 30 April 2009, p1.

⁸²⁷ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p1.

⁸²⁸ Submission No. 20 from Shire of Carnamah, 21 April 2009, p1.

⁸²⁹ Submission No. 70 from City of Mandurah, 18 May 2009, p5.

- As described in Chapter 4, there has been a shift in demand for higher value tourist accommodation. It was suggested to the Committee that this could mean that ‘the industry has ... moved with the times’.⁸³⁰
- It has occurred as a response to rising land values (discussed above).⁸³¹
- It has occurred as a response to the decreasing profitability of traditional caravan parks, which leads owner/operators to develop other accommodation in an effort to increase revenue streams.⁸³² This is made easier and thus more attractive by the use of ‘generic tourist zonings’.⁸³³
- It is seen by some as an impact of the CPCG Act which formalised the mixed use of caravan parks.⁸³⁴

The impacts of this diversification of supply are as follows.

- An undeniable decrease in the number of traditional, lower-priced caravanning and camping sites available in caravan parks.⁸³⁵ This is a cause of some concern to the more budget conscious traveller.⁸³⁶
- The potential for the exclusion of the traditional user, mainly through the decreasing affordability for family holidays,⁸³⁷ although one park operator does argue that caravan parks are still ‘an affordable holiday destination for families’.⁸³⁸

⁸³⁰ Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p2.

⁸³¹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p13; Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p1.

⁸³² Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p2; Submission No. 19 from PRD Nationwide Project Marketing (WA), 20 April 2009, p1; Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p1; Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p13.

⁸³³ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p13.

⁸³⁴ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p11.

⁸³⁵ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p1; Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p3.

⁸³⁶ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 30 April 2009, pp6-7.

⁸³⁷ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p13 and p18; Submission No. 46 from Shire of Boyup Brook, 1 May 2009, p1; Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p3; Submission No. 49 from Shire of Denmark, 1 May 2009, p1.

⁸³⁸ Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p1.

Finding 70

Many caravan parks are diversifying the types of accommodation provided by building higher end accommodation on traditional caravan and camping sites either by converting a proportion of sites or redeveloping the entire park into higher yielding, more up-market types of tourism accommodation such as resorts.

Finding 71

Caravan park operators decide to develop higher yielding accommodation for a number of reasons, including:

- a shift in demand for higher value tourist accommodation
- rising land values
- decreasing profitability of traditional caravan parks
- the impact of the *Caravan Parks and Camping Ground Act 1995* (WA) which formalised the mixed use of caravan parks.

Finding 72

The diversification of caravan parks into higher yielding accommodation results in a decrease in the number of traditional, lower-priced caravanning and camping sites available in caravan parks.

Finding 73

The diversification of caravan parks into higher yielding accommodation risks caravan parks' capacity to provide an affordable family holiday, which means the potential exclusion of the traditional family holidaymaker.

6.4 Barriers to the Supply of New Parks or Further Development of Existing Parks

According to evidence presented to the Committee, the most significant barriers to the supply of new parks are the establishment costs, the availability of suitable land, land tenure of leasehold land, which also has an impact on the availability of finance for developments, and the planning and development process. Establishment costs, land availability and land tenure are discussed in this section; planning barriers to the establishment of new caravan parks are discussed in Chapter 7, Section 7.8.

(a) Establishment Costs

The *Tourism Planning Taskforce Report* states that the factors affecting the development of new caravan parks include ‘the lack of availability of new low-cost sites and the servicing costs associated in establishing these sites’.⁸³⁹

WALGA considers ‘that new caravan parks are not being opened because it is not anywhere near as financially attractive as other types of developments. The cost of developing a caravan park is seen as prohibitive by developers, and the period of return on investment is over a much longer period of time’.⁸⁴⁰

There are also regional variations in establishment costs. For example, as the Town of Port Hedland explains, ‘in the Pilbara the development of caravan sites is very expensive as the cost of labour hire is often cost prohibitive and the installation of services can be a time consuming process’.⁸⁴¹

The cost of meeting statutory requirements is seen as a significant proportion of the high establishment costs of new caravan parks. PRD Nationwide suggests that ‘even if the land were free the cost of building a new park to the standard required by legislation will deter most investment’.⁸⁴² The Shire of Denmark attributes the current decline in supply to ‘the high costs and head works fees associated with developing new parks’.⁸⁴³ Similarly, the City of Mandurah is of the view that, ‘due to the cost of developing the facilities and infrastructure which is a legislative/regulatory requirement in new caravan parks, there is little prospect of the development of these parks occurring’.⁸⁴⁴ The Wedge Island Protection Association Inc. argues that:

⁸³⁹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p13.

⁸⁴⁰ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p4.

⁸⁴¹ Submission No. 3 from Town of Port Hedland, 6 April 2009, p2.

⁸⁴² Submission No. 19 from PRD Nationwide Project Marketing (WA), 20 April 2009, p2.

⁸⁴³ Submission No. 49 from Shire of Denmark, 1 May 2009, p2.

⁸⁴⁴ Submission No. 70 from City of Mandurah, 18 May 2009, p7.

*under existing Caravan Park/Camping Ground regulations, the water supply stipulations are a costly exercise, especially where no other infrastructure exists. A commercial developer is unlikely to commit to the scale required to service the need. Hence the availability of legitimate sites (either caravan, chalet or camping) will be limited and the demand will exceed supply.*⁸⁴⁵

As noted in Chapter 7, WALGA also sees Native Title clearance as a factor impacting on the cost of establishing new caravan parks. The Association argues that:

*Crown Land will require clearance and where this had typically been negotiated by the State Government, in recent times the State Government has required developers to enter into negotiations with the indigenous group themselves. This is an additional upfront cost, and the agreement will often also contain ongoing payments as well.*⁸⁴⁶

Estimates provided in evidence to the Committee place the cost of developing a single caravan site in the vicinity of \$50,000. For example, WALGA estimates this cost:

*to now be as high as \$40,000 and this only accounts for the costs of providing the necessary infrastructure, which includes, cement blocks, power to and underground power within the site, underground sewerage and toilet blocks. Not to mention other additional requirements to meet the the (sic) Caravan Park and Camping Ground regulations.*⁸⁴⁷

According to WALGA, this estimate does not include the 'other major upfront expense', namely the required land.⁸⁴⁸ WALGA believes that:

*even taking a conservative approach to the cost of developing a caravan site, at approximately \$35,000 per site - a caravan park with 100 sites would cost \$3.5M just to develop the infrastructure.*⁸⁴⁹

CIAWA also estimates the site costs of residential parks to be approximately \$50,000 to \$55,000, 'excluding the original cost of the land but including the development of recreational/communal facilities such as pool, bowling green, clubhouse'.⁸⁵⁰

Alongside the high establishment costs are the reported low returns and long-term nature of returns. For example, Roebuck Bay Caravan Park argues that 'the cost of building a new park versus the return means that no one is building new parks'.⁸⁵¹ This is also the position of Pink Lake Tourist Park, which holds that parks are not being established due to establishment costs and

⁸⁴⁵ Submission No. 51 from Wedge Island Protection Association Inc., 30 April 2009, p1.

⁸⁴⁶ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, pp4-5.

⁸⁴⁷ *ibid.*

⁸⁴⁸ *ibid.*

⁸⁴⁹ *ibid.*

⁸⁵⁰ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p21.

⁸⁵¹ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1.

subsequent return.⁸⁵² The Pink lake Tourist Park understands that ‘a powered site [would need] to be charged at \$60.00 per night to justify the outlay’.⁸⁵³ Given the previously mentioned price sensitivity of the market, this tariff is likely to be received negatively by caravanners.

WALGA agrees with these sentiments and submits that:

*the level of investment required and the time required to see a return on the investment is not attractive and means it is unlikely that we will see the development of caravan parks on privately owned land, and definitely not on the coast.*⁸⁵⁴

WALGA believes that:

*the upfront cost is prohibitive and the return is long term - it could be 7 or 8 years before a developer recovers the cost of the infrastructure and that does not include all the ongoing costs of running a caravan park, such as employee wages, costs of water and power, and maintenance of the facilities.*⁸⁵⁵

The Wedge Island Protection Association Inc. also submits that:

*the development of suitable sites for the self-contained family budget market is either not economic for commercial operators or is beyond the capacity of government agencies to meet demand.*⁸⁵⁶

As is discussed further in Chapter 7 at Section 7.8, planning issues are also seen as a barrier to the establishment of new parks. For example, according to the Shire of Busselton:

*at present there are no new Tourist Caravan Parks being built in WA. Those parks that are planned are bogged down in Planning Schemes. They suffer from Regulations such as environmental issues, health, access and services such as waste disposal, electricity, roads, amenities and land scaping. Once all the issues are sorted out the park is no longer viable on \$26 per night. In the last 10 years the Shire of Busselton has had numerous Development Applications for Proposed Caravan Parks and all have fallen through.*⁸⁵⁷

Finding 74

The high costs of establishing a caravan park, together with the long-term nature of the investment, is a significant barrier to the development of new caravan parks.

⁸⁵² Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p2.

⁸⁵³ *ibid.*

⁸⁵⁴ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p5.

⁸⁵⁵ *ibid.*

⁸⁵⁶ Submission No. 51 from Wedge Island Protection Association Inc., 30 April 2009, p2.

⁸⁵⁷ Submission No. 22 from Mandalay Resort and Tourist Park, 24 April 2009, p5.

(b) Land Availability

Urban encroachment and increasing land values not only result in caravan park and camping ground closure, but have the added consequence of increasing the scarcity of land available for the development of new or replacement facilities. According to DoC:

*the number of suitable and available alternative sites has reduced as residential park operators consider alternative and more lucrative uses of their land due to the expansion of the urban fringe and an increase in land prices in Western Australia since 2001.*⁸⁵⁸

Furthermore, as CIAWA states:

*Rising land values in regional and metropolitan areas have made it impossible for investors and potential developers of affordable tourism facilities, ie caravan parks, to acquire land and develop new facilities. This is evidenced by the fact that there have only been 4 new short-stay caravan parks developed in WA in recent years.*⁸⁵⁹

In discussing the difficulties and cost involved in developing a caravan park site, WALGA also submits that the cost of land is a 'major upfront expense particularly on the most desirable locations where land prices are highest, such as along the coastline'.⁸⁶⁰ Similarly, the Shire of Denmark alerts the Committee to the difficulties associated with 'finding suitably priced freehold or crown leasehold land for developing new parks'.⁸⁶¹

In its 2005 submission to the CPCG Act review, Tourism WA included 'land availability issues' in its list of issues exacerbating the supply of caravan parks.⁸⁶² At hearing, Tourism WA stated that the agency had been:

*trying to address some of those issues with land availability by making sure that crown land and local government land is considered for caravan parks and by securing those parcels of land. We know that when it is leasehold land from either local government or the state, it is easier to secure the long-term future of the caravan park.*⁸⁶³

⁸⁵⁸ Submission No. 52 from Department of Commerce, 1 May 2009, p23.

⁸⁵⁹ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p19.

⁸⁶⁰ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p5.

⁸⁶¹ Submission No. 49 from Shire of Denmark, 1 May 2009, p2.

⁸⁶² Submission from Tourism WA to the Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995*, 11 November 2005, p3. Available at: <http://www.tourism.wa.gov.au/publications%20library/policies%20plans%20and%20strategies/tourism%20wa%20submission%20to%20caravan%20park%20act%20review.pdf>. Accessed on 12 February 2009. The other issues noted were rising costs and development pressures.

⁸⁶³ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p3.

Further, the agency advised the Committee of their Landbank initiative which was designed to identify and help facilitate the development of suitable caravan park sites throughout the state.⁸⁶⁴

To date, through supply and demand studies ‘to identify the future tourism needs’ in particular areas, Tourism WA has identified 36 Landbank sites in Western Australia, ranging from ‘high-end tourism sites within a national park to town-based sites like in Broome’.⁸⁶⁵

According to Tourism WA, ‘there is no shortage of interest’ from investors in these prospective building sites; ‘there is a big line at the door’.⁸⁶⁶ Investors are aware that Western Australia ‘is a very prospective place for getting new tourism developments off the ground’.⁸⁶⁷ However, in discussing the number of these sites that had become operational, Tourism WA admits that this does not necessarily apply to caravan parks. Rather, the investor interest was in ‘the high-end safari lodge, eco tent area’ and that the caravan park market in particular had not been tested.⁸⁶⁸

In relation to Landbank, Tourism WA sees its role as helping to bring sites to market by doing ‘some of the work instead of the investors doing the work’.⁸⁶⁹ According to Tourism WA:

*an investor might come into the state and want to do something, but it will take him five years to get a site off the ground. We thought it was better for the brand of Western Australia as an investment destination if we did some of that work up-front so it was not seen as being so hard.*⁸⁷⁰

Tourism WA is not in a position to fast-track development and in getting land to market must conform to the same planning and development requirements as private developers. Tourism WA acknowledge that this ‘is a hard road ... it is hard work and it has been slow’, particularly as tourism as an industry is less mature than others such as commercial, resource and residential development.⁸⁷¹ Tourism WA argues that ‘development is extremely difficult in Western Australia and other parts of Australia. [...] We [Tourism WA] hear from developers all the time about the difficulties of setting up here’.⁸⁷²

⁸⁶⁴ *ibid.* See also Submission No. 60 from Tourism Western Australia, 8 May 2009, p21.

⁸⁶⁵ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p4.

⁸⁶⁶ *ibid.*, p14.

⁸⁶⁷ *ibid.*

⁸⁶⁸ *ibid.*

⁸⁶⁹ *ibid.*

⁸⁷⁰ *ibid.*

⁸⁷¹ *ibid.*

⁸⁷² Mr Richard Muirhead, Chief Executive Officer, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p14.

Tourism WA also acknowledge that the process is expensive, citing the Kununurra caravan park as ‘a very good example’.⁸⁷³ This site will cost Tourism WA ‘over \$100 000 to do the pre-feasibility work to get that to market’, excluding fixed costs such as staffing.⁸⁷⁴ Other ‘more complex sites’ have cost Tourism WA ‘around \$300 000’ to get to market.⁸⁷⁵ In order to make land ‘market ready’, Tourism WA contracts LandCorp to do the work and take the sites to market. Furthermore, while LandCorp must recover its costs, Tourism WA is not subject to the same requirements. Rather, the agency sees its Landbank expenditure ‘as a sunk cost, as an investment in tourism’.⁸⁷⁶ Nevertheless, it has been necessary for Tourism WA to reduce its costs and the agency is reassessing just how far it can afford to develop a site.

While Tourism WA sees potential in the Landbank programme, and cites the Broome North caravan park site as an example of their good relationship with LandCorp, the Committee has doubts as to the success of the project. While Tourism WA presents a positive outlook for Landbank, it does concede that they are on a ‘long, slow road’.⁸⁷⁷

It appears that the Landbank initiative has not achieved the success it aimed for. However, it may also be that the overarching issue is that caravan parks are simply not attractive investment options and despite Tourism WA’s best efforts with Landbank, the solution really lies with addressing the supply pressures on caravan park operations and development.

Finding 75

Urban encroachment and increasing land values have the added consequence of increasing the scarcity of land available for the development of new or replacement caravan parks and camping grounds.

(c) Land Tenure

For caravan parks and camping grounds that operate on leasehold land, security of tenure is an issue. For example, the owner/operators of Horrocks Beach Caravan Park have concerns that they believe would also be of concern ‘to most Parks that are Leased from the Local Government Bodies (Shire Councils)’.⁸⁷⁸ According to these owner/operators, they do not have ‘enough

⁸⁷³ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p14.

⁸⁷⁴ *ibid.*

⁸⁷⁵ Mr Richard Muirhead, Chief Executive Officer, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p14.

⁸⁷⁶ *ibid.*, p15.

⁸⁷⁷ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p3.

⁸⁷⁸ Submission No. 37 from Horrocks Beach Caravan Park, 4 May 2009, p1.

security of extending the Lease before it comes to Expiry (We have a 21 year Lease and there are 12 years left, but there is no Guarantee that we will get another block of 21 years when the current one expires)'.⁸⁷⁹

Aspen Parks argues that 'the performance of Leasehold properties within the industry is hindered by the length of tenure offered by legislative controls'.⁸⁸⁰ According to Aspen Parks, 'generally within the market place, the maximum length of tenure offered by State and Local Government departments is restricted to a 21 + 21 year period. The majority of leasehold properties have been operating for a number of years and have less than 20 years left to run in their lease'.⁸⁸¹

The main concern raised in evidence in relation to security of tenure is the restrictions this places on investment and finance. PRD Nationwide advises that 'releasing/rezoning new land on less prime land will help in some areas, ... but if the land is leasehold and the uses are too restrictive, this will also discourage investment'.⁸⁸² The CCC/TCWA also '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'.⁸⁸³ These organisations further understand that:

*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.*⁸⁸⁴

WALGA, citing a paper prepared for the Taskforce, suggests that potential developers face certain problems and obstacles when looking to finance new developments, particularly as 'lending institutions take a more conservative position when considering financing a tourism asset'.⁸⁸⁵ WALGA submits that:

*a potential developer will be more likely to secure finance where the development has a degree of permanent accommodation for sale. This type of mixed use tourism development will need to be considered by Government if it is to increase the likelihood of investment in caravan parks.*⁸⁸⁶

Aspen Parks argues that there are several issues that arise from the tenure restrictions, including:

- the availability of bank refinancing

⁸⁷⁹ ibid.

⁸⁸⁰ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p4.

⁸⁸¹ ibid.

⁸⁸² Submission No. 19 from PRD Nationwide Project Marketing (WA), 20 April 2009, p2.

⁸⁸³ Submission No. 73 from Chamber of Commerce and Industry/Tourism Council of Western Australia, 20 May 2009, p3.

⁸⁸⁴ ibid.

⁸⁸⁵ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p5.

⁸⁸⁶ ibid.

- infrastructure investment
- investment in tourist facilities within the park
- investment in communal buildings such as ablution blocks⁸⁸⁷

One park operator advised the Committee that at their park, which has a 21 year lease with approximately 13 years remaining, the infrastructure is in very poor condition:

*the power grid is no good, the sewer system is an antique and it needs repair now. We are the tenant, I have got a landlord; if it was an office building, I would go to my landlord and say, "Fix up the infrastructure if you expect us to lease here." We go to council and say, "The infrastructure is falling down; fix it." They are saying, "We've got no money to do it." We are sitting there and during summer, literally, somebody puts a kettle on and it trips out a whole street. We tell people that they cannot put the air conditioning on whilst they are having a cup of coffee because the infrastructure is that bad. It was built in the 1950s and 1960s. It was built for caravans that were a toaster back in those days, as opposed to the houses you have got now.*⁸⁸⁸

This operator further advised that he was:

*more than happy to put millions into that property to promote tourism in that region ... but the short-term leases do not allow us to do that. It is a big, big problem with the industry. We need to extend those periods.*⁸⁸⁹

The CCI/TCWA also suggest that government needs to 'consider providing greater certainty to operators with leasehold arrangements by providing either an additional extension of 21 years or a 99 year lease'.⁸⁹⁰

Industry has also called for increases in the term of leases. Aspen Parks argues that offering investors longer term leases of 50 to 100 year tenure would provide an incentive because it would 'improve investment risk'.⁸⁹¹

Finding 76

Leasehold caravan park operators have little incentive to remain in the industry or to invest in their parks without longer tenure of the land.

⁸⁸⁷ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p4.

⁸⁸⁸ Closed Evidence, *Transcript of Evidence*, p10.

⁸⁸⁹ *ibid.*

⁸⁹⁰ Submission No. 73 from Chamber of Commerce and Industry/Tourism Council of Western Australia, 20 May 2009, p3.

⁸⁹¹ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p4.

The Committee acknowledges the difficulties that arise from the lack of security of tenure of the land for caravan park owners/operators who operate on leased land. The Committee believes it is incumbent upon government to identify caravan park and camping land and to vest this land in LGAs. This would allow LGAs to either develop and operate a caravan park on this land or to lease the land to an operator either in perpetuity or on a 50 year lease.

Recommendation 18

The government identify land suitable for the development of caravan parks and camping grounds, and vest this land in Local Government Authorities, either in perpetuity or on a 50+ year lease, exclusively for use as caravan parks or camping grounds, primarily targeting short-stay tourism.

The Committee recognises that locating suitable land will be a difficult task. To this end, the Committee believes that the Department of Environment and Conservation (DEC), which has a large estate, should take a lead role in identifying and making available land on their estate that could be used for nature based caravan parks and camping grounds.

Finding 77

Unless the Department of Environment and Conservation allocates portions of its existing estate and/or future estate to caravanning and camping there will be a continuing shortage of caravan and camping sites.

Recommendation 19

The Department of Environment and Conservation take a lead role in identifying and making available land on its estate that could be used for nature-based caravan parks and camping grounds.

Finding 78

Land availability for the future provision of caravan and camping grounds in Western Australia, particularly in the South West, Peel and Pilbara Regions, can best be met from government owned land, particularly land held under the jurisdiction of the Department of Environment and Conservation and the Western Australian Planning Commission.

Recommendation 20

The Western Australian Planning Commission conduct an audit of land under its control in the Peel, South West, Kimberley and Pilbara Regions which, with appropriate zoning, could be identified for the purposes of caravan and camping ground use.

Recommendation 21

The Department for Environment and Conservation identify areas of land within their control and or/eventual control in the Peel, South West, Kimberley and Pilbara Regions which could be identified for use as caravan parks and camping grounds.

Recommendation 22

Specifically, land identified for regional parks in the Peel Region Scheme and the Greater Bunbury Region Scheme be referred to the Department of Environment and Conservation for its potential for caravan and camping sites.

Recommendation 23

The Department of Environment and Conservation review its policies relating to the use of Conservation Parks for the purposes of caravan and camping ground use.

CHAPTER 7 PLANNING AND DEVELOPMENT

7.1 Introduction

A range of developments within the caravan and camping industry have led, over time, to a degree of discrepancy and inconsistency in the planning and development framework and its application to caravan parks and camping grounds. For example, one submission notes that ‘due to the evolution of the Caravan Park Industry and diverse market sectors that it services, Town Planning regulation for the industry in some circumstances falls “between the cracks” and adds confusions (sic) for some Government departments in dealing with the development of a property’.⁸⁹² It uses the example of residential parks to illustrate how the industry can cross ‘boundaries between caravan park development and small lot subdivisions’.⁸⁹³

Similarly, the Shire of Gingin points to a disjunction between town and regional planning mechanisms and the government’s vision for the state, claiming that various government agencies give out different messages.⁸⁹⁴ Discrepancies within the state’s planning framework in relation to tourism developments were also highlighted by the 2006 Ministerial Taskforce, the Tourism Planning Taskforce (the Taskforce), which is discussed in more detail in the following section. The Taskforce concluded that in Western Australia the local statutory framework is ‘relatively detailed, although inconsistent’.⁸⁹⁵ It also found that this local framework was ‘not supported with State-level policy direction’.⁸⁹⁶ While this report did not inquire into caravan parks and camping grounds in particular, it does provide important background to this Inquiry and is therefore discussed briefly in the following section.

Also provided in the way of background is a brief summary of the main components of the state planning framework and their particular application to the caravan park and camping ground industry. This background information will place the issues discussed into some context.

The remainder of this chapter canvasses issues and evidence as raised in the course of this Inquiry. Major issues for existing caravan park operators relate to a recent requirement for local tourism planning strategies and zoning under town planning schemes. Planning and development issues which arise from the long-stay occupation of caravan parks are also relevant to this Inquiry and discussed in this chapter. A summary of the issues relating to strata titling of caravan parks and building approvals and regulation is provided, and finally, the planning barriers to the development of new caravan parks are outlined.

⁸⁹² Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p5.

⁸⁹³ *ibid.*

⁸⁹⁴ Shire of Gingin, *Committee Briefing*, 19 June 2009.

⁸⁹⁵ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p28.

⁸⁹⁶ *ibid.*

7.2 The 2006 Tourism Planning Taskforce Report

In September 2002, the then Minister for Planning and Infrastructure established a Ministerial Taskforce ‘to examine issues surrounding the trends of introducing residential components to tourism developments on tourist zoned land and the strata titling of tourism developments’.⁸⁹⁷ According to the former Department for Planning and Infrastructure (DPI) the Taskforce was to:

*investigate whether the planning process catered for the tourism industry, how tourism sites were protected from inappropriate residential development, how caravan parks could be zoned better and what impact strata titling had on tourism facilities. At the request of the then Minister, the WAPC published the Tourism Taskforce report in 2006.*⁸⁹⁸

The Taskforce was to investigate the potential impacts of residential developments in tourism accommodation facilities in general and, in particular:

- *the maintenance of a high level of accessibility to prime recreation areas by the general population;*
- *the high potential of tourism development to generate regional employment opportunities; and*
- *the maintenance of a variety of tourist accommodation options throughout the State.*⁸⁹⁹

In relation particularly to caravan parks and camping grounds, the Taskforce found that these kinds of accommodation have historically been used along the coast and in other scenic areas, but more recently ‘have tended to be the subject of redevelopment pressures’.⁹⁰⁰ While sites were often relocated, the Taskforce concluded that ‘the development of replacement facilities no longer is occurring at a rate sufficient to cover redeveloped sites and as such is resulting in a reduction in accommodation diversity’.⁹⁰¹ It found that that this lack of replacement is apparently due to factors such as the lack of availability of new affordable sites, and also ‘the servicing costs associated in establishing these sites’.⁹⁰²

The Taskforce heard concern expressed from the both the tourism industry and former Department of Local Government and Regional Development (DLGRD) regarding the insufficient caravan park bays for visitors. The *Tourism Planning Taskforce Report* states that ‘the lack of

⁸⁹⁷ *ibid.*, pv.

⁸⁹⁸ Submission No. 48 from Department for Planning and Infrastructure, 1 May 2009, p2.

⁸⁹⁹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pv.

⁹⁰⁰ *ibid.*, p13.

⁹⁰¹ *ibid.*

⁹⁰² *ibid.*

development of new parks and the redevelopment of existing parks, combined with the conversion of short-stay sites to long-stay use, are important factors in this trend'.⁹⁰³

The Taskforce made a range of findings and recommendations which impact upon the planning and development of current and proposed caravan parks and camping grounds. Firstly, it proposed that in order to retain a range of tourism accommodation there is a 'need for the introduction of more specific zonings, such as "caravan and camping grounds", "chalet and cabin" and "tourist resort" into local government schemes'.⁹⁰⁴ It was the view of the Taskforce that this rezoning would 'limit the opportunity for redevelopment and take into account the local tourism demands and requirements in an area'.⁹⁰⁵

The second important conclusion of the Taskforce was in relation to Crown land. The use of Crown land is seen to be an important strategy to address any loss of coastal caravan parks. The Taskforce was of the view that there is potential for Crown land sites to be used for future tourism developments, and that these sites should 'be identified, made available and developed to meet the demand for affordable accommodation'.⁹⁰⁶ In addition, there is envisaged a 'need to retain existing Crown sites used for low-key tourism development'.⁹⁰⁷

Finally, the production of local planning strategies was deemed necessary by the Taskforce, and these must acknowledge all three functions of caravan parks and camping grounds; that is, 'as providing for tourist, seasonal and residential accommodation'.⁹⁰⁸ As a part of this recognition, local planning strategies were identified as a vehicle to identify strategic and non-strategic tourism sites, which should be zoned appropriately.⁹⁰⁹

There has been some criticism that the outcomes of the Taskforce have taken too long to implement. The Western Australian Local Government Association (WALGA) claims that:

unfortunately, the vast majority of recommendations made by the Taskforce and supported by Local Government have not been implemented, or even begun by State Government Agencies. Despite this some Local Governments have already begun taking action to protect caravan parks through local planning strategies, but for these to be effective they will require the support of State Government ... The delay in implementing the recommendations of the Tourism Planning Taskforce, along with failure to address the issues brought forward in other departmental reviews of legislation, has meant that the

⁹⁰³ *ibid.*

⁹⁰⁴ *ibid.*, p18.

⁹⁰⁵ Submission No. 48 from Department for Planning and Infrastructure, 1 May 2009, p2.

⁹⁰⁶ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p18.

⁹⁰⁷ *ibid.*

⁹⁰⁸ Submission No. 48 from Department for Planning and Infrastructure, 1 May 2009, p2.

⁹⁰⁹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p65, p68, and pp72-73.

*severity of the problem has increased, and more caravan parks have been lost as a consequence.*⁹¹⁰

The Committee understands that the major recommendations of the Taskforce, such as local tourism planning strategies, a statement of planning policy and the tourism sites register is currently being undertaken by government. In the interim, *Planning Bulletin 83: Planning for Tourism* (PB 83) has the effect of ensuring the application of the Taskforce recommendations. PB 83 is discussed further below, at Sections 7.3(b) and 7.3(d)(i).

7.3 The Planning and Development Framework

The planning framework in Western Australia is administered by the Minister for Planning, the Department of Planning (DoP)⁹¹¹ and the Western Australian Planning Commission (WAPC). The relationship between these is described as:

*working together on planning issues where the WAPC powers and resources are employed in accordance with government and WAPC policy, and where the DPI [now Department of Planning] provides both the professional planning and the administrative support to achieve the government and/or WAPC desired outcomes.*⁹¹²

The state planning framework informs the development of caravan parks and camping grounds, largely through town planning. Town planning is achieved through both statutory regulation and strategic direction. Strategic direction is provided by WAPC through the State Planning Strategy and outlines the long-term vision for the state. Statutory regulation ‘is the legal and approval arm of planning’, comprised of legislation which ensures ‘appropriate land use and development controls’ to ‘manage the process of land use, land supply and urban development’.⁹¹³ Town planning activities are carried out both at a state and local government level.

Following is a brief description of each of the components of the planning framework, and how they impact upon the development of caravan parks and camping grounds.

(a) State Planning Strategy

Under the *Western Australian Planning Commission Act 1985* (WA),⁹¹⁴ WAPC is required ‘to take a lead in preparing a planning strategy for the state as a basis for coordinating and promoting

⁹¹⁰ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p1.

⁹¹¹ Formerly the Department for Planning and Infrastructure.

⁹¹² Department of Planning, *An Introduction to the Western Australian Planning System*, October 2007, p2. Available at: <http://www.planning.wa.gov.au/Plans+and+policies/Publications/1468.aspx>. Accessed on 21 July 2009.

⁹¹³ *ibid.*, p1.

⁹¹⁴ Section 18(1)(b) *Western Australian Planning Commission Act 1985* (WA).

regional land use planning and land development, and for guiding government departments and instrumentalities, and local governments on those matters'.⁹¹⁵

The *State Planning Strategy* is a high level strategic document which identifies strategies and actions for the state government on the main principles of environment, economy, community and infrastructure, and includes planning responses for challenges faced by the state. It provides a summary of 'the main strategic planning issues facing the State up to its bicentenary in 2029'.⁹¹⁶

Relevant to this Inquiry, the *State Planning Strategy* identifies tourism as 'a major source of growth' in the service sector of the economy.⁹¹⁷ It also identifies areas with 'High Conservation/Tourism Values' (predominantly the Kimberley, the Gascoyne and the South West) and areas of tourism to be actively promoted (for example, eco-tourism in the Kimberley and water-based tourism in the Gascoyne).⁹¹⁸

(b) Statements of Planning Policy

Statements of Planning Policy, or State Planning Policies (SPPs), are broad, high level strategic policies which are developed by WAPC under the *Planning and Development Act 2005* (WA). WAPC and local governments must take into account the provisions of SPPs in the preparation or amendment of local planning schemes, or when making planning decisions.⁹¹⁹

Many of the current SPPs affect caravan parks and camping grounds in that they guide decisions upon issues such as rural land use, residential design codes and coastal planning. These are planning issues that directly affect current and future caravan parks and camping grounds. For example, SPP No. 26, entitled *State Coastal Planning Policy*, affects coastal planning and is discussed further in Section 7.8 below.

The Taskforce noted in its report that 'there are a limited number of SPPs in Western Australia, none of which deals specifically with tourism'.⁹²⁰ The Taskforce recognised that a SPP on Land Use Planning could be 'an effective mechanism for implementation of the outcomes of the taskforce investigations [including long-stay and short-stay issues]'.⁹²¹ The formulation of such a

⁹¹⁵ Western Australian Planning Commission, *State Planning Strategy*, December 1997, p1. Available at: <http://www.wapc.wa.gov.au/Publications/52.aspx>. Accessed on 19 February 2009.

⁹¹⁶ Department for Planning, *An Introduction to the Western Australian Planning System*, October 2007, p1. Available at: <http://www.planning.wa.gov.au/Plans+and+policies/Publications/1468.aspx>. Accessed on 21 July 2009.

⁹¹⁷ Western Australian Planning Commission, *State Planning Strategy*, December 1997, p11. Available at: <http://www.wapc.wa.gov.au/Publications/52.aspx>. Accessed on 19 February 2009.

⁹¹⁸ *ibid.*, p16 and p30.

⁹¹⁹ Western Australian Planning Commission, 'State Planning Policies'. Available at: <http://www.wapc.wa.gov.au/Publications/State+planning+policies/default.aspx>. Accessed on 19 February 2009.

⁹²⁰ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p20.

⁹²¹ *ibid.*

policy is being undertaken by WAPC as part of the establishment of wider ‘detailed planning mechanisms’ for tourism.⁹²² DPI (now DoP) advises that a draft *State Planning Policy - Land Use Planning for Tourism* was endorsed by WAPC in December 2007. It appears, however, that concerns raised by industry ‘with respect to the implications of some of the Taskforce recommendations’ has meant that this draft policy is under review and has not yet been released for public comment.⁹²³ According to DoP, this new draft SPP does make specific reference to caravan parks.⁹²⁴

In the interim, ‘decision-making by the WAPC and local government on subdivision, development and scheme amendment proposals for tourism purposes’ is guided by PB 83 (see below).⁹²⁵

Finding 79

The *State Planning Policy - Land Use Planning for Tourism* is expected to provide guidance on tourism in Western Australia, including land use planning for caravan parks.

Finding 80

Drafting of the *State Planning Policy - Land Use Planning for Tourism* has been a lengthy process, largely due to industry concerns.

Recommendation 24

The Minister for Planning ensures that the implementation of the *State Planning Policy - Land Use Planning for Tourism* be finalised as a matter of priority.

(c) Regional Strategies and Regional Structure Plans

Regional strategies and regional structure plans interpret the *State Planning Strategy* for application to a particular region. They provide the basis for co-operation between state and local government authorities (LGAs) on land use and development. While not always a statutory

⁹²² Department of Planning, *Planning Bulletin 83: Planning for Tourism*, June 2009, p1. Available at: <http://www.planning.wa.gov.au/Publications/1419.aspx>. Accessed on 21 July 2009.

⁹²³ Submission No. 48 from Department for Planning and Infrastructure, 1 May 2009, pp2-3.

⁹²⁴ Ms Anne Hill, Executive Director, Regional Planning and Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p2.

⁹²⁵ Department of Planning, *Planning Bulletin 83: Planning for Tourism*, June 2009, p1. Available at: <http://www.planning.wa.gov.au/Publications/1419.aspx>. Accessed on 21 July 2009.

requirement, they provide a framework for planning decisions and are utilised by WAPC and LGAs to ‘help make decisions about the subdivision and development of land’, for example, decisions regarding subdivision, rezoning and development applications.⁹²⁶

They ‘generally deal with the issue of tourism development from the perspective of facilitating the achievement of the benefits of tourism for regional economic growth’.⁹²⁷ According to the *Tourism Planning Taskforce Report*, ‘it is clear from the context of many of the strategies and actions that permanent occupation of tourism facilities is not envisaged’.⁹²⁸

(d) Planning Bulletins and Development Control Policies

Planning bulletins and development control policies are less formal policies developed by WAPC which provide guidance to state agencies and local governments on statutory planning issues.

(i) Planning Bulletins

Planning bulletins are produced by WAPC to provide advice on statutory planning issues (for example, legislation and subdivision).

WAPC *Planning Bulletin 49: Caravan Parks* (PB 49) relates to caravan parks and:

*provides advice on appropriate locations for caravan parks, managing visual and environmental impacts, and provision of utility services. It refers to the Caravan Parks and Camping Grounds Regulations for design standards, and reiterates the prohibition on strata titling of caravan parks under both those regulations and the Strata Titles Act.*⁹²⁹

Unlike regional strategies and structure plans, planning bulletins do envisage the dual use of caravan parks. PB 49 provides that the key planning objectives for the development of caravan parks are:

to provide short-term accommodation for tourists in locations which complement existing tourist and recreation facilities;

to provide long-term accommodation for permanent residents in locations with access to services normally available to conventional residential development; and

⁹²⁶ Department for Planning and Infrastructure, *An Introduction to the Western Australian Planning System*, October 2007, p10. Available at: <http://www.planning.wa.gov.au/Plans+and+policies/Publications/1468.aspx>. Accessed on 21 July 2009.

⁹²⁷ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p20.

⁹²⁸ *ibid.*, p21.

⁹²⁹ Submission No. 48 from Department for Planning and Infrastructure, 1 May 2009, p2.

*to encourage development of caravan parks in a manner which is compatible with existing land uses, and which does not have a detrimental impact on the environment or the amenity of the locality.*⁹³⁰

PB 49 states that the factors which must be taken into account when determining suitable sites for caravan parks are:

- type of caravan park: for example, short- or long-stay, tourism orientated, or mixed
- visual impact and amenity
- topography, draining, soils and vegetation
- utility services
- pedestrian and vehicular access
- environment, setting and land capability considerations⁹³¹

Planning Bulletin 71: Residential Leasehold Estates and Development (PB 71) pertains to residential leasehold estates and developments. It clarifies the obligations of WAPC ‘in respect of determination of proposals for long term leases of land and buildings’, and provides advice around ‘relevant planning considerations in respect of residential leasehold estates and developments’.⁹³² It impacts upon mixed caravan parks that offer leases to long-stay tenants, and also upon ‘lifestyle villages’, both of which are regulated and licensed under the *Caravan Parks and Camping Grounds Act 1995* (WA) (CPCG Act).

As noted above, PB 83 provides for the implementation of the planning recommendations which arose from the *2006 Tourism Planning Taskforce Report* discussed above. It sets out guidance upon the identification and management of strategic tourism sites, local tourism planning strategies, and subdivision and strata subdivision of tourism sites, both strategic and non-strategic.⁹³³

(ii) Development Control Policies

Development control policies are WAPC’s operational policies, and these provide guidance to DoP in the application assessment process. These often impact upon caravan parks.

⁹³⁰ Western Australian Planning Commission, *Planning Bulletin 49: Caravan Parks*, February 2001, p1. Available at: <http://www.planning.wa.gov.au/Publications/199.aspx>. Accessed on 12 February 2009.

⁹³¹ *ibid.*, pp1-2.

⁹³² Western Australian Planning Commission, *Planning Bulletin 71: Residential Leasehold Estates and Development*, March 2005, p1. Available at: <http://www.planning.wa.gov.au/Publications/348.aspx>. Accessed on 16 July 2009.

⁹³³ Western Australia Planning Commission, *Planning Bulletin 83: Planning for Tourism*, June 2009. Available at: <http://www.planning.wa.gov.au/Publications/1419.aspx>. Accessed on 21 July 2009.

WAPC *Development Control Policy 1.3 Strata Titles* is relevant to caravan parks. This policy reinforces the CPCG Act prohibition of the strata titling of caravan parks.⁹³⁴ Strata titling of caravan parks is discussed in more detail below at Section 7.7.

Many caravan parks are located on coastal land and, as such, are subject to particular Development Control Policies that impact upon development of such land. For example, *Development Control Policy 6.1 Country Coastal Planning Policy* provides that certain factors be taken into account relating to tidal surge and coastal recession when planning developments along the coast. These are particularly relevant to caravan parks built on coastal land in the North West tourism region, as discussed in Section 7.8 below.

(e) Local Planning Strategies

The preparation of Local Planning Strategies under the *Town Planning Amendment Regulations 1999* (WA) is required when ‘the local government is preparing a town-planning scheme’.⁹³⁵ They:

- ‘contain the strategic plan and policy context of a local planning scheme’
- ‘set out the general aims, intentions and desired outcomes for long-term growth and change, having regard to social, economic and environmental factors’
- ‘provide direction as to the circumstances in which particular land uses and development should be planned’
- usually consider ‘assessment of the capacity of infrastructure such as water, sewerage, electricity and roads’
- ‘may also identify residential densities and commercial centres’⁹³⁶

Until very recently, these did not include specific guidance around tourist locations or caravan parks and camping grounds. However, in 2006 the Taskforce found that policies regarding the location and development of caravan parks and camping grounds, or the location of tourism precincts in general, could possibly be contained as statements in these local planning strategies. The Taskforce envisaged that, ideally, these strategies would contain guidance on zoning and the identification of strategic tourism precincts.⁹³⁷ The Committee understands that the formulation

⁹³⁴ Western Australian Planning Commission, *Development Control Policy 1.3 Strata Titles*, September 2003. Available at: <http://www.wapc.wa.gov.au/publications/216.aspx>. Accessed on 19 February 2009.

⁹³⁵ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p21.

⁹³⁶ Department for Planning, *An Introduction to the Western Australian Planning System*, October 2007, p12. Available at: <http://www.planning.wa.gov.au/Plans+and+polices/Publications/1468.aspx>. Accessed on 21 July 2009.

⁹³⁷ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p21.

and implementation of local tourism planning strategies is now being carried out by various LGAs across the state, and this is discussed in more detail below.

(f) Town Planning Schemes

Town Planning Schemes are statutory planning instruments administered by each local government, and they are the primary control mechanism and blueprint for planning and development in each jurisdiction. If a Town Planning Scheme falls under a Regional Planning Scheme, the individual town planning schemes within that region must be consistent with the greater region scheme. The Model Scheme Text⁹³⁸ provides consistency in the legal and administrative elements of all schemes. The Model Scheme Text defines caravan parks and park homes in consistency with the *Caravan Parks and Camping Grounds Regulations 1997* (WA) (CPCG Regulations). No direction is provided on the definition of tourist accommodation or the permanent occupations of these establishments (except for bed and breakfast establishments).⁹³⁹

Rezoning proposals and applications for subdivision and development seeking to establish caravan parks (which will potentially amend town planning schemes) ‘are to include details of the proposed mix of short and long term accommodation for such parks to assist the Commission [the WAPC] and local governments in assessing caravan park proposals’.⁹⁴⁰

With regard to the inclusion of residential components in a tourist precinct, ‘where a local government has been supportive of a proposal for a residential component in a tourism development, and this is not provided for in the scheme, the approach has been to require a scheme amendment to rezone the site, or to introduce a specific provision to facilitate the residential component’.⁹⁴¹ If the issue is dealt with in the preparation of a scheme the majority of local governments either prohibit residential components in a tourist precinct, or allow themselves the flexibility to ‘exercise its discretion in approving a component of residential use of tourism developments’.⁹⁴²

(g) Town Planning Scheme Zonings

Land within town planning schemes, except for land in reserves, is classified, or ‘zoned’, in accordance to its permitted use and development. A zoning table is ‘included within a local

⁹³⁸ The Model Scheme Text is prescribed under the *Town Planning Regulations 1967* (WA).

⁹³⁹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p22.

⁹⁴⁰ Western Australian Planning Commission, *Planning Bulletin 49: Caravan Parks*, February 2001, p3. Available at: <http://www.planning.wa.gov.au/Publications/199.aspx>. Accessed on 12 February 2009.

⁹⁴¹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p23.

⁹⁴² *ibid.*

planning scheme' and this table 'sets out the permissibility of, and uses and classes of, land uses in particular zones in the scheme area'.⁹⁴³

It appears that generally only a very small proportion of urban zoned land is zoned as tourist precincts in comparison with the amount of residential zoned urban land. The majority of these precincts border a 'developed urban area, where significant other residential opportunities exist'.⁹⁴⁴ In those areas the pressure to re-zone tourist precincts is great.

There is substantial variation across planning jurisdictions with regard to zoning of areas where caravan parks and camping grounds are located. DoP admits that there is 'no consistency' in the zoning of caravan parks.⁹⁴⁵ Zoning has a significant impact upon factors such as the redevelopment potential of a designated caravan park or camping ground. Zoning of caravan parks and camping grounds is discussed further below.

Relevant also is the fact that in recent years zoning has become broader, with increasing discretionary uses. The Shire of Gingin, for example, reports a decrease from 12 zones down to 5.⁹⁴⁶

(h) Town Planning Scheme Policies

Town Planning Scheme Policies are provided for under town planning schemes, and provide guidance to the local government and other stakeholders to 'assist in the interpretation and implementation of the scheme'.⁹⁴⁷ These are subsidiary to a scheme and/or state policies and are important components of the local planning framework.⁹⁴⁸ Potentially, these can provide guidance on caravan parks and camping grounds, and tourism precincts generally.

7.4 Implementing the Taskforce Recommendations: Local Tourism Strategies and Zoning Under Town Planning Schemes

Chapter 6 of this report discusses some of the major pressures on the supply of caravan parks and camping grounds. As it notes, one of the major pressures upon supply is the closure and/or redevelopment of caravan parks for higher value land uses. While DPI 'is aware of the problems

⁹⁴³ Department for Planning and Infrastructure, *An Introduction to the Western Australian Planning System*, October 2007, p48. Available at: <http://www.planning.wa.gov.au/Plans+and+policies/Publications/1468.aspx>. Accessed on 21 July 2009.

⁹⁴⁴ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p24.

⁹⁴⁵ Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p3.

⁹⁴⁶ Shire of Gingin, *Committee Briefing*, 19 June 2009.

⁹⁴⁷ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p24.

⁹⁴⁸ *ibid.*

arising as a result of the redevelopment of a number of caravan park sites for other uses',⁹⁴⁹ it advises that:

*under current planning legislation, such matters are not able to be considered when the WAPC is considering an application to rezone a caravan park site to another use, such as residential or commercial. The rising value of land, particularly in metropolitan, coastal and attractive holiday locations, and the relatively low returns available from caravan parks, will continue to provide an incentive for caravan park owners to capitalise their land value. The Department is working in conjunction with other government agencies to try to address the continuing development pressure being placed on caravan parks and camping grounds throughout the State, taking into consideration the commercial implications of any planning policies and strategies that are implemented.*⁹⁵⁰

One way in which government has attempted to address this issue from a planning perspective is the implementation of the Taskforce recommendations at a local government level through the drafting of local tourism planning strategies.

(a) Local Tourism Planning Strategies

As noted above, the preparation of local tourism planning strategies by LGAs was a part of the policy framework recommended by the Taskforce.⁹⁵¹ A local tourism planning strategy will then become a component of the overall local planning strategy for a local area.⁹⁵² The formulation of a new (or updated) local planning scheme and local planning policies will be the mechanism for the implementation of the strategy.⁹⁵³

LGAs will use these strategies 'as a framework for decision-making on tourism proposals'.⁹⁵⁴ As also noted above, in the instance of decisions on caravan parks, this framework should facilitate decisions which take into account all uses of a particular caravan park. It should also provide guidance when there is a development application which seeks to change land use from a tourism zoning to an alternative land use.⁹⁵⁵

Local tourism planning strategies should also 'identify strategic tourism sites or locations that provide for the retention and future development of a range of tourist accommodation to meet

⁹⁴⁹ Submission No. 48 from Department for Planning and Infrastructure, 1 May 2009, p3.

⁹⁵⁰ *ibid.*

⁹⁵¹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pp64-67.

⁹⁵² Western Australia Planning Commission, *Planning Bulletin 83: Planning for Tourism*, June 2009, p2. Available at: <http://www.planning.wa.gov.au/Publications/1419.aspx>. Accessed on 21 July 2009.

⁹⁵³ Submission No. 55 from Shire of Busselton, 1 May 2009, p2.

⁹⁵⁴ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pviii.

⁹⁵⁵ Submission No. 55 from Shire of Busselton, 1 May 2009, p2.

projected demand in that locality'.⁹⁵⁶ Non-strategic tourism sites should also be identified and managed accordingly.⁹⁵⁷

The formulation of these strategies is underway, and several LGAs 'are currently producing draft local tourism planning strategies for public comment including the Shire of Busselton and City of Albany'.⁹⁵⁸ These two particular LGAs, both having numerous caravan and camping accommodation facilities within their jurisdictions, provided the Committee with some insight into this process.

The Shire of Busselton demonstrated to the Committee that the formulation of such a strategy is neither a quick nor simple process. In 2007 a consultant team was commissioned by the Shire to draft their strategy. This process included formulation of individual sector based strategies, an accommodation audit, analysis of demand, extensive industry and community consultation, and stakeholder workshops.⁹⁵⁹ It is envisaged that the strategy will be reported to Council in 2009, and then advertised to the community.⁹⁶⁰

The major point of contention with the draft local tourism planning strategy produced by the Shire of Busselton has been a recommended change in zoning for some caravan parks from 'tourist' to a more specific 'caravan park and camping ground' zone, as per the direction of the Taskforce. The Shire reports that it is currently working to address the concerns of affected caravan park owners and operators.⁹⁶¹ The issue of zoning is discussed in the following section.

The City of Albany, in its submission, highlights some other difficulties faced in the implementation of its local tourism planning strategy, largely around a lack of guidance from WAPC. It submits that in order:

*to meet their obligation under WAPC Bulletin 83, a Local Authority is required to prepare a Tourism Strategy in advance of preparing their Local Planning Strategy. There is minimal state assistance in preparing those documents, or in defining the content of the strategy. As a consequence, it is feasible that a multiplicity of tourism outcomes and responses will be generated across the State over time, as Local Authorities strive to fulfill (sic) their obligations to the WAPC.*⁹⁶²

The re-zoning of caravan parks was also a point of contention in Albany. The City of Albany's local tourism planning strategy is discussed further in Chapter 10.

⁹⁵⁶ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pviii.

⁹⁵⁷ Western Australia Planning Commission, *Planning Bulletin 83: Planning for Tourism*, June 2009, p2. Available at: <http://www.planning.wa.gov.au/Publications/1419.aspx>. Accessed on 21 July 2009.

⁹⁵⁸ Submission No. 48 from Department for Planning and Infrastructure, 1 May 2009, p2.

⁹⁵⁹ Submission No. 55 from Shire of Busselton, 1 May 2009, p2.

⁹⁶⁰ *ibid.*, p3.

⁹⁶¹ *ibid.*, p4.

⁹⁶² Submission No. 81 from City of Albany, 25 May 2009, p4.

However, notwithstanding the limitations and difficulties experienced by LGAs in implementing the local tourism planning strategies, these appear to be the best way to address planning issues on a local basis, rather than attempting to apply a common approach throughout the state which has, so far, proved to be unworkable. For example, under its strategy, the Shire of Busselton is providing for farm stays which can include up to 10 caravan sites while remaining within a Rural zoning. The Caravan Industry Association Western Australia Inc. (CIAWA) believes that this is seen to be a positive approach by all concerned.⁹⁶³

For another example of how an individual local approach is considered to be the most effective way of solving planning issues, see Section 7.5(a) below regarding planning for long- and short-stay sites within a caravan park.

Accordingly, the Taskforce recommended that:

*flexibility is provided in respect to the tourism component of [local planning] strategies. The taskforce has identified that the coastal areas of the State are where the local planning framework has, and will continue to, come under the greatest pressure for tourism/residential development. As such, the recommendations place a priority on addressing the land use requirements for tourism in these areas.*⁹⁶⁴

Finding 81

Local tourism planning strategies are a useful mechanism to address emerging demand trends at a regional level as they should identify local strategic tourism sites and, thus, ensure the preservation of these sites for tourism use, particularly on the coast.

Recommendation 25

The Minister for Local Government and the Minister for Planning ensure that Local Government Authorities expedite the drafting of local tourism planning strategies in line with Recommendation 2 of the 2006 *Tourism Planning Taskforce Report*.

⁹⁶³ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p12.

⁹⁶⁴ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pp65-66.

Finding 82

Local Government Authorities will require some guidance from the Departments of Local Government, Planning and Regional Development and Tourism Western Australia when drafting their local tourism planning strategies; however, flexibility is also essential for the tourism component of local planning strategies.

Finding 83

The development of local tourism planning strategies, particularly where caravan parks are under threat, is now urgent.

Recommendation 26

It is now urgent that the Minister for Local Government and the Minister for Planning provide clear guidance to Local Government Authorities in the drafting of local tourism planning strategies, while also allowing for flexibility in the LGA approach and outcomes.

Recommendation 27

By December 2010 all local government authorities have their local tourism planning strategies in place.

Recommendation 28

Local government authorities in regional areas should examine Royalties for Regions as a funding source for the development of their local tourism planning strategies.

(b) Zoning Under Town Planning Schemes

It has been suggested to the Committee that ‘the decision by WAPC approximately twenty years ago to require Councils to change to broad based zoning has been detrimental to caravan parks’.⁹⁶⁵

⁹⁶⁵ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p8.

Currently, caravan parks can be zoned in various different ways within a local government area. At present, in accordance with local planning strategies and along the lines of the Model Scheme Text, a town planning scheme may provide for caravan parks:

- *as a permitted use (P use) in a Tourist or Caravan Park zone;*
- *as a discretionary use (D or A use) or an additional use in appropriate zones, e.g., in a Rural zone; or*
- *as a use in a Special Use zone.*⁹⁶⁶

An analysis of caravan park data held by Landgate indicates that the majority of caravan parks (either leased or freehold) in Western Australia are zoned under local Town Planning Schemes as Tourist (i.e. approximately 22%). Around 20% are zoned as Special Use. Those zoned Caravan Park constitute roughly 13%. The number not zoned or not sitting within a planning scheme, also constitutes around 13%. Those zoned as some kind of residential use comprise around 10%. Caravan parks within other zonings (of any number worth noting) are those zones which provide for commercial use (1%), industrial use (2%), some kind of public amenity or service (8%) and rural use (5%).⁹⁶⁷

As outlined previously in this chapter, possible changes to the zoning of caravan parks and camping grounds within identified strategic tourism sites was a recommendation of the Taskforce in 2006. LGAs are expected to incorporate this component into their local tourism planning strategies.

Indeed, it is alleged by some that, at present, it is too easy to change the zoning of a caravan park, or even its use within the current zoning, in order to allow for its redevelopment. Many within the local government sector support the recommendations of the Taskforce. For instance, WALGA claims that:

*in most Town Planning Schemes (TPS) caravan parks are now zoned 'Tourism'. This has increased the speculative value of the land and meant that property speculators and developers can purchase a caravan park and redevelop it into anything that is a permitted use under the Tourism zone in that TPS without requiring a zoning amendment. This also denies the Local Government from being able to prevent the redevelopment of caravan parks to another higher order (higher return) tourism operation, for example, a Resort. The Tourism Planning Taskforce Report recommended the implementation of a minimum of three tourism zones within TPS, one being a specific zone for caravan parks and camping grounds. Once implemented this would reduce the speculative value from the land, and would help protect existing caravan parks from redevelopment.*⁹⁶⁸

⁹⁶⁶ Western Australian Planning Commission, *Planning Bulletin 49: Caravan Parks*, February 2001, p3. Available at: <http://www.planning.wa.gov.au/Publications/199.aspx>. Accessed on 12 February 2009.

⁹⁶⁷ These figures are calculated based upon raw unpublished data provided by Landgate. It should be noted that these are estimates only, and zonings of similar use are grouped together for ease of reference.

⁹⁶⁸ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p8.

The former DLGRD also submitted that broad zoning allows for easy redevelopment of caravan parks. It is of the view that ‘where possible, existing zoning for Caravan Parks or motels should be retained’.⁹⁶⁹ As a compromise, it proposes that parts of these sites could possibly be rezoned in order to ‘provide for part of the site to be used for financially more attractive developments, such as park homes or units while retaining the remainder for traditional caravan park use’.⁹⁷⁰

In the same manner, several LGAs support the view that zoning provisions must be more prescriptive for caravan parks in identified locations. The Shire of Waroona claims that:

*the lack of suitable zoning under the Shires (sic) town planning scheme allows for changes of use to more profitable venture such as chalets resulting in the loss of caravan and camping ground areas.*⁹⁷¹

The Shire of Gingin acknowledges that speculation is a problem, and indeed has seen evidence of this within their jurisdiction. It advised the Committee that the first question from developers regarding tourism developments generally is around how much residential use is permitted within that zoning. The Shire proposes that the answer to speculation around existing caravan parks could be special use zoning.⁹⁷²

The Shire of Denmark agrees that zoning should be more stringent, via better planning controls. It advocates for:

*tighter planning controls and state wide or regional planning policies to ensure that tourist caravan parks and camping grounds are correctly zoned as tourist caravan parks and camping grounds so that they can’t be converted to permanent park home developments or more intensive, higher cost tourist developments without a specific planning scheme consent or scheme amendment proposal.*⁹⁷³

This Shire also advocates for:

*the adoption of local authority and regional tourist strategies which identify and address the current and future need for affordable caravan park and camping ground accommodation in a given area. These strategies should also require developers [who] wish to rezone a caravan park to another use to prove that their proposal will not cause a future shortage caravan park and camping ground accommodation.*⁹⁷⁴

⁹⁶⁹ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p5.

⁹⁷⁰ *ibid.*

⁹⁷¹ Submission No. 9 from Shire of Waroona, 15 April 2009, p1.

⁹⁷² Shire of Gingin, *Committee Briefing*, 19 June 2009.

⁹⁷³ Submission No. 49 from Shire of Denmark, 1 May 2009, p3.

⁹⁷⁴ *ibid.*

The Shire of Capel states that there is a need for zoning to be unambiguous ‘as to the intent to control the use of land for a particular purpose for caravan and camping albeit that it may include some level of built or permanent accommodation’.⁹⁷⁵

It also appears that those individuals who stand to be affected by the rezoning and/or redevelopment of parks are supportive of a specific use zoning. For example, one long-stay tenant of a park in Wanneroo submits that it is important to keep both long- and short-stay caravan park sites, and that one way that this could be achieved is ‘through specific town planning strategies and/or zonings’.⁹⁷⁶ In a similar vein, several long-stay residents of the Kingsway Tourist Park put forward the view that the City of Wanneroo is largely at fault for their forced re-location due to the City’s approval for the rezoning of the caravan park from tourist to residential.⁹⁷⁷ However, as alluded to earlier in this chapter, under current planning legislation an application for rezoning cannot be refused by the WAPC simply on the basis that the closure of the caravan park will be detrimental to long-stay residents and/or the supply of caravan park sites.⁹⁷⁸

Flexibility in zoning is important to the viability of existing caravan parks. The Shire of Exmouth advised the Committee that developers will always want a mix of residential and tourism zoning so that they can subdivide and sell some land to finance further development within caravan parks.⁹⁷⁹

Furthermore, as noted in the cases of the Shire of Busselton and the City of Albany, the use of specific ‘caravan park and camping ground’ zoning is strongly opposed by many in the industry, particularly caravan park operators. CIAWA, as the industry body representing these operators, states that specific use zoning would:

*have an even greater impact on the longevity of some parks as it significantly reduces the capital value of the land, thereby having a number of significant and devastating outcomes, particularly at such an uncertain time for credit providers.*⁹⁸⁰

CIAWA believes that site specific zones are one of the recent initiatives that have ‘been recently trialled’ that are not proving to be ‘the most appropriate model by which to keep caravan parks open’.⁹⁸¹

Individual operators had similar viewpoints. The Mandalay Holiday Resort and Tourist Park in Busselton recognises that the local tourism planning strategy proposed by the Shire of Busselton

⁹⁷⁵ Submission No. 56 from Shire of Capel, 4 May 2009, pp1-2.

⁹⁷⁶ Submission No. 41 from Mr Michael Quirk, 30 April 2009, p1.

⁹⁷⁷ Submission No. 6 from Mr George and Mrs Shirley Jackson, 7 April 2009, p3; Submission No. 12 from Mr Murray Evans and Mr Graham Steed, 16 April 2009, p4.

⁹⁷⁸ Submission No. 48 from Department for Planning and Infrastructure, 1 May 2009, p3.

⁹⁷⁹ Shire of Exmouth, *Committee Briefing*, 2 June 2009.

⁹⁸⁰ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p25.

⁹⁸¹ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p4.

attempts to identify and protect areas which are important to tourism, ‘particularly caravan parks’.⁹⁸² However, it believes that zoning in order to restrict land to caravan park use only is tantamount to ‘placing a tomb stone on the property’ since ‘it will severely devalue the saleable value of the land’ by devaluing and restricting ‘future opportunities and use of the land’.⁹⁸³ It states that:

*Busselton’s economy relies heavily on tourism. As trends change and tourists and holiday makers look for different holiday experiences, the tourism use of the land will change as supply dictates. We do not have [a] problem with keeping our land zoned ‘Tourist’ as long as we can have the flexibility to change the tourist use to meet market demand. We do not want to see a ‘Restricted Tourist Use’ or ‘Restricted Caravan and Camping Use’ introduced.*⁹⁸⁴

Similarly, the Lazy Days Caravan Park in the same Shire claims that if it were to be zoned under a specific caravan and camping zone, it ‘would not be economically viable’.⁹⁸⁵ It describes the effect that such an outcome would have on its viability and future:

*if we are rezoned to Caravan and Camping, we will have to close the gates on the business. If we are rezoned to Special Purpose Zone as per the LTPS for the Busselton Shire our park will lose its re-sale value and, at our age that is a major concern to us. While we have no intention of selling the park, nor do we wish to apply to turn it into a modern resort, the time will come in the not too distant future when we will have to retire, or find something less demanding than what we are doing. We had depended on at least realizing the cost of all the cabins and up-grades to cover our old age. No purchaser is going to spend a lot of money for land that is limited in its potential by a lot of red tape and the necessity for expensive applications for re-zoning to change the park to a more viable business. No one will ever recoup \$4m from just caravan and tent sites.*⁹⁸⁶

Corporate provider of caravan parks, Aspen Parks Property Management Ltd (Aspen Parks), is of the view that:

*rezoning of the land in some instance from ‘Tourist’ zoned land to ‘Caravan Park’, was in our opinion shortsighted and a band-aid solution to the problem. The initiative also placed and (sic) unfair burden on the current operator having to face a potential write-down in value of the property as a result of the rezoning.*⁹⁸⁷

The City of Albany highlights the difficulties faced by LGAs when considering zoning changes in order to safeguard the supply of caravan parks within its jurisdiction:

⁹⁸² Submission No. 22 from Mandalay Holiday Resort and Tourist Park, 23 April 2009, p5.

⁹⁸³ *ibid.*

⁹⁸⁴ *ibid.*

⁹⁸⁵ Submission No. 30 from Lazy Days Caravan Park, 29 April 2009, p1.

⁹⁸⁶ *ibid.*, p2.

⁹⁸⁷ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p7.

*Tourism WA and the WAPC have policies which seek to retain existing tourism facilities, plus they seek to provide suitably zoned sites for the provision of future tourism product. Those policies give no support or guidance to tourism operators or local governments on the capacity of operators to maintain the financial viability of existing caravan parks and camping grounds. The principles of those policies are sound, but they provide no solace or compensation to a landowner who is being asked to retain a zoned site for years (possibly decades) in an undeveloped state for a potential future land use, that may not be the optimum commercial use of his/her land.*⁹⁸⁸

The relationship between zoning and land tax is also important. As discussed in Chapter 6, land tax is a significant cost for caravan park operators. Substantial rises in land tax over recent years can be largely attributed to the ‘use of blanket tourism zoning structures under new town planning schemes’.⁹⁸⁹ This is because:

*under the Valuation of Land Act 1978, land is valued for land tax purposes at its unimproved market value (UV), with this reflecting the highest and best use of the land. Where a range of developments are included within a similar land zoning, such as tourism, this can result in similar land values on a per hectare basis being determined irrespective of the nature of existing development on a site, eg a caravan park site may be valued on a unit area basis equivalent to a five-star resort site.*⁹⁹⁰

This means that on any given site the valuation reflects its highest and best use. Therefore, should a caravan park be zoned for a more specific caravan and camping use, rather than a blanket tourism zone, it would potentially reduce the land tax payable on that site. In this way, specific zoning would decrease a significant cost for caravan park operators. This was a conclusion of the Taskforce which concluded that:

*the use of more detailed zoning frameworks, designed to maintain a variety of accommodation types, can have ancillary benefits in ameliorating [the impact of land tax] through reducing the speculative effect on the valuation of such land.*⁹⁹¹

Financial incentives may thus be the key to making caravan park operators more amenable to a change to specific zonings. This is supported by CIAWA which, while having other reservations about re-zoning, does acknowledge that:

*rezoning existing parks to a ‘use specific zone’ such as ‘caravan park’, will have the effect of reducing/removing land tax as its use is now considered the ‘highest and best’ use for the land.*⁹⁹²

⁹⁸⁸ Submission No. 81 from City of Albany, 25 May 2009, p3.

⁹⁸⁹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p55.

⁹⁹⁰ *ibid.*

⁹⁹¹ *ibid.*, p61.

⁹⁹² Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p25.

However, subsequent to the comment above, CIAWA also advised the Committee that:

by going to a site-specific zoning where there was previously a more flexible tourist zoning, a landowner might thank you for saving them \$100 000 or \$200 000 in land tax, but will not thank you for taking a couple of million dollars off the bottom of the overall land asset. That land asset is generally the only asset that they have to borrow against to put money back into the park, and removing that opportunity is something that is of huge concern to many park owners. It is very difficult to come up with a precise model for councils and a flexible approach for owners. We are finding that a blanket one-size-fits-all or a one remedy solution is proving to be unworkable.⁹⁹³

It was suggested to the Committee that caravan park operators may be less worried about having their facility zoned ‘caravan park’ if they were to be given a 100% land tax exemption.⁹⁹⁴ At present a land tax exemption of 50% is given to caravan parks owners in Western Australia.

Land tax exemption could also be something that is offered only to those caravan parks and camping grounds which are zoned accordingly, as these are the ones who will stand to lose much of their speculative value. As the Shire of Busselton points out, the current 50% land tax exemption ‘does not distinguish between caravan parks that are zoned “Tourist” and those that are specifically zoned for the purpose of a caravan park’.⁹⁹⁵ Caravan parks which are zoned ‘Tourist’ have the potential (which is often realised) to be developed as chalet parks or tourist resorts, and providing little or no caravan and camping accommodation. At present these parks are benefiting from this exemption but are also able to develop the park for more profitable uses. The Shire of Busselton suggests that the removal of their eligibility for this exemption, unless they were zoned appropriately and operating as a genuine caravan park and camping ground, ‘would encourage the retention of caravan parks for this use’.⁹⁹⁶ Land tax and possible exemptions from this tax are discussed in Chapter 6.

In light of the above arguments, the Committee believes that only the zoning of new caravan parks should be more restrictive so that investors can ‘make an informed investment decision’ at the outset.⁹⁹⁷ This is supported by CIAWA.⁹⁹⁸ However, CIAWA does point out that LGAs may be reluctant to even do this as caravan parks are not perceived ‘as an attractive drawcard’.⁹⁹⁹ As DoP

⁹⁹³ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p4.

⁹⁹⁴ City of Albany, *Committee Briefing*, 22 July 2009.

⁹⁹⁵ Submission No. 55 from Shire of Busselton, 1 May 2009, p5.

⁹⁹⁶ *ibid.*

⁹⁹⁷ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p7.

⁹⁹⁸ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p15.

⁹⁹⁹ Ms Donna Cocking, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p16.

noted, the caravan parks which will be the easiest to protect with site specific zoning are those 'still on government land that are owned leasehold'.¹⁰⁰⁰

Finding 84

Zoning new caravan parks as 'Caravan Park and Camping Ground' in line with Recommendation 13 of the 2006 *Tourism Planning Taskforce Report* would help to ensure the preservation of caravan and camping sites into the future.

Finding 85

Requiring existing privately owned caravan parks to be re-zoned, without compensation, to a more restrictive land use would unfairly impact upon the viability of these caravan parks.

Finding 86

Local tourism planning strategies should provide guidance to local government on rezoning and redevelopment applications for caravan parks, taking into account the effect that any change would have upon supply. This may also require amendment to existing planning legislation.

Recommendation 29

In priority tourist regions, the Minister for Regional Development and the Minister for Local Government consider purchasing the development rights of privately owned parks on strategic sites in order to ensure their continuing use as caravan parks and camping grounds.

¹⁰⁰⁰ Ms Anne Hill, Executive director, Regional Planning Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p2.

Recommendation 30

The Minister for Local Government, the Minister for Planning and the Minister for Tourism ensure that local government local tourism planning strategies provide that the zoning of existing privately owned caravan parks is able to be preserved.

Recommendation 31

The Minister for Local Government, the Minister for Planning and the Minister for Tourism ensure that Local Government Authorities provide for the zoning of new caravan parks as 'Caravan Park and Camping Ground' within their town planning schemes, in line with Recommendation 13 of the 2006 *Tourism Planning Taskforce Report*.

(i) The South Australian Model

It was suggested by Tourism Western Australia (Tourism WA) that Western Australia look to adopting a similar zoning model to that being proposed in South Australia.¹⁰⁰¹

In December 2007, the South Australian Minister for Urban Development and Planning introduced an interim Development Plan Amendment (DPA) designed to simplify the zoning of caravan parks.¹⁰⁰² Until this time, caravan park sites across the state were covered by 47 different types of zoning. The interim DPA introduced two zones for caravan park sites in Adelaide and near-country areas, specifically:

- a Caravan and Tourist Park Zone (to apply to caravan parks used entirely or predominantly by tourists for short-term stays)
- and a Residential Park Zone (to apply to caravan parks used predominantly by long-term residents)

The interim DPA applied to 44 caravan park sites located across 17 council areas and was designed to ensure the designation of caravan parks and protection from redevelopment outside of

¹⁰⁰¹ Submission No. 60 from Tourism Western Australia, 8 May 2009, p17.

¹⁰⁰² In South Australia, s 24 of the *Development Act 1993* (SA) details the circumstances where the Minister may amend a Development Plan. Development Plans are council documents to guide development control matters and are comparable to local government planning schemes in Western Australia. Section 28 of the same Act enables the Minister to declare interim development control, whereby a DPA comes into immediate effect while public consultation occurs concurrently.

the normal rezoning process.¹⁰⁰³ Interim measures were used to ensure that appropriate consultation could occur while immediate protections to caravan parks could be put in place without delay.

In mid-2008, the South Australian government established a working group comprising members of relevant agencies associated with the caravan, tourist and residential park industry. The working group was formed to help identify any additions required to the interim measures and ‘provide advice on the criteria for establishing the economic viability of caravan, tourist and residential parks, identify areas for future park sites and recommend an appropriate process for rezoning existing sites’.¹⁰⁰⁴

The final Caravan Parks DPA was approved by the Minister for Urban Development and Planning on 11 December 2008. As described above, the main effect of the DPA is to streamline the zoning of caravan parks in Adelaide and near-country areas into one of two zones, either the Residential Park Zone (where 60% or more of the sites are used for long-term accommodation), or the Caravan and Tourist Park Zone. Two caravan parks are subject to a split zoning reflecting the clear separation that exists between long-term accommodation and short-term tourist components. As well as amending zoning, the DPA introduces new council-wide or general policies into local authority Development Plans to guide the location and design of future parks. These are designed to ensure that new parks are located with sufficient access to public services and facilities, and can provide a safe environment. The DPA also identifies caravan parks excluded from rezoning, including those in national parks to which the *National Parks and Wildlife Act 1972 (SA)* applies, and small parks (typically those with fewer than 20 sites which are not used for tourism or long-term residency), and any subject to separate legislation.¹⁰⁰⁵

While the South Australian system appears to have been a workable solution to that state’s problem of numerous caravan park zonings, advice received by the Committee indicates that, at this stage, it is not intended to replicate the SA model in WA, ‘as creating additional zonings would further complicate the zoning of land within local planning schemes’.¹⁰⁰⁶

Finding 87

A ‘one size fits all’ regulatory regime would not be appropriate in Western Australia due to the extreme variations in the market in some parts of the state.

¹⁰⁰³ South Australia Department of Planning and Local Government, ‘Task Force on Caravan Park Zoning’, 1 July 2008. Available at: www.planning.sa.gov.au/index.cfm?objectID=5885F9C7-F203-0D46-A2F98B64FDB6F44B. Accessed on 9 June 2009.

¹⁰⁰⁴ *ibid.*

¹⁰⁰⁵ South Australia Department of Planning and Local Government, ‘Caravan Parks DPA’, December 2008. Available at: www.planning.sa.gov.au/index.cfm?objectid=CBEC5FAE-F203-0D46-A3FF9582B7A343C0. Accessed on 9 June 2009.

¹⁰⁰⁶ Submission No. 103, Closed Submission, 5 August 2009, p7.

7.5 The 'Permanent' Occupation of Caravan Parks: Planning and Development Issues

Discussed in Chapter 4 and Chapter 8 is the tension between supply and demand which has come about due to the increasing long-stay occupation of caravan park sites. This is largely an increasing demand for this form of affordable and available accommodation. The dual use of caravan parks, as both tourist and residential accommodation, has created planning and development issues that must be resolved. Furthermore, the use of the CPCG Act to establish what are entirely residential enclaves¹⁰⁰⁷ also raises planning and development issues.

The long-stay occupation of caravan parks has not been consistently addressed within the state planning framework. As noted above, regional strategies and regional structure plans, which are region specific, do not appear to anticipate the long-stay occupation of tourist facilities. On the other hand, PB 49, a state level planning document dealing specifically with caravan parks, does envisage this type of occupation. It states that:

*caravan parks have traditionally provided accommodation for tourists. However, in recent years, there has been a trend for caravan parks to also provide permanent accommodation for residents. Planning for the development of caravan parks should, therefore, be considered in this context.*¹⁰⁰⁸

PB 49 lists a range of relevant factors which must be taken into account by local governments and the WAPC when determining suitable sites for caravan parks, one of these being whether it will be used predominately for tourist or long-stay accommodation.¹⁰⁰⁹ There will be different planning considerations depending upon whether the use of the caravan park is predominately tourist or residential. For example:

caravan parks which are primarily designed to cater for tourists should be located with good access to key tourist attractions, such as beaches, or areas of cultural, historical or landscape significance.

*On the other hand, caravan parks which are principally designed for permanent residents should be assessed in the same way as conventional residential development. They should be located in areas with access to employment, shops, schools, public transport, and community and recreation facilities.*¹⁰¹⁰

However, in spite of the guidance provided by planning bulletins, the Shire of Busselton believes that the balance, and differences, between tourist and residential uses of caravan parks and

¹⁰⁰⁷ The terms 'lifestyle village', 'park home park' and 'residential park' are used interchangeably to describe residential developments regulated under the *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁰⁰⁸ Western Australian Planning Commission, *Planning Bulletin 49: Caravan Parks*, February 2001, p1. Available at: <http://www.planning.wa.gov.au/Publications/199.aspx>. Accessed on 12 February 2009.

¹⁰⁰⁹ *ibid.*

¹⁰¹⁰ *ibid.*

camping grounds should be ‘addressed more clearly’ in statutes that regulate caravan parks and camping grounds.¹⁰¹¹ It points out that:

*at present there is no distinction between the requirements for park homes within tourism or residential zoned areas. Park homes are simply classified as short term accommodation. Amendment of the Regulations or introduction of new legislation could facilitate tourist use by making a distinction between the standard of building requirements for structures in caravan parks and camping grounds as opposed to park home parks or park homes in residential areas.*¹⁰¹²

The Shire argues that amendments to existing legislation or separate legislation for residential park homes could bring about the benefits of clarifying the number of park homes that can be constructed on tourism zoned land, and also could include ‘financial benefits for genuine tourist uses’.¹⁰¹³ This financial benefit for the developers of tourist parks would come about because these parks would not need ‘to be constructed to the same standard which may reduce the cost for tourist parks’.¹⁰¹⁴

Two major issues regarding planning for the long-stay occupation of caravan parks are discussed in more detail following. Building regulation is discussed further in Section 7.6.

Finding 88

The long-stay occupation of caravan parks has not been consistently addressed within the state planning framework.

(a) Planning for the Supply of Long- and Short-Stay Sites Within a Caravan Park

The mix of short- and long-stay sites within caravan parks is an issue which has received much attention following the publication of the *Tourism Planning Taskforce Report*, and the subsequent publication of the WAPC’s interim tourism planning policy contained in PB 83. The tension between the supply of long- and short-stay sites, and the alleged encroachment of long-stay into the supply of tourist caravan park sites is discussed in Chapter 8. For example, the Shire of Busselton points out that:

the number of park homes that can be constructed on ‘Tourism’ zoned land is not specified in the District Planning Scheme, hence there is a lack of control over the percentage of such development which also leads to their proliferation at the expense of genuine tourist use of caravan parks/camping grounds and tourist parks. Due to the lower cost of

¹⁰¹¹ Submission No. 55 from Shire of Busselton, 1 May 2009, p6.

¹⁰¹² *ibid.*

¹⁰¹³ *ibid.*

¹⁰¹⁴ *ibid.*

*construction of park homes these facilities are providing low cost housing which is inconsistent with the intent of the zoning.*¹⁰¹⁵

Managing the supply of long- and short-stay sites within caravan parks is currently a major issue for LGAs. The City of Albany claims that:

*notwithstanding the broader planning expectations of the WAPC, Tourism WA and the Local Authorities, the majority of caravan park operators are queuing to increase the level of long term occupants within their caravan parks to provide a consistent cash flow, to remain viable and to fund refurbishments and maintenance. A Local Authority is then confronted with a decision making dilemma, how does it support struggling local businesses without converting vital tourism infrastructure into de-facto residential enclaves. In defending a decision, the lack of State [planning] policies makes it harder to defend its decision.*¹⁰¹⁶

In order to understand this issue more fully some background must be provided. Until recently, most high level strategic planning documents within the state planning framework did not give a great deal of guidance to LGAs on the mix within caravan parks. The recent PB 83 provides for the identification of strategic tourism sites ‘which display characteristics that set them apart from other tourism sites in terms of potential for tourism development and benefit to the tourism industry’.¹⁰¹⁷ Any such sites are set aside ‘for tourism purposes only and permanent residential use will not be permitted’.¹⁰¹⁸ However, tourism sites which are identified as non-strategic, while retaining their tourism function, are allowed up to 25% residential use.¹⁰¹⁹

Some confusion exists around the application of PB 83 to caravan parks, and in particular the 25% rule for residential use. This confusion is understandable given that (as discussed above) PB 83 claims to provide interim policy guidance on planning and development issues relating to all tourism accommodation facilities.¹⁰²⁰

Several submitters to this Inquiry were under the impression that the 25% limit applied to caravan parks.¹⁰²¹ However, DoP recently clarified this misconception, stating on its website that:

The Tourism Planning Taskforce Report and Planning Bulletin 83 Planning for Tourism could be misinterpreted to imply that restrictions on the percentage of permanent

¹⁰¹⁵ *ibid.*

¹⁰¹⁶ Submission No. 81 from City of Albany, 25 May 2009, p4.

¹⁰¹⁷ Western Australia Planning Commission, *Planning Bulletin 83: Planning for Tourism*, June 2009, p2. Available at: <http://www.planning.wa.gov.au/Publications/1419.aspx>. Accessed on 21 July 2009.

¹⁰¹⁸ *ibid.*

¹⁰¹⁹ *ibid.*, p1.

¹⁰²⁰ *ibid.*

¹⁰²¹ For example, see Submission No. 3 from Town of Port Hedland, 6 April 2009; and Submission No. 29 from Albany Holiday Park, 28 April 2009.

residential accommodation in strategic or non-strategic tourism sites also applies to caravan parks.

The WAPC confirms that references in either report to restrictions on permanent residential accommodation do not apply to caravan parks.

The WAPC recognises the need for the retention of caravan parks, and that the extent of long-stay use (permanent occupancy) and park home development considered appropriate in such parks varies across the state and is therefore an issue that requires consideration by local government on a site-by-site basis.

*This consideration, and any resulting restrictions, should be undertaken and prepared in conjunction with the tourism and development industries, Tourism WA and DPI as a component of the preparation of a local planning strategy or local tourism strategy and reflected in the local government planning scheme.*¹⁰²²

CIAWA applauds this clarification and ‘remains confident’ that this clarification by the WAPC ‘is the first step in acknowledging that this industry requires individual assessment on a park by park basis and not a “one size fits all approach”’.¹⁰²³

Aspen Parks similarly argues that a ‘one size fits all’ planning approach will not work, ‘given the diversity of the products on offer’ in caravan parks.¹⁰²⁴ By this it means that there are tourist parks, mixed parks and residential parks. It believes that ‘current parks should not be regulated with regard to ratios of permanent versus tourism’, but rather that supply of tourist and long-stay sites should be ‘determined by market demand’.¹⁰²⁵ It goes on to state that ‘any distortion of free market forces would, in our opinion, place an unfair burden on existing operators who have invested in the industry on the premise of flexible development opportunities’.¹⁰²⁶ This sentiment is indeed recognised by WAPC, as evidenced in the above quote clarifying the application of PB 83.

It is possible that individual LGAs could attempt to propose a suitable mix of sites under town planning schemes. However, the Town of Port Hedland believes that as development approvals are already in place for existing caravan parks, it becomes very hard to dictate this mix, and it further advised that the State Administrative Tribunal (SAT) would be likely to overturn on appeal any planning mechanism imposed which was financially disadvantageous to caravan park operators.¹⁰²⁷

¹⁰²² Department of Planning, ‘The WAPC’s position on the interpretation of the Tourism Planning Taskforce Report and Planning Bulletin 83 as they apply to Caravan Parks’, 20 April 2009. Available at: <http://www.planning.wa.gov.au/WAPC+statements/1886.aspx>. Accessed on 21 July 2009.

¹⁰²³ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p10.

¹⁰²⁴ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p9.

¹⁰²⁵ *ibid.*

¹⁰²⁶ *ibid.*

¹⁰²⁷ Town of Port Hedland, *Committee Briefing*, 22 June 2009.

CIAWA uses the City of Albany as an example for what is seen currently as a workable model in addressing this issue.¹⁰²⁸ Mr Simon Hall advised the Committee that there is recognition that ‘permanents’ are an important market segment from the economic and social ‘point of view of both parties - the owner and the occupant’.¹⁰²⁹ In a caravan park where there may be ‘concern about the loss of tourism bays’ due to the tourist attributes of that caravan park, then, based upon the model being used by the City of Albany in compiling their local tourism planning strategy, there would be a certain number of bays ‘within a particular caravan park that [are] designated for tourist use’.¹⁰³⁰ Should the caravan park operator wish to accommodate ‘additional permanents for whatever reason’ this would be in addition to, and not in place of, those tourist sites.¹⁰³¹ Preferably, in this circumstance, a greenfield site would be developed away from the prime tourist attributes of the park for the use of long-stay residents. As Mr Hall states this would ensure that:

*there is that acknowledgement that the tourism component is the most critical and the most fundamental aspect of the business; permanents for whatever reason support that and they are not going to dominate the site.*¹⁰³²

Alternatively, where a caravan park is not located in a prime tourist location, where it ‘has probably outlived its tourism role’, and where there are other tourist accommodation facilities nearby which can adequately and more efficiently meet the demand, ‘then its conversion to a residential park is probably not overly bad for the industry’.¹⁰³³ Thus, the balance of long- and short-stay sites is ‘a matter of change of land use and economics’, but these facilities ‘are still defined, still designed and still managed as a caravan park’.¹⁰³⁴ The Albany model is explained further in Chapter 10.

Mr Hall indicates that, with some caution, a percentage could be applied in order to determine which caravan parks were predominately tourist or residential. Should a caravan park provide more than 50% residential use, it would be classed as a ‘provider of permanent accommodation’¹⁰³⁵ with all the planning conditions that this situation would imply. Alternatively, a caravan park which provides more than 50% tourist accommodation is considered a tourist park¹⁰³⁶ and would be recognised as such under the planning system.

Essentially, the solution to the mix of long- and short-stay sites should be driven by location and demand, avoiding wherever possible a ‘one size fits all’ approach. It must also take into account

¹⁰²⁸ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p6.

¹⁰²⁹ *ibid.*

¹⁰³⁰ *ibid.*

¹⁰³¹ *ibid.*

¹⁰³² *ibid.*

¹⁰³³ *ibid.*, pp6-7.

¹⁰³⁴ *ibid.*, p7.

¹⁰³⁵ *ibid.*, p8.

¹⁰³⁶ *ibid.*

‘other pressures outside the tourism industry’,¹⁰³⁷ for example, the lack of affordable housing in a local area. Therefore, while this issue has been one of great interest (since at least 2005) to the WAPC, largely as a result of the *Tourism Planning Taskforce Report*, it appears that some of the solutions recommended by the Taskforce are not workable. Mr Hall believes that this is because the Taskforce attempted ‘to treat the industry as a uniform industry and an industry which could come up with a [common] solution that would fit each region and each local authority’.¹⁰³⁸ Where this approach has been taken it has been ‘highly criticised by all—by owners, by manufacturers, by other levels of government—as just being completely out of touch with the local industry’.¹⁰³⁹ He argues that CIAWA has ‘worked very hard with Tourism WA and the WA[PC] to have that one-size-fits all approach removed’.¹⁰⁴⁰ Consequently, the WAPC has recognised that this approach is not the best way to address the issue of providing a mix of short- and long-stay sites in caravan parks. CIAWA believes that the most effective mechanism for resolution of the issue will be to have all LGAs address it on a local level via their local tourism planning strategies in consultation with caravan park operators who have worked ‘through their own individual business models’.¹⁰⁴¹

Finding 89

The mix of long- and short-stay sites within caravan parks is best determined at a local level via a Local Government Authority’s local tourism planning strategy.

Finding 90

Caravan parks in strategic tourism locations should have the majority of sites reserved for tourism purposes, the number of which is determined under the local tourism planning strategy.

¹⁰³⁷ *ibid.*

¹⁰³⁸ *ibid.*, p9.

¹⁰³⁹ *ibid.*, p8.

¹⁰⁴⁰ *ibid.*

¹⁰⁴¹ *ibid.*

Recommendation 32

The Minister for Local Government and the Minister for Planning ensure that each local tourism planning strategy address the provision of the appropriate mix of long- and short-stay sites in caravan parks, allowing for caravan parks in identified strategic tourism locations to have the majority of sites reserved for tourism purposes.

(b) Planning for Residential Parks

As noted in Chapter 4, a recent, and perhaps unintended, phenomenon within the caravan park industry has been the rise of the entirely residential (long-stay) caravan park, or ‘park home’ park, which are marketed as ‘lifestyle villages’. These are recognised within the industry as being ‘quite different from those parks that have been there for ... 20 or 30 years’ and which have simply evolved into what is predominately a residential enclave, due largely to the fact that many people chose to live there over the years for various reasons.¹⁰⁴²

Residential parks developed as lifestyle villages are regulated under the CPCG Act and consist of park homes which are marketed to the 45+ age demographic. One LGA describes this ‘recent market phenomena’ as being ‘park home parks by another name’.¹⁰⁴³ It proceeds to describe ‘this form of park home land use’ as being the situation ‘where the operators provide a superior level of on-site facilities and develop the social infrastructure for the site’s tenants’.¹⁰⁴⁴ This is not unlike the arrangements found in retirement villages regulated under the *Retirement Villages Act 1992* (WA).

These residential parks are based upon a land lease model, which separates the cost of land ownership from home ownership. As with any lease in place within a caravan park, the land on which the park home is placed is simply leased from the operator. In lifestyle village type situations, the leases on the land tend to be long-term (anywhere up to 60 years), with the home owned by the investor. Furthermore, the modular home is also potentially able to be relocated. The land is not necessarily owned by the developer; the developer can enter into an agreement with existing landowners or operate on Crown land.¹⁰⁴⁵

Some question the development of residential parks under the CPCG Act. The Campervan and Motorhome Club of Australia Ltd (CMCA) believe that it is ‘an anomaly’ in that they are caravan parks that ‘were never intended by creators to be a Caravan Park catering for mobile RV-centric

¹⁰⁴² Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p7.

¹⁰⁴³ Submission No. 81 from City of Albany, 25 May 2009, p4.

¹⁰⁴⁴ *ibid.*

¹⁰⁴⁵ Submission No. 95, Closed Submission, 21 July 2009, Attachment 1.

tourists'.¹⁰⁴⁶ It argues that caravan parks and residential parks 'are two different entities best addressed as such. One is tourism based; the other is alternate housing'.¹⁰⁴⁷

Proponents of residential parks have communicated to LGAs 'that the Caravan Parks and Camping Grounds Regulations provide the best governance regime to protect the rights of residents who own the buildings that are their homes but lease the site on which they are located'.¹⁰⁴⁸

From a planning perspective, the 'rise in the popularity of residential leasehold estates and developments' generally, which includes these residential parks licensed under the CPCG Act, has led to a need for the WAPC to 'clarify the statutory framework for its consideration of long term leases and consult further in respect of relevant planning policies and practices'.¹⁰⁴⁹ PB 71 is a result of this clarification, and this document states that:

*While the WAPC supports choice of housing and accommodation types in order to match housing supply with needs, such proposals raise planning issues for consideration of the WAPC and local governments.*¹⁰⁵⁰

As the City of Albany explains, residential parks are 'required to be the subject of specific zoning provisions in a Local Authority's Town Planning Scheme'.¹⁰⁵¹ Any such development must comply with WAPC policy on caravan parks contained in PB 49, for instance, taking into consideration issues around access to amenities, public transport and impact on adjoining land uses.¹⁰⁵² Finally, as the City points out, 'the Minister for Planning, on the advice of the WAPC, must ultimately consent to the zoning of the land for that purpose'.¹⁰⁵³

There is some contention regarding the zoning and location of residential parks. It is accepted WAPC policy that residential parks are only permitted 'within very limited zonings' within individual town planning schemes 'similar to the permissibility of caravan parks'.¹⁰⁵⁴ However, Town Planning Scheme (TPS) and Metropolitan Region Scheme (MRS) zonings 'are not

¹⁰⁴⁶ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 30 April 2009, p8.

¹⁰⁴⁷ *ibid.*

¹⁰⁴⁸ Submission No. 56 from Shire of Capel, 4 May 2009, p2.

¹⁰⁴⁹ Western Australian Planning Commission, *Planning Bulletin 71: Residential Leasehold Estates and Development*, March 2005, p1. Available at: <http://www.planning.wa.gov.au/Publications/348.aspx>. Accessed on 16 July 2009.

¹⁰⁵⁰ *ibid.*

¹⁰⁵¹ Submission No. 81 from City of Albany, 25 May 2009, p4.

¹⁰⁵² Western Australian Planning Commission, *Planning Bulletin 49: Caravan Parks*, February 2001, p1. Available at: <http://www.planning.wa.gov.au/Publications/199.aspx>. Accessed on 12 February 2009.

¹⁰⁵³ Submission No. 81 from City of Albany, 25 May 2009, p4.

¹⁰⁵⁴ Submission No. 103, Closed Submission, 5 August 2009, p4.

consistent in permitting lifestyle villages'.¹⁰⁵⁵ A review of current residential parks and their TPS zonings indicate that they are zoned as diversely as Residential, Urban, Special Use and Rural.¹⁰⁵⁶

While some LGAs have the discretion to approve these developments in Rural zones,¹⁰⁵⁷ (with the land use based on 'Caravan Park' or 'Park Home Park'¹⁰⁵⁸) the WAPC will not usually support a proposal for a leasehold development for residential purposes on Rural zoned land 'other than in respect of an existing dwelling'.¹⁰⁵⁹ This WAPC position is 'due to inconsistencies with the purpose and intent of the zoning and more practical problems arising from the remoteness from services and facilities'.¹⁰⁶⁰ Admittedly, those sites which are currently located in Rural zones do fall under the discretionary 'Caravan Park' land use within those particular local town planning scheme zonings, and 'the sites are located within close proximity to urban zoned land'.¹⁰⁶¹ The situation is outlined by DoP as follows:

*In the Perth metropolitan scheme area the WA Planning Commission has made decisions in the past that it prefers these to be on residential urban zoned land. On rural land ... they are too far away from normal services. Then there is a lot of pressure to bring the services to them and that is an impost on government. When we started looking through local planning schemes, we discovered a number of local governments had refused to have them on urban land. So they are not allowed to be on rural land and they are not allowed on urban land, which leads to a bit of a problem.*¹⁰⁶²

Developers of residential parks claim that current WAPC policy is a threat to residential parks as the cost of urban land is prohibitive for the land lease model.¹⁰⁶³ It was suggested to the Committee that the 'land lease model can only be effective' if the land can be purchased at non-urban prices, or if the development is multi-storey.¹⁰⁶⁴

CIAWA is of the view that residential parks should be able to be located in rural areas. It provides the following argument in support of this:

¹⁰⁵⁵ Submission No. 95, Closed Submission, 21 July 2009, Attachment 1.

¹⁰⁵⁶ Submission No. 103, Closed Submission, 5 August 2009, p5; and Submission No. 95, Closed Submission, 21 July 2009, Attachment 1.

¹⁰⁵⁷ Western Australian Planning Commission, *Planning Bulletin 49: Caravan Parks*, February 2001, p3. Available at: <http://www.planning.wa.gov.au/Publications/199.aspx>. Accessed on 12 February 2009.

¹⁰⁵⁸ Submission No. 95, Closed Submission, 21 July 2009, Attachment 1.

¹⁰⁵⁹ Western Australian Planning Commission, *Planning Bulletin 71: Residential Leasehold Estates and Development*, March 2005, p1. Available at: <http://www.planning.wa.gov.au/Publications/348.aspx>. Accessed on 16 July 2009.

¹⁰⁶⁰ Submission No. 103, Closed Submission, 5 August 2009, p4.

¹⁰⁶¹ *ibid.*, p6.

¹⁰⁶² Ms Anne Hill, Executive Director, Regional Planning and Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p13.

¹⁰⁶³ Submission No. 95, Closed Submission, 21 July 2009, Attachment 1.

¹⁰⁶⁴ *ibid.*

*A residential park is not necessarily a park home park or ‘aged care village’ and can be located in a wide number of locations (urban and rural). As such the core demographics may vary from location to location. The proximity to social services therefore needs to be merits driven on an application by application basis. To preclude residential parks from rural zones will significantly reduce the opportunity for a choice of affordable housing. The appropriate use of rural land for Residential Parks is essential to maintaining the viability of affordable housing options thereby reducing the pressure on public sector resources.*¹⁰⁶⁵

*The WAPC, via Planning Bulletin 71, seeks assessment of residential parks as if they are a conventional residential development. Improved housing choice and the creation of a ‘sense of place’ for short- and long-stay tenants can be achieved more so via application of the Caravan and Camping Ground Regulations 1997 rather than conventional subdivision provisions of which is often required by WAPC and Local Authorities.*¹⁰⁶⁶

The Shire of Capel advises that it has been approached by a developer of these residential parks to ‘approve such development on Rural zoned land where [the Shire] has discretion to approve caravan parks’.¹⁰⁶⁷ It describes the way in which planning considerations for caravan parks have, by default, extended to residential parks:

*The general definition of a caravan park under town planning schemes includes a place for park homes which are the principle form of accommodation provided in the lifestyle villages. Through a series of administrative decisions the regulations and town planning scheme zones have been interpreted to accommodate what are marketed as Lifestyle Villages.*¹⁰⁶⁸

The Shire of Busselton takes issue with the development of ‘retirement park home facilities on sites intended for tourism use’, and describes this as exploitation of a ‘loop hole in the Regulations’.¹⁰⁶⁹ It does recognise, however, that there is a ‘genuine need’ for these park homes as residential developments, and that they should be addressed in a residential planning context, rather than within a tourism planning framework.¹⁰⁷⁰ It advises that this will be achieved through the Shire’s Local Settlement Planning Strategy, which is currently being prepared.¹⁰⁷¹

The City of Albany contends that ‘these villages are exempted from the principles of the WAPC’s Liveable Neighbourhoods policy’.¹⁰⁷² This policy can be described as:

¹⁰⁶⁵ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p24.

¹⁰⁶⁶ *ibid.*, p25.

¹⁰⁶⁷ Submission No. 56 from Shire of Capel, 4 May 2009, p2.

¹⁰⁶⁸ *ibid.*

¹⁰⁶⁹ Submission No. 55 from Shire of Busselton, 1 May 2009, p6.

¹⁰⁷⁰ *ibid.*

¹⁰⁷¹ *ibid.*

¹⁰⁷² Submission No. 81 from City of Albany, 25 May 2009, p4.

*an operational policy for the design and assessment of structure plans (regional, district and local) and subdivision, for new urban (predominately residential) areas in the metropolitan area and country centres, on greenfield and large urban infill sites.*¹⁰⁷³

This policy states that ‘the WAPC will also take into consideration the specific design issues associated with retirement and lifestyle villages and accommodation in determining applications’.¹⁰⁷⁴

The City of Albany further contends that ‘the WAPC requires the housing product within a Lifestyle Village to be a park home’ and that this requirement is contrary to the CPCG Act.¹⁰⁷⁵ The CPCG Regulations provide that park homes may only be occupied in a licensed caravan park.¹⁰⁷⁶ However, as these are licensed as caravan parks under the Act, this criticism cannot be applied. What is evident, however, is that there is a vast difference between the land uses of a residential park and a caravan park.

It is probably not surprising ‘that there is an inconsistent approach to the permissibility and subsequent assessment of this form of development within different local government areas. ... park home developments have either been assessed as a ‘park home park’ or a ‘caravan park’ depending on the land use definitions contained within the local government local planning scheme’.¹⁰⁷⁷ The Committee understands that PB 49 and PB 71 are currently under review in order to resolve some of the confusion and inconsistencies which exist in the approvals process of residential parks. It is also envisaged that this review will address some of the other issues with planning for residential parks, such as balancing affordability and appropriate land use via appropriate zoning mechanisms.

Finding 91

The *Caravan Parks and Camping Grounds Act 1995* (WA) has a wider application than originally intended due to the fact that it now applies to wholly residential enclaves known commonly as ‘lifestyle villages’ that contain no caravan or camp sites.

¹⁰⁷³ Western Australian Planning Commission, *Liveable Neighborhoods*, October 2007, p2. Available at: <http://www.planning.wa.gov.au/WAPC+statements/1597.aspx>. Accessed on 25 July 2009.

¹⁰⁷⁴ *ibid.*

¹⁰⁷⁵ Submission No. 81 from City of Albany, 25 May 2009, p4.

¹⁰⁷⁶ Regulation 9 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁰⁷⁷ Submission No. 103, Closed Submission, 5 August 2009, p6.

Finding 92

Currently there is a large degree of inconsistency in the application of state and local planning legislation and policy to the development of residential parks.

Finding 93

Residential parks developed as 'lifestyle villages' are a satisfactory mechanism to address housing need for a particular identified market segment and, thus, alleviate some of the pressure on the current supply of caravan parks.

Finding 94

In order to provide an affordable housing option without encroaching upon existing caravan parks, 'lifestyle villages' must be allowed to develop on land other than that zoned urban.

Recommendation 33

The Minister for Planning provides for 'lifestyle villages' to be developed on rural zoned land.

Finding 95

The *Caravan Parks and Camping Grounds Act 1995* (WA) does not adequately regulate those residential parks that are modelled as 'lifestyle villages'.

Recommendation 34

The regulation of those residential parks modelled as 'lifestyle villages' remain under the *Caravan Parks and Camping Grounds Act 1995* (WA). Separate subsidiary legislation under this Act should be developed for the regulation of these residential parks, and the name of the Act should be changed to better reflect this.

7.6 Building Approval and Regulation

Another issue arising from the increasing use of the caravan park legislation to provide long-stay housing relates to building approvals and compliance. Building standards and controls in Western Australia are administered through the *Local Government (Miscellaneous Provisions) Act 1960* (WA) and the associated *Building Regulations 1989* (WA). The Building Code of Australia (BCA) is enforced through these statutes.

CIAWA argues that:

*at present there is substantial confusion within Local Government concerning the provisions of the Caravan and Camping Ground Act and Regulations in regard to the Building Code of Australia.*¹⁰⁷⁸

Unlike other buildings, including transportable buildings, which require prior building approval and a building licence issued by the LGA,¹⁰⁷⁹ the buildings in caravan parks are regulated separately under the CPCG Act and Regulations. That is, park homes, caravans and annexes are not subject to the building approvals process, nor are they required to have a building licence. This occurs by way of a specific exemption under the *Local Government (Miscellaneous Provisions) Act 1960* (WA).¹⁰⁸⁰ Building Industry Development describes the relationship between building regulation and caravan park regulation as follows:

*Caravan parks and camping grounds are primarily regulated through the Caravan Parks and Camping Grounds Act 1995 (CPCG) and supporting regulations, which interfaces with the building legislation in respect of approvals of buildings. Parcels of land are approved as caravan parks and/or camping grounds where people may locate vehicles that have been built for habitation and occupy them indefinitely. Mobile homes, caravans, park homes and other such vehicles are not required to obtain a building licence or be certified as compliant with minimum building standards. In normal circumstances vehicles are required to be licensed in accordance with the Road Traffic Act 1974 and the Road Traffic (Vehicle Standards) Regulations 2002.*¹⁰⁸¹

Notwithstanding the absence of formal building approvals and licences, both park homes and rigid annexes attached to caravans are required to comply with the BCA. For park homes this requirement is prescribed under r 33 of the CPCG Regulations. This requirement extends to any restorations, repairs, additions and alterations to the park home. The only deviation from the BCA is that a park home is not required to have ablution, laundry or toilet facilities. Similarly, under r 37 of the CPCG Regulations, rigid annexes are to be constructed or assembled in accordance with the BCA. Again, this includes restorations, repairs, additions and alterations. However, some LGAs have interpreted these provisions as meaning that park homes do require building licences,

¹⁰⁷⁸ Submission No. 91 from Caravan Industry Association Western Australia Inc., 10 July 2009, p4.

¹⁰⁷⁹ Division 2 *Local Government (Miscellaneous Provisions) Act 1960* (WA).

¹⁰⁸⁰ Section 373(3a) *Local Government (Miscellaneous Provisions) Act 1960* (WA).

¹⁰⁸¹ Submission No. 72 from Building Industry Development, 20 May 2009, p1.

thus illustrating that there is ‘no common approach’ to this issue.¹⁰⁸² According to CIAWA, ‘this anomaly creates considerable confusion for applicants and Shire staff as to whether a building licence is or is not required’.¹⁰⁸³

Due to the fact that buildings located in caravan parks are given the characteristics of a vehicle,¹⁰⁸⁴ they must have a ‘chassis with axle and wheel assembly’.¹⁰⁸⁵ Building Industry Development points out that the ‘same thing without the axle and wheel assembly attached would be considered a “transportable building”’ and would thus be subject to the standard building approvals process.¹⁰⁸⁶ The Shire of Broome also drew attention to this, and views this as an attempt to bypass the application of the BCA.¹⁰⁸⁷ However, other LGAs noted that the wheels and axle requirement is important for receivership issues; for example, if a park goes bankrupt, park home and caravans with wheels and axles cannot be classed as a fixture.¹⁰⁸⁸ This was also noted by the Department of Local Government (DLG).¹⁰⁸⁹

During the investigative travel undertaken for this Inquiry, the Committee saw numerous examples of wheels that were inappropriate for the function for which they are intended, that is, for the purpose of being able to transport the vehicle within 24 hours in accordance with r 15 of the CPCG Regulations. This regulation provides that the owner of a park home is to ensure that ‘each component of the park home has wheels attached to it, and is maintained in such a condition that it is able to be moved under its own power or by being towed, within 24 hours’.¹⁰⁹⁰

Other concerns with the planning process in relation to building approvals were also raised throughout the Inquiry. For instance, the City of Wanneroo argues that consistency within the building approvals process would make it easier to administer, and be more logical and equitable.¹⁰⁹¹ It submits that:

the City has concerns regarding the lack of building approval required for homes built on caravan park and camping grounds facilities. It is considered that, given the evolving construction of modern mobile homes and to ensure consistency with building control for other types of construction, it would be preferable for such homes to be legislated by the

¹⁰⁸² Submission No. 91 from Caravan Industry Association Western Australia Inc., 10 July 2009, p4.

¹⁰⁸³ *ibid.*

¹⁰⁸⁴ Section 5 *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁰⁸⁵ Submission No. 72 from Building Industry Development, 20 May 2009, p2.

¹⁰⁸⁶ *ibid.*, p1.

¹⁰⁸⁷ Mr Darryl Butcher, Director Development, Shire of Broome, Telephone Conversation, 31 July 2009.

¹⁰⁸⁸ City of Albany and Shire of Denmark, *Committee Briefing*, 22 July 2009; Mr Richard Rodgers, Manager Building Services, City of Rockingham, Telephone Conversation, 31 July 2009.

¹⁰⁸⁹ Ms Donna Cocking, Chairperson, Caravan Parks and Camping Grounds Advisory Committee, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p12.

¹⁰⁹⁰ Regulation 15(1) *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁰⁹¹ Mr Pas Bracone, Manager Building Services, City of Wanneroo, Telephone Conversation, 30 July 2009.

*Local Government (Miscellaneous Provisions) Act 1960, which deals with building control and safety related matters concerning residential construction.*¹⁰⁹²

The Shire of Busselton also notes what it perceives as a ‘lack of planning control over the approval of park homes’.¹⁰⁹³ Park homes and annexes must obtain written approval from the LGA to be erected or brought onto the caravan park site.¹⁰⁹⁴ However, again, this is under the CPCG Act and outside the standard building approvals process. As the Shire states:

*the lack of planning control over the approval of park homes within the ‘Tourism’ zone is due to the classification of park homes as short term accommodation as opposed to permanent accommodation, given that they are constructed with wheels, and have the ability to be removed within 24 hours. Hence they do not require a planning or building approval, and only require a health assessment under the Caravan Park and Camping Ground Regulations 2007 (the Regulations). They are issued with a licence by the Health Department of the Shire.*¹⁰⁹⁵

The Shire advises that under the CPCG Regulations the process operates like a reverse building approval. That is, under the standard building approvals process, building approval is given and then a health assessment is conducted. Under the CPCG Regulations health assessment is completed in isolation of other approvals; the only other requirement is that the structure itself is BCA compliant.¹⁰⁹⁶

The Shire of Busselton argues that this is a frustrating process for LGAs. This is because the built structure itself must comply with the BCA and, in reality, this requires what is essentially a building approvals process (in terms of obtaining relevant certificates and plans, for example). The Shire claims that while the drafters of the CPCG Act and Regulations may have intended to reduce ‘red tape’, this certainly has not eventuated. Furthermore, it advises that the costs of the de-facto building approvals process cannot be recouped by the LGA as no formal building licence is issued.¹⁰⁹⁷

Another major issue is that while the physical structure of a park home or annexe must comply with the BCA, the surroundings are not taken into account as would normally be done under the building approvals process. This means that these structures ‘are not assessed in regard to fire management (in terms of building fire separation walls), building safety and building energy efficiency requirements’.¹⁰⁹⁸ This is viewed with great concern by all LGAs who commented on

¹⁰⁹² Submission No. 54 from City of Wanneroo, 1 May 2009, p1.

¹⁰⁹³ Submission No. 55 from Shire of Busselton, 1 May 2009, p5.

¹⁰⁹⁴ Regulations 30(1)(c), and 34(1)(b)(ii) *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁰⁹⁵ Submission No. 55 from Shire of Busselton, 1 May 2009, p5.

¹⁰⁹⁶ Mr Gary Barbour, Manager Development Services, Shire of Busselton, Telephone Conversation, 30 July 2009.

¹⁰⁹⁷ Mr Gary Barbour, Manager Development Services, Shire of Busselton, Telephone Conversation, 31 July 2009.

¹⁰⁹⁸ Submission No. 55 from Shire of Busselton, 1 May 2009, p5.

this issue.¹⁰⁹⁹ Furthermore, in cyclone prone areas, there are additional factors which should be considered, and which would normally be taken into account under the BCA and a formal building approvals process.¹¹⁰⁰ For example, should a park home in a Broome caravan park require a formal building licence, it would be required by the Shire of Broome to be constructed in accordance with particular cyclone provisions under the Shire's building approvals process.¹¹⁰¹ Building Industry Development outlines the importance of compliance with building standards at every stage of construction and location:

*Compliance with building standards, Building Code of Australia (BCA), is integral to the protection of occupants, users, and adjoining owners. Building standards control certain aspects of buildings that are essential to safety and health including structure, damp and weatherproofing, fire safety, health and amenity, safe movement and access, and energy efficiency. It is important to check these aspects at not only at (sic) the design stage but also upon erection of the dwelling in a location. Poor location can negatively affect fire safety, safe movement and access and energy efficiency of a dwelling.*¹¹⁰²

Interestingly, should normal building standards apply in these instances, the Committee is advised by the Shire of Busselton and the City of Wanneroo that 'performance based solutions' under the BCA could be applied to each dwelling in order to ensure viability and suitability for that particular setting.¹¹⁰³ Rather than necessarily being more prescriptive than the CPCG Regulations, this could potentially allow for flexibility in each circumstance. It could even mean that dwellings within caravan parks are closer together, but importantly, with the correct mechanisms in place to ensure safety and compliance with the BCA. In fact, the Shire of Busselton believes that the CPCG Regulations are unnecessarily prescriptive and rigid (for example, regarding setbacks).¹¹⁰⁴ The City of Wanneroo believes that while the CPCG Regulations are detailed and prescriptive, they do not adequately address fire, health and safety considerations.¹¹⁰⁵ These views are

¹⁰⁹⁹ For example: Mr Mark Donnelly, Manager Regulatory Services, City of Wanneroo, Telephone Conversation, 31 July 2009; Mr Gary Barbour, Manager Development Services, Shire of Busselton, Telephone Conversation, 30 July 2009.

¹¹⁰⁰ Shire of Broome, *Committee Briefing*, 30 June 2009; Shire of Roebourne, *Committee Briefing*, 23 June 2009; Mr Darryl Butcher, Director Development, Shire of Broome, Telephone Conversation, 31 July 2009.

¹¹⁰¹ Mr Darryl Butcher, Director Development, Shire of Broome, Telephone Conversation, 31 July 2009.

¹¹⁰² Submission No. 72 from Building Industry Development, 20 May 2009, p2.

¹¹⁰³ Mr Gary Barbour, Manager Development Services, Shire of Busselton, Telephone Conversation, 30 July 2009; and Mr Mark Donnelly, Manager Regulatory Services, City of Wanneroo, Telephone Conversation, 31 July 2009.

¹¹⁰⁴ Mr Gary Barbour, Manager Development Services, Shire of Busselton, Telephone Conversation, 30 July 2009.

¹¹⁰⁵ Mr Mark Donnelly, Manager Regulatory Services, City of Wanneroo, Telephone Conversation, 31 July 2009.

supported by officers from the DLG and the Caravan Parks and Camping Grounds Advisory Committee.¹¹⁰⁶

Another point to note is that because many park homes are occupied long term by long-stay or semi-permanent residents, additions to park homes such as pergolas and carports are common.¹¹⁰⁷ Unlike park home and annexes, pergolas and carports are not expressly exempt from the *Local Government (Miscellaneous Provisions) Act 1960* (WA),¹¹⁰⁸ which regulates local government building approvals processes and licenses. In addition, they are considered by some LGAs to be permanent structures and, therefore, are required to have a building licence.¹¹⁰⁹ Although, in relation to this, the Shire of Busselton advises that ‘there is insufficient control over the number of structures permitted per site and setbacks relating to ancillary structures’.¹¹¹⁰

Furthermore, there is evidence that other LGAs treat ancillary structures such as carports and pergolas as non-permanent structures as they are attached to a non-permanent structure (i.e. a caravan) and, therefore, cannot be permanent in any true sense.¹¹¹¹ Nevertheless, under the CPCG Regulations the structures must obtain written approval from the LGA and, therefore, are subject to any relevant conditions imposed by the LGA, whether or not a formal permit is issued.¹¹¹² This example highlights the complexity and level of difficulty faced by LGAs in administering building regulations under the CPCG Act and Regulations.

It appears to the Committee that there are a number of non-compliant structures in caravan parks throughout the state. This could be partially due to the complexities and difficulties experienced by LGAs in the administration of the processes described above. The Shire of Busselton argues that in between the annual compliance audits conducted by the Shire on caravan parks, park owners may allow non-compliant structures to be erected, and it is difficult to compel the park owner to, in turn, force the tenant to remove these structures.¹¹¹³ This Shire proposes that:

legislation should address the responsibility of enforcement and place the onus on the owner or manager of a park. Consideration should be given for Council to issue fines for

¹¹⁰⁶ Ms Donna Cocking, Chairperson, Caravan Parks and Camping Grounds Advisory Committee, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p8; Mr Ross Earnshaw, Manager, Statutory Support, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p9.

¹¹⁰⁷ Submission No. 55 from Shire of Busselton, 1 May 2009, p5.

¹¹⁰⁸ Section 373(3a) *Local Government (Miscellaneous Provisions) Act 1960* (WA).

¹¹⁰⁹ For example, see Submission No. 55 from Shire of Busselton, 1 May 2009, p5; Mr Darryl Butcher, Director Development, Shire of Broome, Telephone Conversation, 31 July 2009; Mr Pas Bracone, Manager Building Services, City of Wanneroo, Telephone Conversation, 31 July 2009.

¹¹¹⁰ Submission No. 55 from Shire of Busselton, 1 May 2009, p5.

¹¹¹¹ Mr Richard Rodgers, Manager Building Services, City of Rockingham, Telephone Conversation, 31 July 2009.

¹¹¹² Section 39 *Local Government (Miscellaneous Provisions) Act 1960* (WA).

¹¹¹³ Mr Gary Barbour, Manager Development Services, Shire of Busselton, Telephone Conversation, 30 July 2009.

*non compliance, issue of notices and to enable Council to recover costs for the removal of non-complying structures.*¹¹¹⁴

It appears that the issue here is not a lack of regulation in relation to built structures in caravan parks. Rather the issue is that the CPCG Regulations are complicated, unclear and extremely prescriptive, thus making them difficult to interpret and enforce. Furthermore, there are essentially two layers of regulation to apply, that is, the CPCG Regulations and the BCA. Rather than being able to regulate caravan park buildings under the BCA, which is commonly used and understood by all, LGAs must determine which regulatory instrument to apply when issuing infringement notices for illegal structures. Should the incorrect course of action be pursued, it is believed by some that the matter would not withstand legal challenge.¹¹¹⁵

Building Industry Development sums up the issue by stating that:

*although the CPCG legislation classes park homes as a ‘vehicle’ that same legislation requires the builder to construct a park home in accordance with the BCA, which applies to ‘buildings’. The fundamental issue is whether park homes are vehicles or in fact buildings. If they are ‘buildings’ they should be regulated under building legislation. If they are ‘vehicles’ they should be regulated through vehicle licensing. The scope and intent of the CPCG legislation should be reviewed to determine what is appropriate in respect of park homes.*¹¹¹⁶

As noted elsewhere in this report, many caravan parks are becoming what are essentially quasi-residential developments. This increasing use of caravan park accommodation as long-stay residences exacerbates the planning and development issues discussed in this section. The Shire of Roebourne advised the Committee that this is the real issue when it comes to the regulation of buildings within caravan parks.¹¹¹⁷ Similarly, Building Industry Development argues that:

*there has been a significant increase in the number of ‘park homes’ being sold on the market, often labelled as retirement or lifestyle homes, which are typically permanent in nature i.e. such dwellings tend to remain in place indefinitely and are never intended to be moved about as vehicles: This trend is likely to continue and is considered to be a high risk area due to the lack of regulatory rigour in ensuring that minimum building standards are adhered to.*¹¹¹⁸

A new Building Bill is being drafted by Building Industry Development which aims to:

- clarify and tighten the definition of ‘building’ and what is regulated under building control

¹¹¹⁴ Submission No. 55 from Shire of Busselton, 1 May 2009, p5.

¹¹¹⁵ Mr Gary Barbour, Manager Development Services, Shire of Busselton, Telephone Conversation, 30 July 2009.

¹¹¹⁶ Submission No. 72 from Building Industry Development, 19 May 2009, p2.

¹¹¹⁷ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

¹¹¹⁸ Submission No. 72 from Building Industry Development, 19 May 2009, p2.

- clearly differentiate between things which are used as buildings (even if they started out as something else) and those things which are used as vehicles, and only regulate those things which are defined as buildings
- exempt vehicles that are able to be driven, or drawn behind another vehicle on the road, and that are regulated via a vehicle or other licensing regime
- ‘treat all transportable buildings the same, regardless of where they are situated or how they sit on the ground’
- apply the building approvals process to park homes in situ for more than one month¹¹¹⁹

Implementing the above would require amendment to the CPCG legislation to ‘ensure that “council approval” noted in that Act requires building approval through the issue of a building permit, in line with provisions of the Building Bill’.¹¹²⁰

The Committee supports the general notions outlined in the proposed Building Bill.

Finding 96

The regulation of building standards and compliance in caravan parks currently provided for under the *Caravan Parks and Camping Grounds Act 1995 (WA)* is complex, unclear and, in some cases, unworkable.

Finding 97

Implementation of the Building Bill as proposed by Building Industry Development is expected to address the inconsistencies and other problems currently inherent in the *Caravan Parks and Camping Grounds Act 1995 (WA)* in relation to building standards in caravan parks.

Recommendation 35

The Minister for Commerce progresses, as a matter of priority, the drafting and introduction of the Building Bill to the Parliament of Western Australia.

¹¹¹⁹ *ibid.*, p3.

¹¹²⁰ *ibid.*

Recommendation 36

The Minister for Local Government draft amendments to the *Caravan Parks and Camping Grounds Act 1995* (WA) as necessary to complement the proposed Building Bill.

7.7 Strata Titling of Caravan Parks

The strata titling of tourism accommodation facilities allows for a residential use component to be introduced and, thus, provides a means by which to ensure the viability of such a development. However, over time they can become de facto residential developments and a degree of tourism opportunity is lost to the wider public. Indeed, this issue was a focus of the Taskforce, which partly grew out of ‘concerns with inappropriately structured strata titled tourism developments’.¹¹²¹ The *Tourism Planning Taskforce Report* supports the prohibition of strata titling of caravan parks,¹¹²² as does CIAWA.¹¹²³

Under the CPCG Act and the *Strata Titles Act 1985* (WA) (ST Act), the strata titling of caravan parks is not permitted. Upon its passage in 1995, the CPCG Act amended the ST Act in order to provide for this requirement.¹¹²⁴ PB 41 states that ‘this is to avoid the potential for strata lot owners to develop individual sites in a way which is contrary to the purpose and intent of caravan parks for communal occupation’.¹¹²⁵ Indeed, it was reported to the Committee that often individual strata lot owners in caravan parks presume that because they own their own lot, they are able to disregard the provisions of the CPCG Act and Regulations and any other form of regulation which applies within that park.¹¹²⁶

Other evidence also suggests that due to the difficulties with the implementation of both the CPCG Act and the ST Act within strata titled caravan parks, LGAs and other parties are not in favour of allowing strata titling in caravan parks.¹¹²⁷ The DLG believes that strata titling of

¹¹²¹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p1.

¹¹²² *ibid.*, pvii.

¹¹²³ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p19.

¹¹²⁴ Section 122A *Strata Titles Act 1985* (WA).

¹¹²⁵ Western Australian Planning Commission, *Planning Bulletin 49: Caravan Parks*, February 2001, p3. Available at: <http://www.planning.wa.gov.au/Publications/199.aspx>. Accessed on 12 February 2009.

¹¹²⁶ Ms Karen Richardson, Company Director, Richardson Strata Management Services, Telephone Conversation, 12 August 2009.

¹¹²⁷ Mr Ross Charland, Strata Company Manager, Independent Strata Services, Telephone Conversation, 11 August 2009; Ms Karen Richardson, Company Director, Richardson Strata Management Services, Telephone Conversation, 12 August 2009.

caravan parks ‘creates an issue of a body corporate running a park; it is more of a management issue’ than anything else.¹¹²⁸

As the strata titling of caravan parks was permitted prior to 1995 there are several caravan parks in Western Australia which are subdivided in this way. The DLG believes there are 10 such parks in WA.¹¹²⁹ However, WAPC development control policy entitled *Development Control Policy 1.3 Strata Titles* states that ‘the WAPC will not grant any further approvals for the strata titling of caravan parks’.¹¹³⁰

Strata titling in caravan parks allows individuals to buy into a caravan park and own both the home and the land upon which the home sits. Unlike other caravan parks where a site can only be leased, the strata title gives owners security of tenure, potential access to finance and a highly saleable asset. Strata titled parks often cater for the annuals market, where the strata titled lots are owned by private holidaymakers. One such caravan park is located in Seabird, south of Lancelin. Advice received by the Committee indicates that these kinds of arrangements can be very successful.¹¹³¹ This is discussed further below.

However, the York Caravan Park is an example of the way in which strata titling of a caravan park can create tension between tourism and residential uses of a tourist facility. The Mount Bakewell Resort is comprised of the York Caravan Park and several cabins that sit on strata titled land as part of the resort. The cabins are leased out by the private owners to long-term tenants and are situated on what is tourism zoned land.¹¹³² The owner operator of the York Caravan Park submits that:

*the impact of strata titling on the York Caravan Park and the conflicting land use of tourism versus residential has been a disaster for tourism in York and very costly to the caravan park operations, in all domains of demand, supply and costs. Park operations are focused on providing an outstanding tourist destination. The residential owners are not focused on tourism, with the rental properties in the Mount Bakewell Resort making a profit for real estate agents and owners.*¹¹³³

This particular case was taken to SAT with no apparent resolution arising out of this process. The caravan park operator advises the Committee that during a particular SAT hearing involving discussions around the tourist zoning of the caravan park, the Shire of York was instructed by

¹¹²⁸ Ms Donna Cocking, Chairperson, Caravan Parks and Camping Grounds Advisory Committee, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p7.

¹¹²⁹ *ibid.*

¹¹³⁰ Western Australian Planning Commission, *Development Control Policy 1.3 Strata Titles*, June 2009, p7. Available at: <http://www.planning.wa.gov.au/Plans+and+policies/Publications/default.aspx>. Accessed on 27 July 2009.

¹¹³¹ Ms Karen Richardson, Company Director, Richardson Strata Management Services, Telephone Conversation, 12 August 2009.

¹¹³² Submission No. 63 from York Caravan Park, 14 May 2009, pp9-13.

¹¹³³ *ibid.*, p8.

SAT to write to the long-stay residents living in the resort giving them six months to vacate the properties. The Shire agreed, with the Chief Executive Officer stating that he did not ‘know why the residential owners/occupiers continue to live permanently in the resort houses’.¹¹³⁴ The Committee understands that the issue remained unresolved as at May 2009.

Similarly, the Dawesville Caravan Park and Holiday village, as a strata titled park, experiences issues with long-stay residents and annual visitors, as noted by the DLG:

*[the] Dawesville Caravan Park and Holiday Village has strata titles on one side of the park and the other operates as a semipermanent park, with annuals, permanents and open sites, and there is always a conflict of management. Having several owners, obviously because they own land and title, also created a premium for those sites. At the time, people could probably purchase something in Dawesville for a reasonable price, and then not be attached to the caravan park and be hamstrung in certain ways with development.*¹¹³⁵

The Shire of Broome takes a dim view of strata titling in caravan parks, arguing that this approach ties up caravan park land and can lead to problems around land management. According to the Shire, management issues arise particularly with unit style developments where the owners want something different over time. However, the Shire does acknowledge that strata titling could assist in keeping caravan park land for this particular use, protecting against speculation.¹¹³⁶

Advice received by the Committee indicates that strata titling of caravan parks can potentially work well in management terms, and also be effective in allowing a broader range of people to gain affordable entry into the holiday home market in holiday destinations such as Broome which are generally prohibitively expensive.¹¹³⁷ In order to avoid the management problems inherent in poorly set up and managed strata titled caravan parks, it was suggested to the Committee that a ‘management statement’ provided for under s 5C of the ST Act could be used to provide for carefully drafted and specific by-laws relating to that particular caravan park.¹¹³⁸ Furthermore, Ms Karen Richardson of Richardson Strata Management Services believes that by ensuring from the outset that the strata management framework is set up to facilitate compliance with both the CPCG Act and the ST Act, many subsequent problems can be avoided. She believes that experts in the field of strata management would be able to quite easily achieve this.¹¹³⁹ Also, as with any

¹¹³⁴ *ibid.*, p13.

¹¹³⁵ Ms Donna Cocking, Chairperson, Caravan Parks and Camping Grounds Advisory Committee, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p7.

¹¹³⁶ Shire of Broome, *Committee Briefing*, 30 June 2009.

¹¹³⁷ Ms Karen Richardson, Company Director, Richardson Strata Management Services, Telephone Conversation, 12 August 2009.

¹¹³⁸ Mr Ross Charland, Strata Company Manager, Independent Strata Services, Telephone Conversation, 11 August 2009.

¹¹³⁹ Ms Karen Richardson, Company Director, Richardson Strata Management Services, Telephone Conversation, 12 August 2009.

strata titled lot, potential purchasers must be made fully aware of what buying into strata titled caravan parks entails.¹¹⁴⁰

Finding 98

There may be a role for strata titling in caravan parks.

Recommendation 37

The Minister for Local Government review the policy and legislation regarding strata titling in caravan parks.

7.8 Planning Barriers to New Caravan Park Developments

Caravan parks, like all developments, must go through, and comply with, a series of planning and development requirements prior to approval being granted. At the preliminary stages of development, the planning and development requirements include those associated with locating and acquiring suitable land, Native Title negotiations, environmental approvals from the Department of Environment and Conservation, and various other approvals from government agencies such as the Water Corporation, Western Power, and the Department of Mines and Petroleum.¹¹⁴¹ Planning and building approvals must then be sought from the relevant LGA and DoP. Re-zoning of the land usually will be necessary to enable its use as a caravan park and camping ground.

Evidence presented to the Committee suggests that the planning and development process in itself presents a barrier to the development of new caravan parks.¹¹⁴² This is due, in large part, to the nature of the planning requirements themselves, the complexity of the process and the resultant time taken to obtain all necessary approvals.

At hearing, DoP, agreed that planning, particularly for dwelling sites in the ‘major resource growth areas’, has ‘lagged a little bit’ and that, ‘more importantly, it is difficult to get these sites

¹¹⁴⁰ *ibid.*

¹¹⁴¹ Submission No. 101 from Shire of Gingin, 31 July 2009, p1.

¹¹⁴² This chapter does not include discussion on any barriers to supply that compliance with the CPCG Act and Regulations might create. Compliance barriers are discussed in Chapter 9.

through the various approvals processes, so through native title, heritage and environment approval, and indeed, mining tenement approval'.¹¹⁴³

WALGA's submission also provides an example of the multi-faceted nature of the planning process and its impact on the development of caravan parks. In relation to Native Title WALGA states that:

*Crown Land will require clearance and where this had typically been negotiated by the State Government, in recent times the State Government has required developers to enter into negotiations with the indigenous group themselves.*¹¹⁴⁴

Such negotiations necessarily take time. According to the Office of Native Title website 'there are approximately 100 outstanding native title claim applications in Western Australia'.¹¹⁴⁵ Tourism WA's regional manager in Broome advises that when a land title changes it first must obtain Native Title clearance, which can cause issues for caravan park developments.¹¹⁴⁶ It is important to note that the Committee is not questioning the need for Native Title clearance for land acquisitions. The intention here is to acknowledge that this process adds further time to an already lengthy process.

A further example of planning requirements that act as a barrier to development, as reported to the Committee, is the requirement of the *State Coastal Planning Policy* in relation to physical processes setbacks. Statement of Planning Policy No. 2.6, *State Coastal Planning Policy*, Gazetted on 19 December 2006, recognises that 'the Western Australian Coast is one of the state's greatest assets in terms of its environmental, economic, social and cultural resources'.¹¹⁴⁷ The policy also recognises the different pressures on coastal land and the need to balance 'often competing needs and values' while also taking into consideration the coast's 'scenic, aesthetic and ecological qualities, its recreational opportunist, and its social, indigenous, cultural and economic importance'.¹¹⁴⁸

The main aspect of this policy that is of concern to the Committee is the requirement for development setbacks for physical processes to ensure that development in coastal regions 'takes into account coastal processes including erosion, accretion, storm surge, tides, wave conditions, sea level change and biophysical criteria'.¹¹⁴⁹

¹¹⁴³ Ms Anne Hill, Executive Director, Regional Planning and Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p2.

¹¹⁴⁴ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p5.

¹¹⁴⁵ Office of Native Title, 'Native Title Claims in Western Australia', 2006. Available at: http://www.nativetitle.wa.gov.au/uploadedFiles/Claims/WA_Applications_Dec08.pdf. Accessed on 3 August 2009.

¹¹⁴⁶ Mr Vaughn Davies, Regional Manager, Tourism Western Australia, *Committee Briefing*, 30 June 2009.

¹¹⁴⁷ Western Australian Planning Commission, *Statement of Planning Policy No. 2.6, State Coastal Planning Policy*, Gazette No. 225, Government of Western Australia, 19 December 2006, p2063.

¹¹⁴⁸ *ibid.*

¹¹⁴⁹ *ibid.*, p2064.

Schedule One of the policy provides guidelines for setbacks so that they absorb severe storm sequence impacts and allow for shoreline movement, rises in global sea levels and the fluctuation of natural coastal processes.¹¹⁵⁰ The guidelines are based on a statistical probability of a coastal occurrence within a 100 year time frame and are applied from a line known as the horizontal setback datum (HSD).¹¹⁵¹ The policy also provides values to be included in calculations for absorbing acute erosion (extreme storm sequence), allowing for historic trend (chronic erosion or accretion) and sea level change.¹¹⁵²

The policy provides that any development in a cyclone prone area (north of latitude 30 degrees) should have its setback 'defined on a case-by-case basis'.¹¹⁵³ Calculation of setbacks for such areas should consider potential ocean inundation caused by the maximum storm surge of a Category 5 cyclone.

The Policy does provide for flexibility in planning for coastal areas. It states that 'the required total setback will vary according to the circumstances of any particular proposal'.¹¹⁵⁴ While a setback of 100 metres from the HSD is generally expected, each proposal is assessed according to the provisions of Schedule One, including possible variations to the general case and possible exemptions. This flexibility is further supported in the *Development Control Policy 6.1, Country Coastal Planning Policy*, which states that 'while the policy establishes general guidelines it needs to be emphasised that the application of generalizations in coastal planning can lead to serious difficulties'.¹¹⁵⁵ This policy further states that it 'is not intended to place onerous development conditions on remote settlements in the State but favours a flexible, common sense application', and provides that each case be 'considered on its merits'.¹¹⁵⁶

At hearing DoP confirmed that 'when we [DoP] are talking about setbacks from the coast we probably would include caravan parks'.¹¹⁵⁷ In discussing the application of the policy, DoP used Coral Bay as an example and explained that decisions in relation to caravan park bays were made on the basis of a 'major storm surge study'.¹¹⁵⁸

During its investigative travel in the North West tourism region of the state, the Committee heard evidence of the impact of the application of the policy by the then DPI (now DoP). For example,

¹¹⁵⁰ *ibid.*, p2068.

¹¹⁵¹ *ibid.* See also Ms Anne Hill, Executive Director, Regional Planning and Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p14.

¹¹⁵² Western Australian Planning Commission, *Statement of Planning Policy No. 2.6, State Coastal Planning Policy*, Gazette No. 225, Government of Western Australia, 19 December 2006, pp2069-70.

¹¹⁵³ *ibid.*, p2071.

¹¹⁵⁴ *ibid.*, p2064.

¹¹⁵⁵ Western Australian Planning Commission, *Development Control Policy No. 6.1, Country Coastal Planning Policy*, Government of Western Australia, June 1989, p3.

¹¹⁵⁶ *ibid.*

¹¹⁵⁷ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p14.

¹¹⁵⁸ *ibid.*, p15.

the Shire of Roebourne expressed concern that while the Shire used data generated by Global Environment Modelling Systems (GEMS) for its proposal, DoP used worst case scenarios plus 0.9 metre sea level rise predictions to calculate the setback. As Karratha has experienced only one storm surge in the past four years and around two in past ten years, the Shire does not consider the worst case scenario approach to be appropriate.¹¹⁵⁹

In discussing the situation at Port Hedland at hearing, the Committee expressed concern in relation to the impact of the application of the 100-year storm surge policy plus the additional 0.9 metres for global warming. While agreeing that the policy provided that ‘case-by-case decisions can be made that are flexible around that [100 years + .9 metres]’, DoP acknowledged that ‘that does not mean that it is consistent in every case’.¹¹⁶⁰ According to DoP, the policy ‘could be read very rigidly or it could be read more flexibly. Unfortunately, planning is not an exact science’.¹¹⁶¹

The Committee has formed the view that the less-than-flexible application of the policy in the Port Hedland area has resulted in a considerable barrier to the development of caravan parks and other development purposes.

The Pilbara Development Commission calls for more flexibility in interpretation of the policy, suggesting that DoP does not need to work to the worst case scenario for tides etc.¹¹⁶² It is clear to the Committee that rigid interpretation of the State Coastal Planning Policy makes it impossible to develop caravan parks and overflow areas in many coastal areas, which is particularly problematic as it is coastal areas that are most often in demand from travellers.

It is the view of the Committee that a more flexible application of the existing policy, together with a more risk-based approach to coastal planning, would allow a greater supply of caravan sites. Consideration needs to be given to allowing the development of caravan parks, and particularly overflow facilities, in areas that would ordinarily be excluded by the strict application of the policy. This position is based on a number of factors. First, the seasonal nature of demand for caravan and camping sites means that demand is particularly low in the cyclone season, that is, at a time of high storm surge risk. Second, recreational vehicles by definition must have wheels and be capable of moving within 24 hours. Third, operators developing sites in such areas would do so being aware of this risk of development and do so in acceptance of that risk. Fourth, it would allow higher value use of land that is currently not able to be used at all. When questioned at hearing, DoP was generally supportive of the coastal planning policy being interpreted ‘in a more risk-based way’.¹¹⁶³

¹¹⁵⁹ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

¹¹⁶⁰ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p15.

¹¹⁶¹ Ms Anne Hill, Executive Director, Regional Planning and Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p15.

¹¹⁶² Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

¹¹⁶³ Ms Anne Hill, Executive Director, Regional Planning and Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p16.

The above example highlights the unnecessary rigidity inherent in the decision-making process where LGAs are forced to consider every possible scenario when planning for caravan parks, not unlike the approach taken towards a standard residential development. This approach could be seen to illustrate a lack of recognition by all levels of government regarding the urgency of planning for new caravan park developments.

Finding 99

A more flexible application of the State Coastal Planning Policy, together with a more risk-based approach to coastal planning for caravan parks, would remove some of the barriers to improving supply.

Recommendation 38

The Department of Planning interprets the State Coastal Planning Policy in a more flexible manner so as to allow caravan parks, and particularly overflow facilities, to be developed in areas that would ordinarily be excluded by the rigid application of the policy.

Many submissions and other evidence received by the Committee draw attention to what is seen as the lengthy and cumbersome planning process which impedes the development of new caravan parks and camping grounds. The evidence provided at hearing by the Pink Lake Tourist Park in relation to its development exemplifies the sentiments expressed to the Committee:

*We decided to go down the path of a park-owned development. We have really been working on that for probably three years. I guess one of the comments I would like to make to the committee is that developments are really hard to achieve. As an example, it took us nine months to get the Water Corporation to achieve a sewer design that was done by a civil engineer We went down that path of offering 50-year leases on the park homes, and that us took us something like 18 months to get approval from the WAPC. Anecdotally you hear that people have simply given up because the process is too hard and too cumbersome. I think that is a major concern, whether it be from the perspective of short-term or long-term accommodation.*¹¹⁶⁴

Another operator suggested that tourism in Western Australia, in comparison with other Australian jurisdictions:

is not taken seriously enough. Comparing the conversations I have here in WA with what I have over east, it is embarrassing to be Western Australian. I will buy properties over east and we will sit down with tourism bodies as well as the local council. When I talk to the council, I will have the CEO, the mayor, the planning department and the health department all sitting around the table with me. Basically, the attitude is, "If you're going

¹¹⁶⁴ Mr Gregory Cole, Park Owner, Pink Lake, *Transcript of Evidence*, 27 July 2009, pp1-2.

*to bring tourism into our town, you just tell us what we need to do.” We come here and it is embarrassing the amount of hurdles that we need to jump to get an approval. I could list a stack of examples of silly things that we had to do that have no significance and just hindered up to \$4 million, \$5 million or \$6 million worth of investment.*¹¹⁶⁵

This operator provided the Committee with examples of delays in planning approval, stating that it is a common problem throughout the state, not just in particular areas.

Evidence received by the Committee demonstrates a zoning approval can take anywhere from six months¹¹⁶⁶ to four years.¹¹⁶⁷ The Mandalay Holiday Resort and Tourist Park also submits that a major impediment for those interested in developing a new caravan park is the length of time taken to obtain the necessary approvals and deal with all the preliminary factors which must be considered.¹¹⁶⁸ The Pilbara Development Commission advised the Committee that planning processes took a minimum of three years and expressed concern about the regions lack of preparedness for further development.¹¹⁶⁹

Should a proposed caravan park be developed using Crown land and tendered out for private development, another layer of planning negotiations is added which, in turn, adds further time to the process. Factors such as the disposition of the property must be negotiated, with the Minister for Lands making a decision upon how the land is marketed. For example, in the case of the development of Ledge Point Caravan Park, following the rezoning of the land intended for its use, the Shire of Gingin had to ‘negotiate the referred means of disposition of the property, given that it was to be acquired by the private sector and there was a desire on the part of the State Government and Council for the land to remain a “Caravan Park” in perpetuity’.¹¹⁷⁰ A decision was made in this case by the Minister for Lands that ‘the land would be marketed on the basis of “leasehold” as opposed to “conditional purchase-freehold”’.¹¹⁷¹ The Shire was concerned that investors would not show a great deal of interest ‘in the event that no freehold option was made available to the private sector ... [and therefore] negotiations were effected with representatives from the Department for Planning and Infrastructure’s Land Asset Management Services Branch in order to progress the marketing of the land’.¹¹⁷² According to the Shire these negotiations, and the consequent decision by the Minister for Lands, were not finalised until approximately 18 months later.¹¹⁷³ It took a further three months for the former DPI to invite expressions of interest on the development, and the associated Information Package was not completed by this department for

¹¹⁶⁵ Closed Evidence, *Transcript of Evidence*, 28 July 2009, p6.

¹¹⁶⁶ Submission No. 101 from Shire of Gingin, 31 July 2009, p2.

¹¹⁶⁷ Mr David Woo, Planning Manager, National Lifestyle Villages Pty Ltd, Telephone Conversation, 15 June 2009.

¹¹⁶⁸ Submission No. 22 from Mandalay Holiday Resort and Tourist Park, 23 April 2009, p5.

¹¹⁶⁹ Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

¹¹⁷⁰ Submission No. 101 from Shire of Gingin, 31 July 2009, p2.

¹¹⁷¹ *ibid.*, p3.

¹¹⁷² *ibid.*

¹¹⁷³ *ibid.*

another whole month after this advertisement. At the expiration of time for the expression of interest process, and more than two years after rezoning was approved by the WAPC, 'no deliberative action' had been taken by DPI in relation to the one applicant who had responded the expression of interest advertisement.¹¹⁷⁴ The Shire reports that finally:

as a consequence of growing frustration being expressed by both Council and the community, on 9 May 2005, correspondence was forwarded to the then Minister for Planning and Infrastructure seeking her intervention in having this matter determined.

*The awarding of the Expression of Interest was finalised shortly thereafter.*¹¹⁷⁵

Delays in planning and development approval add further pressure to the supply of new parks in Western Australia. This pressure is not only the time that it takes, but also the extra costs associated with the process. For example, the Mandalay Holiday Resort and Tourist Park states that:

*at present there are no new Tourist Caravan Parks being built in WA. Those parks that are planned are bogged down in Planning Schemes. They suffer from Regulations such as environmental issues, health, access and services such as waste disposal, electricity, roads, amenities and land scaping. Once all the issues are sorted out the park is no longer viable on \$26 per night. In the last 10 years the Shire of Busselton has had numerous Development Applications for Proposed Caravan Parks and all have fallen through.*¹¹⁷⁶

Given that this process is likely to span several years, what was once considered an affordable business based upon a particular nightly rate may no longer be sustainable after several years have elapsed. This observation is supported by Aspen Parks, which argues that:

*given the multi layers of approval for tourism development in the state of WA and taking into consideration the economic, social and environmentally sensitive areas caravan parks are located, the development of a caravan park may take years to achieve. This very fact may be the single most important issue affecting the viability of the industry as a whole into the future.*¹¹⁷⁷

Not only do planning and development obstacles confront developers of new parks, they can also impede improvements in the capacity of existing parks. Aspen Parks states that many caravan parks 'have a portion of the property undeveloped', but that any development of this vacant area 'is subject to the same cost and profitability constraints of a new development'.¹¹⁷⁸ It provides the following example:

¹¹⁷⁴ ibid.

¹¹⁷⁵ ibid.

¹¹⁷⁶ Submission No. 22 from Mandalay Holiday Resort and Tourist Park, 23 April 2009, p5.

¹¹⁷⁷ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p4.

¹¹⁷⁸ ibid., p7.

Aspen Parks has been negotiating with various Government departments for the past 5 years, as well as our predecessors 3-4 years prior to that, to acquire a 4ha parcel of land adjoining one of our properties to develop into a mixed use cabin and caravan park to compliment our adjoining operation. From the onset of negotiations to amalgamate the two parcels of land, all major stakeholders were agreeable as to its suitability as a caravan park. However, it has taken up to 9 years to acquire this land to develop additional sites, and negotiations are still being finalised in an environment where 10 caravan parks have closed during the same period. We believe this example highlights not only the frustration in dealing with government departments in developing this industry but also the priority given in freeing up land for development as caravan parks.¹¹⁷⁹

While the above example is mostly concerned with land availability, it does demonstrate the way in which the current planning system moves very slowly.

The Committee is cognisant of the need for careful and proper planning and development policies and procedures. However, it also believes that the time taken for planning and development approval for caravan parks is often too long and the process cumbersome.

Finding 100

The planning approvals process for the development of new caravan parks is far too complicated and lengthy.

Recommendation 39

The Minister for Planning fast-track the planning process for new caravan park developments, particularly for strategic tourism sites.

¹¹⁷⁹ *ibid.*, p8.

CHAPTER 8 DUAL USE OF CARAVAN PARKS: TOURISM AND RESIDENTIAL USES

8.1 Introduction

This chapter deals with the use of caravan parks for residential accommodation. The majority of caravan parks in Western Australia are now used for both tourism and residential purposes, and this dual use has created many complex issues which require resolution at all levels of policy, planning and administration. Planning issues in relation to the residential use of caravan parks are discussed in Chapter 7. Following in this section is a brief outline of the background of the dual use of caravan parks. Section 8.2 describes the various demand characteristics of the use of caravan parks for residential accommodation. Section 8.3 discusses the supply of, and demand for, long- and short-stay sites and the mix thereof, with particular regard to concerns expressed about the availability of both types of sites. Section 8.4 outlines other major issues that arise when the dual use of caravan parks is permitted.

As previously outlined in Chapter 2, at Section 2.2(a), provision was made in 1995 via the drafting of the *Caravan Parks and Camping Grounds Act 1995* (WA) (CPCG Act) which allowed caravan parks to officially provide long-term residential accommodation. This was in response to the existing demand for this kind of accommodation, with people having lived (illegally, for the most part) in caravan parks since as far back as the 1970s. Mr David Hillyard, Director of Industry and Consumer Services at the Department of Commerce (DoC), recalls this era in his professional capacity dealing with residential tenancies:

*In the early days of seeing these permanent residents [of caravan parks] ... the local government department (sic) were grappling with this issue about people who were permanently residing in caravan parks in breach of their legislation, so they developed the caravan and camping grounds legislation for those people, who were on site, not to be on sites illegally et cetera.*¹¹⁸⁰

Following the removal of the ‘anomalies’ which existed prior to this legislation being enacted, tenure arrangements for long-stay residents of caravan parks were regulated under the provisions of the *Residential Tenancies Act 1987* (WA) (RT Act).¹¹⁸¹ However, this Act was not viewed from within the industry as adequate to regulate the unique aspects of caravan park tenure.¹¹⁸² As a result, in 2006 the *Residential Parks (Long-stay Tenants) Act 2006* (WA) (RPLT Act) was passed

¹¹⁸⁰ Mr David Hillyard, Director, Industry and Consumer Services, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p10.

¹¹⁸¹ *ibid.*, p11.

¹¹⁸² *ibid.*

in order to better regulate and safeguard the rights of long-stay tenants living in caravan parks.¹¹⁸³ Chapter 2, at Section 2.2(a), describes this process in more detail.

So while caravan parks have traditionally catered for the tourists and holidaymakers (a role seen by some as being the core business of caravan parks¹¹⁸⁴), caravan parks are also widely recognised as being legitimate forms of residential accommodation. For example, the Department of Housing (DoH) sees them as legitimate providers of affordable housing.¹¹⁸⁵ Also, the Caravan Industry Association Western Australia Inc. (CIAWA) seeks not only to promote and protect tourism use of caravan parks, but also their use as residential accommodation.¹¹⁸⁶

As a result of this recognition and promotion, three main types of caravan parks exist in Western Australia. Relatively very few parks are simply tourist parks. Most caravan parks in Western Australia are mixed parks as this is the most affordable model for caravan parks, with long-term residents providing a steady and reliable income for caravan park operators who are faced with increasing operating costs. Ms Donna Cocking of CIAWA emphasises the necessity of park operators being able to be flexible in their approach to this, stating that:

*a mixed tourist caravan park is currently the most affordable model for any operator, since there are greatly reduced costs and overheads. Because of the seasonality and regionality of particularly Western Australia, the travelling population is confined to being in the north at this time of year, and the south west is quieter. Purely tourist parks ... tend to be the parks that are second-generation and have a great amount of equity. In developing any new parks we obviously need to be very careful about the infrastructure, the design and planning, so that there is an opportunity to have a very flexible model.*¹¹⁸⁷

The third type of caravan park is the purely residential park, where all sites are occupied by long-term tenants. Residential parks are becoming a popular choice for those who prefer the park lifestyle and wish to stay in one park location for an extended period of time, sometimes for life, or for those who are unable to afford other rental accommodation. Residential parks provide sites ‘upon which relocatable homes, such as caravans or park homes can be placed’.¹¹⁸⁸ An emerging type of residential park, a more expensive and exclusive version, is being ‘marketed to people who

¹¹⁸³ For example, see the statements by Hon. John Kobelke, MLA, then Minister for Consumer and Employment Protection, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 October 2005, p6735; and Hon. Kate Doust, MLC, Parliamentary Secretary, Western Australia, Legislative Council, *Parliamentary Debates* (Hansard), 4 April 2006, p1020.

¹¹⁸⁴ For example, Submission No. 57 from Peel Development Commission, 5 May 2009, p1.

¹¹⁸⁵ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p2.

¹¹⁸⁶ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p4 and p12.

¹¹⁸⁷ Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p3.

¹¹⁸⁸ Department of Commerce, *Information Booklet – Park Living*, June 2008, p2. Available at: http://www.commerce.wa.gov.au/ConsumerProtection/PDF/Publications/Residential_Parks_information_booklet.pdf. Accessed on 10 February 2009.

have a particular interest or quality in common',¹¹⁸⁹ are these are often referred to as 'lifestyle villages'.¹¹⁹⁰

It is important to note that when the word 'permanent' is used throughout this chapter, it does not imply that a caravan park resident has permanency in the sense that they will always be able to reside in that particular park. Rather, it means that the caravan park, at the present time, is their principal place of residence. The term 'long-stay tenant' is considered by the Committee to be a more apt descriptor, and where possible this term is used.

Long-stay tenants of caravan parks can be divided into the following categories (although these categories may not be mutually exclusive):

- Caravan parks as a lifestyle choice – retirees, grey nomads, winter drifters
- Caravan parks as a lifestyle choice suiting employment circumstances – itinerant workers, seasonal workers, semi-permanent 'fly-in fly-out' workers in remote areas
- Caravan parks as a housing option of last resort – affordable housing
- Caravan parks as crisis accommodation¹¹⁹¹

Visitors who have permanent holiday homes or sites constitute what is referred to as the 'annual' market, and are not generally considered residents for the purposes of this study. Ultimately, they are visitors to the caravan park, with all that implies regarding demand behaviour and lifestyle.

Throughout the state, all the above four categories of long-stay caravan park resident are evident. Research conducted by Tourism Western Australia (Tourism WA) in 2006, which surveyed a sample of 100 caravan parks throughout the state, found that the majority of caravan parks surveyed had workers residing in the park (69%).¹¹⁹² Around half the parks surveyed had retirees living in them, and a smaller percentage, around one in five, 'had couples and families living onsite'.¹¹⁹³ Long-term visitors (those who could be classed as semi-permanent residents, for example, winter drifters) could be found in around 12% of parks surveyed.¹¹⁹⁴

¹¹⁸⁹ *ibid.*

¹¹⁹⁰ Some of these lifestyle villages may come under the definition of a retirement village, and these are regulated by the *Retirement Villages Act 1992* (WA). Parks designated as retirement villages are not included in the scope of this report.

¹¹⁹¹ Australian Housing and Urban Research Institute, 'AHURI Research & Policy Bulletin: Housing Risk among Caravan Park Residents', March 2004. Available at: <http://www.ahuri.edu.au/publications/projects/p70109>. Accessed on 10 February 2009; and Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, pp72-73.

¹¹⁹² Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p73.

¹¹⁹³ *ibid.*

¹¹⁹⁴ *ibid.*

Finding 101

While caravan parks have traditionally catered for tourists and holidaymakers, they are also widely recognised as providing a legitimate form of residential accommodation.

Finding 102

The term ‘permanent resident’ of a caravan park simply means that at the present time the park is that person’s principle place of residence.

Finding 103

The term ‘permanent resident’ incorrectly implies a right to permanent occupancy. Therefore, the term ‘long-stay tenant’ is a more accurate descriptor.

Recommendation 40

The term ‘permanent resident’ be removed from the *Residential Parks (Long-stay Tenants) Regulations 2007 (WA)* and replaced with ‘long-term tenant’.

Finding 104

The three main types of caravan parks – tourist parks, mixed parks and residential parks – all operate in Western Australia.

8.2 Demand Characteristics

The Western Australian caravan park industry is described as being ‘a diverse and multi-faceted industry’ which must cater for tourism, worker accommodation and ‘permanent and low-cost housing’.¹¹⁹⁵ The characteristics of tourist demand are outlined in Chapter 3. Discussed in the following sections is the demand for:

¹¹⁹⁵ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p2.

- affordable housing for those who reside in the park as their principal place of residence where there is no alternative option, and for organisations that provide crisis accommodation
- the lifestyle offered by caravan park accommodation, attractive to some for reasons such as affordability, security, community and location
- worker accommodation, where, in regional areas and particularly in mining towns, caravan parks are used as an available accommodation alternative for a workforce which may have evolved over time

(a) Affordable Housing

The term ‘affordable housing’ is ‘a term popularised recently in Australia’ which ‘has taken on both generic and more specific meanings. In its broadest sense, the phrase is used to refer to housing for rent or purchase that is affordable to households whose financial capacity to obtain private housing is constrained’.¹¹⁹⁶ This is the sense in which the term is used in this report. The use of caravan parks as affordable housing and crisis accommodation is treated together in this section as the two issues are often hard to separate.

The use of caravan parks as an affordable housing option of last resort and for crisis accommodation is driven by necessity rather than a lifestyle choice. This is not to assume that this type of lifestyle is not appreciated and enjoyed by those who must avail themselves of it. However, it has become a necessity for many due to rising house and land prices, rent increases, and the lack of public housing in Western Australia. Land values and property prices in the Perth metropolitan area have increased, with a 275% increase in the median house price and a 231% increase in the median land price.¹¹⁹⁷ Furthermore, since 2003, private rental accommodation has become more expensive and difficult to obtain as vacancy rates decline and the median rents increase.¹¹⁹⁸ DoC believes that, ‘since 1997, the demand for public housing in Western Australia has increased while the number of persons housed each year has continued to decline’.¹¹⁹⁹ The department ‘understands that as of November 2008, more than 19,000 eligible individuals were waiting for public housing in Western Australia’.¹²⁰⁰ It is clear why caravan parks become attractive to those who maybe have no other option or who do not want to place themselves on the waiting list for public housing. Caravan parks can provide affordable, comfortable and relatively safe accommodation in what are often very well located caravan parks.

¹¹⁹⁶ Australian Housing and Urban Research Institute, *Innovation in Affordable Housing in Australia: Bringing Policy and Practice for Not-for-Profit Housing Organisations Together*, Australian Housing and Urban Research Institute, Melbourne, Victoria, June 2009, p17.

¹¹⁹⁷ Submission No. 52 from Department of Commerce, 1 May 2009, p26.

¹¹⁹⁸ *ibid.*, p28.

¹¹⁹⁹ *ibid.*, p27.

¹²⁰⁰ *ibid.*

Tourism WA believes that ‘affordability is the key reason people live or stay in caravan parks’.¹²⁰¹ Many submissions to the Inquiry highlight the use of caravan parks as an affordable housing option due to a decline in affordable housing elsewhere.¹²⁰² The Western Australian Local Government Association (WALGA) states that:

*with the property boom and more and more people being priced out of the housing market there has been in recent years a greater demand for permanent caravan park places, not just in regional areas but in the metropolitan areas as well.*¹²⁰³

For example, in the Peel Region there is an increasing reliance on caravan parks to fill ‘an important gap in affordable housing provision’.¹²⁰⁴ This is due to a ‘rapid population and industry growth’, which has led to ‘a decline in affordable housing’ and an increasing number of individuals ‘by choice or necessity, us[ing] caravan parks for permanent residence’.¹²⁰⁵

The City of Mandurah, in particular, highlighted its dependence upon caravan parks as affordable housing due to ‘a high degree of vulnerability within sectors of Mandurah’s community’ and its ‘housing affordability problem’.¹²⁰⁶ Although ‘Mandurah’s public housing waiting lists are generally comparable to metropolitan WA averages, waiting lists for seniors housing in Mandurah are relatively long, mainly due to Mandurah’s large seniors population’.¹²⁰⁷ The City reports that:

*within the DoH Peel Zone approximately 700 applicants are currently on the public housing waiting list. Of these, 79 are currently listed for ‘priority assistance’ i.e. they are considered to have an urgent need for public housing. Current normal waiting times for non-priority assistance public housing are [between four to six years].*¹²⁰⁸

Some organisations believe that caravan parks are well placed to provide affordable housing. DoH argues that ‘rental park homes and caravans within caravan parks, whilst an initial short-term accommodation option, can develop into stable and affordable housing over time’.¹²⁰⁹ Similar views are held by this department around the utilisation of caravan parks for crisis accommodation by certain community groups. DoH notes that caravan parks provide a ‘stable and affordable’ housing option for ‘for persons and families removing themselves from domestic and family violence and those exiting institutional care’.¹²¹⁰ This view has been communicated to the department by ‘agencies such as Outcare, the Department for Child Protection, and the

¹²⁰¹ Submission No. 60 from Tourism Western Australia, 8 May 2009, p1.

¹²⁰² For example, see Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p2.

¹²⁰³ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p6.

¹²⁰⁴ Submission No. 57 from Peel Development Commission, 5 May 2009, p1.

¹²⁰⁵ *ibid.*

¹²⁰⁶ Submission No. 70 from City of Mandurah, 18 May 2009, p3.

¹²⁰⁷ *ibid.*

¹²⁰⁸ *ibid.*, p3.

¹²⁰⁹ Submission No. 64 from Department of Housing, 15 May 2009, p4.

¹²¹⁰ *ibid.*

Department for Corrective Services'.¹²¹¹ Similarly, the Department of Local Government (DLG) states that:

*caravan parks meet an important need in providing short-term crisis accommodation for those who need immediate refuge, such as the temporarily homeless and people escaping domestic violence. The closure/redevelopment of caravan parks causes a Catch 22 situation and impacts on the ability to provide this critical accommodation which exists where no other accommodation is available.*¹²¹²

The general sentiment around the introduction of the RPLT Act and the CPCG Act appears to have been that caravan park accommodation is an acceptable, and even desirable, form of affordable housing. However, this does not necessarily apply to their use for public, or social, housing. The DLG, while supportive of the use of caravan parks as an affordable housing option for those in need, reports that the caravan park industry has expressed to the department 'concerns about the implications of providing social housing by default'.¹²¹³ DoH advised the Committee at hearing that it is not the department's policy to use caravan sites as social housing.¹²¹⁴ While they may need to be used as a stop-gap for individuals in need, the department highlighted the problems that may arise from the long-term use of caravan parks as social housing, advising the Committee that:

*the issue with using caravan parks as public housing—or the broader term, social housing—is the fact that social housing, particularly since the early to mid-1980s, has become more targeted to people with high complex needs, people who have major multifarious issues. Because of the reduced numbers of stock available and the lack of funding over years, the fact is that having so many people concentrated in a small area with those types of needs is problematic. This state, under various governments since the mid-80s, has been working very hard and has achieved great success by breaking up concentrations of people who are on low means and high complex needs in concentrated areas. The issues of using caravan parks per se, short-term to medium-term caravan parks, really creates some problems. There is a bad enough perception of public housing or social housing tenants now. Our aim is to provide more long-term suitable accommodation that is consistent with the general community wherever possible, understanding there are cost pressures.*¹²¹⁵

The Alpha Caravan Village in Queensland is an example of a caravan park that has been used for social housing and which, by all accounts, has gone terribly wrong. It has recently been termed 'one of Brisbane's most dangerous residences'.¹²¹⁶ According to various news reports, it is being

¹²¹¹ *ibid.*

¹²¹² Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p3.

¹²¹³ *ibid.*, p4.

¹²¹⁴ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p2.

¹²¹⁵ *ibid.*

¹²¹⁶ *The Courier Mail*, 'Children Taken From Caravan Park Amid Safety Fears', 29 June 2009. Available at: <http://www.news.com.au/couriermail/story/0,27574,2570382-3102,00.html>. Accessed on 3 July 2009.

redeveloped within the next two years, and pressure is being put on the Queensland Government to find alternatives to this housing strategy due to the effect that events in the park are having on residents (including children) and the surrounding community.¹²¹⁷

The Australian Housing and Urban Research Institute (AHURI) recognises that caravan parks are ‘an important part of the housing market in Australia’, but it also believes that:

*the fact that people are resorting to living long-term in caravan parks as a last resort is indicative of the failure of housing policy and programs for low income people in housing stress and with complex support needs.*¹²¹⁸

The economic and social vulnerability of caravan park residents and the propinquity of their situation to homelessness are discussed in Section 8.4(a) below.

It is widely reported that Western Australia is currently facing a severe shortage of affordable and available housing,¹²¹⁹ and this will very likely affect ongoing demand for long-stay caravan park sites. For example, the Shire of Manjimup believes that demand for long-stay sites in its jurisdiction will increase as ‘local housing becomes more unaffordable in lower socioeconomic regional areas such as found in the Shire of Manjimup’.¹²²⁰

DoH is currently looking at options which will help solve the wider affordable housing issue. Factors identified by the department which hinder the provision of affordable housing in Western Australia include:

- planning barriers, which hinder the ability of the private and public sectors to access suitable sites where high density low-cost housing can be provided
- a reduction in the number of lodging houses around the state
- planning barriers, which hinder the ability of individuals or organisations to provide for ‘secondary units of accommodation on existing lots, such as granny flats’
- a general resistance from Local Government Authorities (LGAs) to having low-cost housing facilities in and around their local areas

¹²¹⁷ *The Courier Mail*, ‘Violence at Aspley Caravan Park Out of Control’, 9 June 2009. Available at: <http://www.news.com.au/couriermail/story/0,27574,25606523-3102,00.html>. Accessed on 9 June 2009; and *The Courier Mail*, ‘Children Taken From Caravan Park Amid Safety Fears’, 29 June 2009. Available at: <http://www.news.com.au/couriermail/story/0,27574,2570382-3102,00.html>. Accessed on 3 July 2009.

¹²¹⁸ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p60.

¹²¹⁹ For example, see the National Housing Supply Council, *State of Supply Report*, Commonwealth of Australia, February 2009.

¹²²⁰ Submission No. 84 from Shire of Manjimup, 2 June 2009, p3.

- ‘disincentives in terms of GST and other arrangements affecting not-for-profit status’, which would currently affect any community provider wishing to operate a caravan park as a community housing project¹²²¹

While the general housing affordability issue currently affecting Western Australia is beyond the scope of this Inquiry, these particular factors are important in that they will continue to ensure that pressure is placed upon currently operating caravan parks to provide affordable housing.

Finding 105

While caravan park accommodation is an acceptable, even desirable, form of affordable housing, it is not necessarily appropriate for public, or social, housing.

Finding 106

Issues relating to general housing affordability are placing additional pressure upon caravan parks to continue to provide affordable housing.

(b) A Lifestyle Choice

In spite of the very real and pertinent issues identified above with allowing caravan parks to be used as housing of last resort, evidence received by the Committee during the course of the Inquiry demonstrates that many consciously choose this form of accommodation and enjoy the lifestyle it offers. This was highlighted as an important consideration by the Park Home Owners Association of Western Australia Inc. (PHOA).¹²²²

Semi-permanent residents of caravan parks very likely fall into this particular category. These could include winter drifters who, while classified for the purposes of this report as holidaymakers (see Chapter 3), do often become semi-permanent residents due to the length of time stayed at a particular caravan park. For example, as explained in Chapter 3 at Section 3.3(d), in the North West and the Coral Coast regions winter drifters become semi-permanent residents of a caravan park in that they have a sense of ownership of the park where they return annually for months at a time. Also described is the way they are considered semi-local residents by the locals of the area.

¹²²¹ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p3.

¹²²² Mr Brian Sargent, President, Park Home Owners Association Western Australia Inc., *Transcript of Evidence*, 27 July 2009, pp7-8; and Mr Peter Crockenberg, Vice-President, Park Home Owners Association Western Australia Inc., *Transcript of Evidence*, 27 July 2009, p8.

Retirees, pensioners and seniors are the demographic most likely to chose a caravan park as their principal place of residence due to lifestyle considerations.¹²²³ Evidence to this Inquiry demonstrates various reasons why people prefer living in caravan parks. Security, companionship, sense of community, independence, location and access to facilities are the main considerations influencing the choice to live in a caravan park, as the following excerpts demonstrate.

*Long Stay Residents who are mainly Aged Pensioners who decided to adopt Park Living for security, assistance from neighbours, and relatives, nearness to medical and shopping services and to avoid being a burden on State Housing.*¹²²⁴

*We have many lovely friends and neighbours. We help each other in many ways. Just a chat and a cuppa makes living here as not just the house next door to someone else but a community looking out for each other ... And we chose to live here for security & a feeling of being safe especially at night in our home.*¹²²⁵

*As experienced caravan travellers we saw the advantages of Park living behind security gates was one comforting item, at the time Kingsway was well known as the greenest Park in Perth.*¹²²⁶

*I chose to purchase my park home in this park because it was close to my family, friends, shopping centre and medical centre. I enjoy this type of lifestyle, in a close and friendly community and this is where I wanted to live for a long time. [...] I believe if there were more residential parks, perhaps there would be shorter waiting lists for public housing. Living in residential parks is a very suitable and an attractive lifestyle for the elderly and those on low incomes.*¹²²⁷

*Residing in a park home in a caravan park is ideally suited to mature age citizens who do not want to worry about a large yard to maintain.*¹²²⁸

*We like this lifestyle, we help one another and never feel lonely.*¹²²⁹

*This [is] a way of life which builds communities and a life style we can all enjoy as we grow older. A place where people care for on (sic) another and we are not lonely as our families become busier. Even in our third age we make new friends and neighbours which improves our health.*¹²³⁰

¹²²³ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p73.

¹²²⁴ Submission No. 1 from Mr Ronald Harris, 1 April 2009, p5.

¹²²⁵ Submission No. 5 from Mrs G L Measey, 7 April 2009, p1 and p2.

¹²²⁶ Submission No. 6 from Mr George and Mrs Shirley Jackson, 7 April 2009, p1.

¹²²⁷ Submission No. 8, Closed Submission, 15 April 2009, p1 and p3.

¹²²⁸ Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p2.

¹²²⁹ Submission No. 28 from Ms Anne Levens, 28 April 2009, p2.

¹²³⁰ Submission No. 32 from Mrs Maxine Leavy, 29 April 2009, p3.

*[We purchased our] homes so we could retire in a village environment with a little bit more security.*¹²³¹

What the above quotations also demonstrate is that considerations of affordability are often tied to this lifestyle choice, which, although treated as a separate demand motivator in Section 8.2(a) above, cannot really be disentangled from a lifestyle choice. This is aptly summed up by Mr Peter Crockenberg, Vice-President of the PHOA, who stated that most people live in caravan parks because they provide a good ‘combination of low-cost housing, which it is—it is a very good form of low-cost housing—as well as the lifestyle, because it is a sort of a community-living-type environment’.¹²³²

Mr Shane Edmonds from DoH believes that while in the past caravan parks may have been more of a lifestyle choice, the issues described in Section 8.2(a) above mean that a wider range of people are now living in caravan parks out of necessity.¹²³³ However, he also believes that the people who choose this option would rather do this than resort to public housing, as ‘they actually consider themselves to be slightly wealthier than people who would normally be in public housing, so they do not want that stigma of being in public housing, and ... they actually want an affordable option’.¹²³⁴

(c) Workforce Accommodation

Caravan parks are also fulfilling a need for affordable and available worker accommodation, often due to housing shortages in regional areas. This phenomenon is prevalent throughout the state, although it could be argued that its effect is felt most in the north west as supply of caravan parks is more limited and sparsely located than in the south west of the state. Research conducted by Tourism WA in 2006 found that all the caravan parks surveyed for this research located ‘in the North West region had workers permanently living in the caravan park’.¹²³⁵ A considerable proportion (77%) of those surveyed in Golden Outback region also reported providing worker accommodation.¹²³⁶ Clearly, caravan parks in the metropolitan region will house workers. According to the abovementioned research, 67% of surveyed caravan park operators in Perth believed that workers live in their caravan park.¹²³⁷ However, given the relative availability of other forms of accommodation, the fact that workers reside in caravan parks in the Perth region

¹²³¹ Submission No. 24 from Mr Fred and Mrs Maureen Armstrong, 28 April 2009, p2.

¹²³² Mr Peter Crockenberg, Vice-President, Park Home Owners Association Western Australia Inc., *Transcript of Evidence*, 27 July 2009, p8.

¹²³³ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p4.

¹²³⁴ *ibid.*, p6.

¹²³⁵ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p73.

¹²³⁶ *ibid.*

¹²³⁷ *ibid.*

cannot be viewed in the same manner. Rather, this could be seen as an affordability and/or lifestyle choice for metropolitan workers.

Mining activity appears to be having a greater impact in the north west and creates much of the demand for worker accommodation. It is argued that the ‘effect of the resource boom and the [resultant] demand for worker accommodation in the north west of the state has completely transformed caravan parks in these areas’.¹²³⁸ This demand was outlined by the DLG which summarises the situation as follows.

Increasingly, Caravan parks serve as affordable accommodation options for workers ... In particular, the Pilbara region has experienced extraordinary growth due to the expansion of the resources sector, which has impacted substantially on availability of tourism accommodation.

Caravan parks fill an important economic need in providing accommodation for workers who may only be required on a temporary basis and would be unlikely or unwilling to secure rentals in the normal market.

*Given the high demand for accommodation in these towns, caravan parks and hotels have been brought out by companies for use as worker accommodation. Whilst planning requirements for properties include quotas to be made available to the public and/or tourists, Tourism WA has suggested that it is likely that much of this would be booked out for contractors and their staff.*¹²³⁹

Similarly, Tourism WA highlights the ‘recent mining and resource boom in the north west’ which ‘has resulted in accommodation pressures in all sectors, and particularly within the Pilbara’.¹²⁴⁰ It argues that ‘many caravan sites, and indeed entire parks, have been effectively converted into workers accommodation camps’.¹²⁴¹ Much evidence was received by the Committee regarding the accommodation pressure put on caravan parks in the Pilbara due to mining activities. For example, WALGA submits that:

*the effect of the resource boom and the demand for worker accommodation in the north west of the State has completely transformed Caravan Parks in these areas. In Port Hedland and South Hedland, caravan parks are full all year round with permanent residents, and there is simply no room for tourists.*¹²⁴²

¹²³⁸ Submission No. 58 from Western Australia Local Government Association, 6 May 2009, p6.

¹²³⁹ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p2.

¹²⁴⁰ Submission No. 60 from Tourism Western Australia, 8 May 2009, p12.

¹²⁴¹ *ibid.*

¹²⁴² Submission No. 58 from Western Australia Local Government Association, 6 May 2009, p6.

The Town of Port Hedland, identified as a ‘hot spot’ in terms of housing availability,¹²⁴³ advises that ‘huge construction projects have put enormous pressure on local accommodation facilities’ due to the fact that:

*in recent years, Port Hedland has experienced significant and sustained iron ore export growth. This growth has shown no sign of slowing even with the worldwide economic downturn, with BHP Billiton Iron Ore commencing their Rapid Growth Project Five (RGP5) to increase exports and Fortescue Metals Group Limited (FMGL) now exporting out of Port Hedland.*¹²⁴⁴

Similarly, in Karratha caravan parks are reported to be nearly always at, or near, capacity due to use by the local mining workforce and a severe shortage of rental properties.¹²⁴⁵

It should be also noted that while the major pressure comes from the mining workforce in the north west, other lower income workers in the Pilbara (for example, hospitality workers) find the cost of housing so prohibitive that caravan park accommodation is ‘the only option’.¹²⁴⁶ Similarly, in Broome several caravan parks house a transient workforce.¹²⁴⁷

While a significant pressure in the north west, demand for worker accommodation is also noted in the south of the state, although to a lesser extent. In Boddington, for example, demand for worker accommodation is currently strong due to a ‘mining boom’ driven by ‘the construction of the Boddington Gold Mine and the expansion of the BHP Billiton/Worsley Alumina bauxite mine’.¹²⁴⁸ According to the Peel Development Commission:

Peel caravan parks also serve as affordable accommodation options for workers particularly during intense industry construction periods. With two large mining expansions under construction in the Shire of Boddington and limited local housing options, demand for short term accommodation has been high not only in Boddington but also in other Peel areas.

*The Shire of Boddington is the only local government that owns or operates a caravan park in the Peel Region and has made special provision to accommodate mine workers until more appropriate housing becomes available.*¹²⁴⁹

Apart from the mining workforce, there are other types of workers housed by caravan parks, albeit to a lesser extent and with less impact upon supply. For example, in the South West shearers and

¹²⁴³ National Housing Supply Council, *State of Supply Report*, Commonwealth of Australia, February 2009, p156.

¹²⁴⁴ Submission No. 3 from Town of Port Hedland, 6 April 2009, p1.

¹²⁴⁵ Mr Craig Watts, Manager Environmental Health, Shire of Roebourne, Electronic Mail, 18 May 2009.

¹²⁴⁶ Submission No. 60 from Tourism Western Australia, 8 May 2009, p12.

¹²⁴⁷ The Committee viewed several caravan parks in Broome that provided accommodation to local workers.

¹²⁴⁸ Submission No. 45 from Shire of Boddington, 1 May 2009, p1.

¹²⁴⁹ Submission No. 57 from Peel Development Commission, 5 May 2009, p2.

seasonal workers make use of caravan park accommodation. Mr Greg Cole, owner of the Pink Lake Tourist Park, advised the Committee that ‘part of the utilisation of our tourist sites has been by workers who cannot find accommodation’ and that this is ‘a great buffer’ if it does not occur within the peak tourist season.¹²⁵⁰ Mr Cole also stated that he thought there was the potential in Esperance, due to impending resource projects, to go down the path of Port Hedland and Karratha, where ‘old caravan parks have become accommodation villages’.¹²⁵¹

8.3 Supply of, and Demand for, Short- and Long-Stay Sites

(a) Increasing Demand and Decreasing Supply

In Chapter 4 it is argued that demand for long-stay sites in caravan parks is increasing. That chapter also establishes that demand for tourist sites is not decreasing. Given the continuing closure of caravan parks around the state, it is obvious that a tension will exist between the supply of short- and long-stay sites in caravan parks, particularly in areas where supply is constrained. As argued in Chapter 5, the total capacity of what the Australian Bureau of Statistics (ABS) defines as ‘long-term’ caravan parks has declined significantly between 1997 and 2009. DoC is ‘aware that there is some risk that the number of existing caravan parks will continue to decline’,¹²⁵² having ‘identified at least ten residential parks that may close within by 2012 ... [and estimating] that this represents at least 550 long-stay tenants’¹²⁵³ who will potentially be dislocated. It is not surprising that, as outlined below, there are concerns about the encroachment of long-stay sites within remaining caravan parks.

For several years now, the caravan and camping industry has been concerned that the increasing use of caravan parks as residential accommodation is impacting upon the supply of sites for tourists and holidaymakers. In 2005 Tourism WA cited concerns regarding the ratio of long-stay sites in relation to short-stay sites. It claimed that where the ratio of long-stay sites increases, this increase ‘reduces the availability of tourism sites in strategic tourism locations’.¹²⁵⁴ It further claimed that there ‘is anecdotal evidence that tourists are unable to book into certain caravan parks because permanent sites have replaced tourist sites. This issue is exacerbating supply issues which have grown in recent years due to caravan park closures brought on by rising costs, development pressures and land availability issues’.¹²⁵⁵

¹²⁵⁰ Mr Gregory Cole, Caravan Park Owner, Pink Lake Tourist Park, *Transcript of Evidence*, 27 July 2009, p6.

¹²⁵¹ *ibid.*, p10.

¹²⁵² Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p2.

¹²⁵³ Submission No. 52 from Department of Commerce, 1 May 2009, p28.

¹²⁵⁴ Submission from Tourism WA to the Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995*, 11 November 2005, p2. Available at: <http://www.tourism.wa.gov.au/publications%20library/policies%20plans%20and%20strategies/tourism%20wa%20submission%20to%20caravan%20park%20act%20review.pdf>. Accessed on 12 February 2009.

¹²⁵⁵ *ibid.*, p3.

In 2006 the Tourism Planning Taskforce (the Taskforce) reported that:

*anecdotal evidence provided to the taskforce by the Department of Local Government and Regional Development indicates that many locations have insufficient caravan park bays for travellers. The lack of development of new parks and the redevelopment of existing parks, combined with the conversion of short-stay sites to long-stay use, are important factors in this trend.*¹²⁵⁶

In 2007 Tourism WA similarly reported that a major issue for caravan parks is whether long-stay tenants are residing in sites that could be used for tourism purposes. The supply of long-stay sites in a caravan park ‘reduces the number of sites available for tourists, and may reduce the capacity of the caravan park during peak tourist times’.¹²⁵⁷ This agency report discussed qualitative research which documented stakeholder concerns around the number of caravan park sites being increasingly used by long-stay residents.¹²⁵⁸ In its submission to this Inquiry Tourism WA reiterated the importance of this issue.¹²⁵⁹

However, CIAWA is not convinced that the increasing use of long-stay sites in caravan parks is necessarily negative, particularly from the point of view of caravan park operators and residents as the arrangement suits both parties. This organisation outlined at hearing that there is currently a perception that there is ‘an increase in the amount of permanents within caravan parks’ firstly, in the north west, where the strong demand is driven by the need for worker accommodation, and secondly, in the south west, where increasingly high land prices are making caravan parks a viable alternative for affordable housing.¹²⁶⁰ While it noted the ‘concern from Tourism WA and other local authorities’ over the loss of capacity for tourism, the critical issue for CIAWA is why this demand exists, and how many long-stay sites will be provided within each park.¹²⁶¹

There is also the question as to whether vulnerable long-stay residents are being marginalised in peak times. Research conducted Australia-wide found that ‘in some areas of high tourist demand, caravan park operators often encourage permanent residents to move on so they can maximise their returns during peak seasons’.¹²⁶²

¹²⁵⁶ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p13.

¹²⁵⁷ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p71.

¹²⁵⁸ *ibid.*, p95.

¹²⁵⁹ Submission No. 60 from Tourism Western Australia, 8 May 2009, p13.

¹²⁶⁰ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p6.

¹²⁶¹ *ibid.*

¹²⁶² Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p6.

Tourism WA looked into this issue in Western Australia, asking caravan park operators about the ‘number and types of sites available for tourists in peak season’.¹²⁶³ Qualitative research suggests that due to seasonal fluctuation in demand in the Coral Coast region, ‘more tourist sites were made available during the peak season, whereas during the low season more permanent residents ... were offered accommodation to increase the revenue for the caravan park’.¹²⁶⁴ Quantitative research suggests that there does not seem to be a great deal of change in the number of sites occupied by long-stay residents during peak and non-peak seasons; however, the qualitative research suggests that long-stay numbers declined during the peaks. Tourism WA believes that this could be explained by the fact that some longer term visitors, such as winter drifters, are classified as long-stay residents during the peak season.¹²⁶⁵ Although, it is possible that it also means long-stay tenants are moved on.

Tourism WA found that ‘the average caravan park had just under 90 tourist sites available in peak season, however there was significant variation between caravan parks ranging up to 480 sites’.¹²⁶⁶ It found that the greatest number of tourist sites was found in north west caravan parks, with the least number in parks in the Perth metropolitan region.¹²⁶⁷ It was suggested that this may be due to the greater proportion of long-stay residents in parks that will be less likely to experience seasonal fluctuation in demand. Also, parks in Perth could be restricted in offering more tourist sites due to the high price of land.¹²⁶⁸ Consider the following observation by Tourism WA in relation to a sample of Perth sites surveyed during its 2006 research:

*Of some concern in Perth, two fifths (40%) of [surveyed] caravan parks had more than 50% of the available sites occupied by permanent residents in peak season, and what is more a quarter (25%) of [surveyed] caravan parks had more than 75% of sites occupied by permanent residents.*¹²⁶⁹

State-wide, Tourism WA found that of all the caravan parks surveyed:

*around one third (32%) have no permanent residents in the caravan park during peak season, and a further two fifths (40%) have less than 25% of the caravan park occupied by permanent residents. Less than one tenth (9%) of [surveyed] caravan parks have more than 75% of the caravan park occupied by permanent residents.*¹²⁷⁰

¹²⁶³ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p70.

¹²⁶⁴ *ibid.*

¹²⁶⁵ *ibid.*, p72.

¹²⁶⁶ *ibid.*, p71.

¹²⁶⁷ *ibid.*

¹²⁶⁸ *ibid.*

¹²⁶⁹ *ibid.*, p72.

¹²⁷⁰ *ibid.*

Although the above information may appear encouraging in that there appears to be sites available for tourists in the peak seasons around the state, concerns remain that supply is not adequate now, and will not be adequate into the future, to meet the demand from visitors to, and residents of, caravan parks. A representative sample of such concern is reproduced following:

*Supply in WA fell away very seriously with the boom period 2006-7 & 8 with parks becoming the de facto public housing supply. In one particular case, two caravan sites fell to mining companies; one in the regional town or city and the other near the 'on site' location to be used as 'single men's quarters'.*¹²⁷¹

*Caravan parks were traditionally intended and primarily used, for short stay holiday accommodation. However, the reality is that caravan parks are now increasingly used for affordable and crisis housing including worker accommodation, particularly in the Pilbara, leaving little or no capacity to for (sic) tourism activities.*¹²⁷²

Caravanners are concerned about what they see as an increase in the use of caravan parks as long-stay accommodation. Some even question whether it is a legitimate use of caravan parks. The Campervan and Motorhome Club of Australia Ltd (CMCA), for example, describes the inclusion of long-stay or 'permanent' sites in caravan parks as an 'anomaly'.¹²⁷³

Depending upon the region, there are variations of this issue, both in characteristics and severity, although it remains that the ultimate result, that is, a lack of supply, is a consistent problem throughout the state. In the metropolitan area people reside in caravan parks for a variety of reasons, usually including considerations of lifestyle, affordability and location. As noted above in the discussion about Tourism WA research, caravan parks in Perth appear to have a high percentage of long-stay residents. LGAs in the metropolitan region are grappling with this issue.

For example, the City of Joondalup is concerned about the number of long-stay residents currently residing in prime location tourist accommodation and is in favour of limiting the number allowed through regulation. It states that:

the coastline is a significant feature of the City and a major attraction for tourists. It is vital that caravan facilities located along the coastline are maintained and presented as primarily low cost tourist accommodation and not given over to permanent accommodation.

*In this regard the Burns Beach Caravan Park is a classic example of a facility in a prime location being utilised for largely permanent accommodation. The current ratio of permanent/long stay on site vans and the lease arrangements at Burns Beach presents a wasted opportunity to support and promote tourism in Joondalup and metropolitan Perth.*¹²⁷⁴

¹²⁷¹ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 30 April 2009, pp9-10.

¹²⁷² Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p1.

¹²⁷³ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 30 April 2009, p8.

¹²⁷⁴ Submission No. 50 from City of Joondalup, 1 May 2009, p2.

Similarly, the Shire of Kalamunda states that ‘in recent times the trend shows an increasing component of sites that are long stay sites i.e. park homes, with a corresponding reduction in short stay caravan sites’.¹²⁷⁵ It states that:

anecdotal evidence of staff reveals that there is a shortage of available caravan sites. This is based in part upon phone inquiries regarding approval to occupy a caravan on private property and information given by the person making the inquiry that the local caravan park/s have no vacancies.

*It appears that the number of available short stay sites will continue to reduce in the coming years. This is viewed by the Shire as a commercial decision driven by supply and demand.*¹²⁷⁶

The Shire further notes the increasing demand for residential parks and states ‘that the recently constructed Hillview Lifestyle Village is comprised of only park homes’.¹²⁷⁷

The City of Rockingham reports ‘a growing demand for short stay accommodation’ within its jurisdiction, along with a ‘shortfall in supply’.¹²⁷⁸ It states that caravan parks are important for tourism, but believes that long-stay use is impacting upon the supply of tourist sites.¹²⁷⁹

Just out of the metropolitan area, but still within the Experience Perth tourism region, the Shire of Gingin is observing a trend toward caravan park owners leasing out caravan sites long-term to what appears to be an ‘annual’ or holiday van market ‘in order to ensure year round income and reduce administration costs, rather than short term leasing to tourists with caravans ... leaving nowhere for caravan owners to stay’.¹²⁸⁰ Further north along the coast in the Shire of Irwin ‘permanent residents and caravans left on site on a permanent basis provide caravan park operators with a steady, reliable income’, which leads to ‘some parks being filled with permanents and becoming inaccessible to tourists and travellers, and this trend may continue in the future’.¹²⁸¹

Like the Shire of Gingin, in the south west, the Shire of Manjimup also points to the maximising of financial return as a reason for the increase in long-stay sites being leased out. It believes that in some areas this means that ‘the caravan or camping opportunity is all but extinct’ and that ‘if this industry is left unchecked the viability of short stay caravan and camping opportunities in the medium to long term future is under significant pressure’.¹²⁸²

¹²⁷⁵ Submission No. 21 from Shire of Kalamunda, 23 April 2009, p1.

¹²⁷⁶ *ibid.*, p2.

¹²⁷⁷ *ibid.*

¹²⁷⁸ Submission No. 66 from City of Rockingham, 15 May 2009, p2.

¹²⁷⁹ *ibid.*

¹²⁸⁰ Submission No. 42 from Shire of Gingin, 30 April 2009, p1.

¹²⁸¹ Mr Felix Neuweiler, Shire of Irwin, Electronic Mail, 12 May 2009, p1.

¹²⁸² Submission No. 84 from Shire of Manjimup, 2 June 2009, p1.

In the north west supply is also constrained due to people living in caravan parks, but as discussed in Section 8.2(c) above, this is largely a result of caravan parks being used for worker accommodation. Indeed, it is difficult for caravan park operators in the north west to refuse to allow their parks to be used as worker accommodation, given the money and stability that this service provides caravan park operators. This was explained to the Committee as follows:

*The most lucrative area at the moment would have to be the north west region ... It does not help us from a tourism angle, but the sorts of rates that these guys are paying stand alone. From what we have seen, there would not be a more profitable caravan park around Australia than ... [those] in the north west of WA. They produce very, very good income. ... That is a very rare patch in the north west.*¹²⁸³

*We have told them that they can come and stay with us and pay whatever rate we charge them until April. In April they have to leave because our tourists come through. They ask us what the tourists are paying. It may be a difference between \$100 a week and \$450 a week. They just give us \$450 a week and say they will stay there for two years. It is very hard for private operators not to have those mine workers there. Those numbers are not accurate but that is the sort of difference. They are staying there for two years. It is not cyclical; there are no people coming in and out for two nights. Staffing is down because you do not have to worry about who is in and out; they are there all the time.*¹²⁸⁴

This is particularly true for those caravan parks that are not owned by a corporation, but rather individual ‘mum and dad’ type operations because, as the Committee was advised, it makes more sense ‘if you own a caravan park by yourself in the north west’ to ‘not be looking at tourists at the moment’ but rather ‘mine workers’.¹²⁸⁵

The Town of Port Hedland is concerned with the number of caravan park sites being used for long-stay purposes as the ‘demand for [both] long and short stay sites is strong in Port Hedland’.¹²⁸⁶ It notes a consequential ‘shortage of short stay sites during the tourist season’.¹²⁸⁷ The Town has allowed ‘emergency - 24 hour parking at the racecourse in recent years to accommodate overnight tourist parking but this is not a long term solution’.¹²⁸⁸ The Town of Port Hedland advised that it is ‘very concerned that available short term sites in Hedland will dry up completely and tourists will be forced to move on if sites are unavailable’.¹²⁸⁹

¹²⁸³ Closed Evidence, *Transcript of Evidence*, 28 July 2009, p6.

¹²⁸⁴ *ibid.*

¹²⁸⁵ *ibid.*

¹²⁸⁶ Submission No. 3 from Town of Port Hedland, 6 April 2009, p2.

¹²⁸⁷ *ibid.*

¹²⁸⁸ *ibid.*

¹²⁸⁹ *ibid.*, p3.

One caravanner states that ‘in areas under pressure for worker accommodation, such as Karratha, Port Hedland and Leinster, worker accommodation is being provided at the expense of tourist camping sites’, and alternatives must be considered.¹²⁹⁰

The Town of Port Hedland believes that it is possible that a lack of supply for tourists will lead to the loss of tourism in the North West. In this region, where towns and caravan parks are separated by large distances, if a town such as Port Hedland or Kununurra has no available space for tourists, they will attempt to bypass these places which, according to WALGA, has already ‘been detrimental to tourism in these towns and the region’.¹²⁹¹ Tourism WA also claims that the loss of short-stay caravan park sites in the North West region:

*has had a flow-on negative impact on the availability of caravan park sites for transient tourists and, as mentioned previously, may have influenced whether caravanners entered WA from the Northern Territory border or, not being able to secure a site in the north west, decided to turn back.*¹²⁹²

Furthermore, travellers who cannot be accommodated may also camp illegally.¹²⁹³

The WA Association of Caravan Clubs Inc. (WAACCI) claims that the RV tourism industry has been strangled and blames this upon several factors, including:

*allowing mining companies to use the pre-existing caravan parks to house their mining employees and associated contractors. This is very evident in such towns as Port Hedland, Karratha, Tom Price, Newman, Coolgardie, Kalgoorlie etc. Newman has 2 caravan parks almost totally filled with mining accommodation and the Shire of East Pilbara is currently seeking to acquire and rezone land for an itinerant tourist caravan park to meet tourism needs. One Coolgardie caravan park has been taken over by the John Holland Construction Group, which leaves only 3 transit sites for RV travellers.*¹²⁹⁴

Not only is the lack of short-stay sites a problem highlighted in submissions, so too is the marginalisation of long-stay residents due to inadequate supply of long-stay sites. Australia wide, it is reported that people in ‘desperate need of accommodation’ were unable to obtain long-stay sites, and also that there had been a ‘movement by some park operators towards full tourist parks’.¹²⁹⁵

¹²⁹⁰ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p4.

¹²⁹¹ Submission No. 58 from Western Australia Local Government Association, 6 May 2009, p6.

¹²⁹² Submission No. 60 from Tourism Western Australia, 8 May 2009, p12.

¹²⁹³ Submission No. 90 from WA Association of Caravan Clubs Inc., 2 July 2009, p2; Submission No. 74 from Department of Sport and Recreation, 21 May 2009, p2.

¹²⁹⁴ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p15.

¹²⁹⁵ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, piv.

Considerable concern has been shown by long-term residents of caravan parks, particularly those facing eviction due to park closure. The following represent just a few of the submissions received in relation to the reduction in the number of long-term sites available.

*After thorough investigation which found a serious shortage of available sites, our only choice is to move to Cherokee CP at Wanneroo.*¹²⁹⁶

*Soon after [receiving an eviction notice], we found out that there were no vacant sites in the Perth metro area to move to.*¹²⁹⁷

*Long stay users of parks who have park homes are in limbo as there are no sites available in metropolitan area.*¹²⁹⁸

Discussed in Section 8.2(a) above are the specific issues facing the Peel Region and Mandurah in particular, where affordable housing is in high demand and caravan parks house many people who cannot find alternative accommodation. The Peel Region Affordable Housing Steering Group was created 'to investigate the link between housing affordability and a range of issues including law and order, employment opportunities, skill shortages, and tourist accommodation'.¹²⁹⁹ According to the City of Mandurah, this Steering Group found that:

*there are 17 parks in the Peel Region, with six either closed or earmarked for closure, and there is a trend towards the gradual withdrawal of permanent accommodation to long-term tenants by caravan park owners to make way for seasonal holiday makers who pay a higher overnight rental rate, especially during the peak season. This has put a further squeeze on the availability of low-cost housing in the region, as caravan parks have also provided an interim accommodation 'safety valve' for displaced low-income families.*¹³⁰⁰

There is also evidence that some caravan parks may prefer to let short-stay sites, rather than have people living in the caravan park. For example, the Shire of Boddington, as discussed above in Section 8.2(c), has decided that meeting the current high demand for worker accommodation will not occur at the expense of tourist sites with the caravan park managed by the Shire. This decision is based upon the fact that the demand created by the mining industry will be temporary. The Shire reports that the 'caretakers over the past few years have built up the tourist and holiday maker visits to the park and we have no wish to lose these people once the construction phases of the mines have finished'.¹³⁰¹ The Shire advised that demand for sites in Boddington exceeds supply and so it has 'to turn long stay (permanents) persons away because of the lack of space'.¹³⁰²

¹²⁹⁶ Submission No. 4 from Mr Lou and Mrs Molly Timmers, 6 April 2009, p2.

¹²⁹⁷ Submission No. 8, Closed Submission, 11 April 2009, p1.

¹²⁹⁸ Submission No. 12 from Mr Murray Evans and Mr Graham Speed, 16 April 2009, p5.

¹²⁹⁹ Submission No. 70 from City of Mandurah, 18 May 2009, p3.

¹³⁰⁰ *ibid.*, p4.

¹³⁰¹ Submission No. 45 from Shire of Boddington, 1 May 2009, pp1-2.

¹³⁰² *ibid.*

Finding 107

Long-stay occupancy of caravan parks has grown significantly over the last decade or more, and has consumed an increased proportion of the available sites in caravan parks, particularly in the metropolitan area and the north west.

Finding 108

Long-stay residents are an important, necessary and stable source of income for some caravan parks, and improve park owners' financial return on their investments.

Finding 109

It is difficult, particularly in the north west of the state, for park operators to refuse to allow their parks to be used for worker accommodation.

Finding 110

The growth in long-stay demand is expected to continue and, therefore, put continued pressure on the availability of short-stay sites unless the long-stay demand is met through other means or more parks are developed for tourism.

(b) Striking a Balance

The mix of long-stay and tourist accommodation provided by caravan parks, particularly in prime tourist locations, has recently been the source of some debate. This was largely as a result of the *Tourism Planning Taskforce Report* and the subsequent issue of *Planning Bulletin 83: Planning for Tourism*. A more extensive discussion of planning for the supply of long- and short-stay sites within caravan parks is contained in Chapter 7.

It is important for both caravan park residents and operators that caravan parks be able to have the option of providing long-stay sites. The importance of caravan parks in providing for long-stay accommodation has been demonstrated above. For current and potential caravan park residents, any move away from this provision would have serious consequences. Indeed, the Western

Australian Planning Commission (WAPC) advises that planning for the development of caravan parks should be considered in the context of accommodation for both tourists and residents.¹³⁰³

In addition, the enabling of supply of long-stay sites is reported to provide ‘caravan park owners with an important source of off season revenue, which is important to maintaining the viability of many caravan parks’.¹³⁰⁴ This is recognised in other states also, for example, in Victoria.¹³⁰⁵ There is some evidence that caravanners themselves recognise that the move by a caravan park operator to use their park for worker accommodation, for example, is simply a response to an existing demand and, thus, a sound and justified economic decision.¹³⁰⁶

Evidence suggests that the variation between long- and short-stay sites is ‘driven by location and demand’.¹³⁰⁷ Therefore, different regions will require different approaches and solutions and, thus, a ‘one size fits all’ approach is not appropriate. For example, feedback from caravan park operators regarding the demand for long- versus short-stay sites is mixed. One caravan park operator in Esperance asserts that while demand for tourist or short-stay sites remains stable, demand for long-stay accommodation is increasing, something that is attributed to caravan parks being an ‘affordable living option’.¹³⁰⁸ This assertion is supported by another caravan park in Horrocks.¹³⁰⁹ However, a caravan park in Margaret River reports that there is ‘very little’ demand for long-stay sites.¹³¹⁰ Nevertheless, the same park operator does acknowledge that there is demand for worker accommodation which can see on site caravans used for up to ‘a few months’.¹³¹¹ One corporate provider of caravan parks stated that the ‘perfect’ mix depends upon where the property is located:

With the Perth metropolitan ones, we could lean more towards the permanents. With the Exmouths of the world, they all flock in for three or four months and then somebody literally blows a whistle and everybody empties out of town. It is very difficult. There is no secret number. From our portfolio point of view, investors like to see a constant income

¹³⁰³ Western Australian Planning Commission, *Planning Bulletin 49: Caravan Parks*, February 2001, p1. Available at: <http://www.planning.wa.gov.au/Publications/199.aspx>. Accessed on 12 February 2009.

¹³⁰⁴ Submission from Tourism WA to the Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995*, 11 November 2005. Available at: <http://www.tourism.wa.gov.au/publications%20library/policies%20plans%20and%20strategies/tourism%20wa%20submission%20to%20caravan%20park%20act%20review.pdf>. Accessed on 12 February 2009, p2.

¹³⁰⁵ Department of Sustainability and Environment, *Caravan and Camping Parks on Coastal Crown Land*, Victorian Government, Melbourne, May 2006, p8.

¹³⁰⁶ Submission No. 15 from Ms Judith Maddams, 19 April 2009, p4.

¹³⁰⁷ Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p1.

¹³⁰⁸ *ibid.*, p2.

¹³⁰⁹ Submission No. 37 from Horrocks Beach Caravan Park, 4 May 2009, p2.

¹³¹⁰ Submission No. 38 from Margaret River Tourist Park & Country Cottages, 30 April 2009, p1.

¹³¹¹ Submission No. 38 from Margaret River Tourist Park & Country Cottages, 30 April 2009, p1.

*stream. Having a lot of annuals or permanents in our portfolio provides that constant income stream.*¹³¹²

Similarly, most other caravan park owners and operators generally believe that the park's location, demand characteristics (that is, the mix of short- and long-stay demand) and market forces should all be factored in on a case by case basis.¹³¹³

Again, this issue is presented in more detail in Chapter 7, which presents the argument advocated by most stakeholders, that is, that a common approach throughout the state in regards to the number of long-stay sites within each caravan park is not workable and that each LGA should provide a flexible approach within their local tourism planning strategies, developed in consultation with local operators. As noted by CIAWA, this is what now appears to be happening. CIAWA's Mr Simon Hall stated that:

*since [this] parliamentary inquiry was called, there has been quite a shift in government position on permanents within caravan parks. The City of Albany's tourism strategy was probably one of the early ones that was very prescriptive and difficult to implement. The change that is occurring there to something far more flexible and manageable from both perspectives is probably what the industry would like to move towards. When the parliamentary inquiry was first called, there was this very rigid one-size-fits-all approach but there has been a departure from that. ...it is heading in the right direction because of the attention it is receiving.*¹³¹⁴

Most importantly, the regional characteristics which are driving demand for long-stay caravan park accommodation will require different policy responses. As the Department of Planning (DoP) pointed out, in areas where resource growth is placing heavy demands upon caravan parks to provide workers accommodation, constraints with land availability, barriers in the planning approvals process and a general time 'lag' in planning are severely impacting upon the provision of affordable and available housing in regional centres.¹³¹⁵ Whereas in the metropolitan area and 'to some extent in the south west', there is a different type of long-stay resident, often elderly, who has chosen a caravan park lifestyle for various economic and social reasons, as outlined above. Demand from these types of long-stay tenants must be addressed in the context of a wider policy response to the affordable housing issue and the potential displacement of long-term residents.¹³¹⁶ These issues are discussed in Section 8.4(a) below.

¹³¹² Closed Evidence, *Transcript of Evidence*, 28 July 2009, p5.

¹³¹³ For example, see Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p2; and Submission No. 29 from Albany Holiday Park, 28 April 2009, p2 and p3.

¹³¹⁴ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p20.

¹³¹⁵ Ms Anne Hill, Executive Director, Regional Planning and Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p2.

¹³¹⁶ *ibid.*

Finding 111

For many long-stay tenants, living in a caravan park is the preferred lifestyle. Therefore, such tenants will continue to be a long-term feature of many caravan parks.

Finding 112

Notwithstanding Finding 110, there is a need to reduce the demand for long-stay tenants in some caravan parks in strategic tourism locations to ensure adequate supply of short-stay tourism sites.

Recommendations to address the supply of long- and short-stay sites in caravan parks have been made in Chapter 7. These recommendations recognise that, as noted above, a state-level 'one-size-fits-all' approach to this issue does not work and, therefore, this issue is best addressed at a local level via local tourism planning strategies. As noted in Chapter 7, Section 7.5(a), the City of Albany's approach to the allocation of strategic and non-strategic tourism sites, with long- and short-stay quotas based upon a detailed analysis of these sites, appears to be a workable model. The City of Albany's planning model is also discussed in Chapter 10.

8.4 Other Issues Arising From the Dual Use of Caravan Parks

The 2006 *Tourism Planning Taskforce Report* produced by the 2002 Ministerial Taskforce reports 'a divergence of views on the potential for conflict between permanent residents and short-stay users of a tourism complex'.¹³¹⁷ It also reports difficulties associated with the combination of the two uses, largely arising from the differing objectives of the two groups.¹³¹⁸ The major difficulty, as noted above, is the loss of tourist zoned land for tourism purposes. Striking a balance between the supply of long- and short-stay sites has proved to be an increasing problem for policy makers, industry bodies and consumers due to the increasing value of land and other factors. However, this is not the only difficulty which arises from the dual use of caravan parks. Other difficulties noted by the Committee throughout the course of this Inquiry include:

- a reduced level of tourism amenity within mixed caravan parks
- a lack of access to essential services for long-stay tenants (that is, the unsuitability of some mixed parks for permanent habitation)

¹³¹⁷ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p37.

¹³¹⁸ Tourism Western Australia, *Tourism Planning Taskforce Report: Summary*, January 2006, p3, p5 and p38. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Polices%20Plans%20and%20Strategies/Summary%20of%20Report.pdf>. Accessed on 16 February 2009.

- the potential for the social and economic dislocation of long-stay tenants due to insecurity of tenure and a lack of affordable access to home ownership or the private rental market
- the territorial claims upon the caravan park by both visitors and residents, which arises from a degree of incompatibility of the dual uses

Most of these were also noted in some form by the *Tourism Planning Taskforce Report*.¹³¹⁹ The following sections outline the difficulties viewed by the Committee as being the most pressing.

(a) The Social and Economic Dislocation of Long-Stay Tenants

As noted above, many long-stay tenants of caravan parks choose this lifestyle and some enjoy very good living conditions. Nonetheless, certain circumstances have been identified which generally make long-term caravan park residents vulnerable in both an economic and social sense.¹³²⁰ Those circumstances of which the Committee was made aware during the course of this Inquiry are as follows:

- the decline in the number of caravan parks in WA
- the declining affordability of access to the rental market or home ownership
- a lack of security of tenure
- the fact that those who have purchased their caravan or park home have, in fact, bought a depreciating asset

These factors, amongst others, are also noted with concern by AHURI.¹³²¹ Each of these factors is discussed in detail in the following sections.

¹³¹⁹ *ibid.*

¹³²⁰ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, pv; National Housing Supply Council, *State of Supply Report*, Commonwealth of Australia, February 2009, p169; and Australian Bureau of Statistics, *Counting the Homeless 2006*, cat 2050.0, report prepared by C. Chamberlain, Director, Centre for Applied Social Research, RMIT University, and D. MacKenzie, Associate Professor, Institute for Social Research, Swinburne University, Commonwealth of Australia, Canberra, 2008, pxi.

¹³²¹ Wensing, Ed, Holloway, Darren and Wood, Martin, Australian Housing and Urban Research Institute, *On the Margins? Housing Risk among Caravan Park Residents*, AHURI, UNSW-UWS Research Centre, August 2003, p1.

(i) Caravan Park Closures

As outlined extensively elsewhere in this report,¹³²² the supply of caravan parks in Western Australia is decreasing. Park closures impact upon caravan park residents markedly due to their often vulnerable economic and social circumstance. Much evidence to this Inquiry dealt with this issue. Submissions from the residents from the Kingsway Tourist Park, for example, alert the Committee to their situation, and describe the feeling of devastation that eviction notices brought about.¹³²³ Their local member, the Member for Wanneroo, Mr Paul Miles, MLA, also describes the effect that this park closure has had upon the lives of those who had chosen to live there.¹³²⁴ More recently, approximately 200 residents from the Springvale Village Caravan Park, many of whom are elderly, face an uncertain future and, according to their local member of parliament, possibly homelessness.¹³²⁵ There are other caravan parks that house long-stay residents potentially facing the same situation. Notably, the City of Mandurah has several caravan parks within its jurisdiction that have been identified as candidates for redevelopment in the near future. For example, the Timbertop Caravan Park (approximately 70 long-stay sites) and the Belvedere Caravan Park (approximately 180 long-stay sites) will no longer be able to provide around 250 low-cost residences when these parks are redeveloped.¹³²⁶ More information on the caravan parks in Mandurah is provided in Chapter 10.

While a few caravan park residents may have the money and ability to relocate, caravan park closures generally impact upon those with very low means and whose 'first point of call' would be DoH.¹³²⁷ The department points out that there is a significant waiting time for other options to become available. For example, priority housing 'should take no longer than 60 days [however] it is currently taking a minimum of six months ... [and] usually a year'.¹³²⁸ Several Kingsway Tourist Park residents submitted that the cost of relocation, at approximately \$20,000, was either

¹³²² The decreasing number of caravan parks in Western Australia is outlined in Chapter 5. The decrease is a result of the numerous pressures upon the supply of caravan parks, including the dual use of caravan parks discussed in this chapter and other pressures that are discussed in Chapter 6.

¹³²³ For example, see Submission No. 5 from Mrs G L Measey, 7 April 2009, pp1-2; Submission No. 17 from Mr Ian Winter, 20 April 2009, pp1-3; Submission No. 26 from Mrs Janice Goodfellow, 28 April 2009, p2; and Submission No. 35 from Mrs Carol Connolly, 30 April 2009, pp1-2. (It should be noted that this list is not exhaustive of those who made this kind of submission, but simply a cross-section of those who described in some detail the trauma experienced).

¹³²⁴ Submission No. 47 from Mr Paul Miles, MLA, Member for Wanneroo, 1 May 2009, pp2-3.

¹³²⁵ Mr Andrew Waddell, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 August 2009, p6292; and Submission No. 107, Mr Andrew Waddell, MLA, Member for Forrestfield, 14 September 2009, pp1-2.

¹³²⁶ Submission No. 70 from City of Mandurah, 18 May 2009, p5; and City of Mandurah, *Committee Briefing*, 12 June 2009.

¹³²⁷ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p7.

¹³²⁸ *ibid.*, pp7-8.

very difficult or simply out of their reach.¹³²⁹ Similarly, the Springvale Village Caravan Park residents are faced with relocation costs which are out of reach for many of them.¹³³⁰

The other issue facing displaced caravan park residents is finding somewhere to relocate to that is affordable and that remains close to essential facilities and social networks.¹³³¹ Already noted in Section 8.2(a) above is the resistance often faced by DoH from LGAs that do not wish to allow low-cost housing facilities in and around their local areas. This is also alluded to by the Minister for Commerce in discussing the situation faced by the Springvale Village Caravan Park residents, and noting that local residents are often resistant to low-cost housing alternatives being located near their own personal place of residence.¹³³²

As described by DoH, these kinds of situations come about due to redevelopment pressures, and raise security of tenure issues for all caravan park residents.¹³³³ As DoC pointed out that:

*the number of caravan parks is decreasing. Property values have increased and there is a high demand to use the land for alternative uses. Many caravan parks are on the periphery of Perth. As urban sprawl has occurred, property prices have increased and that has put a lot of pressure on those leaseholds. It is potentially very attractive for the owners to sell the property.*¹³³⁴

Mr Shane Edmonds from DoH argued that in order for caravan park owners to be deterred from the lure of redevelopment, they would have to be able to obtain ‘better ground rents’ or have access to ‘a fund that gives him or her or the entity security of not selling because they have access to a range of funds or securities that means it is more viable to keep the long-term income going on those places’.¹³³⁵ Unfortunately, there is great difficulty in identifying an option that is more attractive to:

- a) the park owner, rather than redevelopment of the park; and
- b) the residents, rather than be able to remain in that park.

¹³²⁹ Submission No. 1 from Mr Ronald Harris, 1 April 2009, p4; Submission No. 24 from Mr Fred and Mrs Maureen Armstrong, 28 April 2009, p1; Submission No. 26 from Mrs Janice Goodfellow, 28 April 2009, p3.

¹³³⁰ Mr Andrew Waddell, MLA, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 August 2009, p6293.

¹³³¹ *ibid.*, pp6293-6294.

¹³³² Hon. Troy Buswell, MLA, Treasurer; Minister for Commerce; Science and Innovation; Housing and Works, Western Australia, Legislative Assembly, *Parliamentary Debates* (Hansard), 20 August 2009, pp6294-6295.

¹³³³ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p9.

¹³³⁴ Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p2.

¹³³⁵ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p9.

This is because:

*some of these places are very well located and some people have had very good lifestyles at a very affordable rate. That is not a criticism; it is just a reality. It is a wrench when this comes to an end. It is a very small cohort in terms of the whole accommodation market, really. Not everyone has access to the same lifestyle as people have in these caravan parks. That is precisely why they are being redeveloped.*¹³³⁶

As Mr Edmonds further advised, caravan parks are often ‘found in well-located sites, close to water and close to really good outlets and, in some cases, as the urban fill came around, close to very good infrastructure’.¹³³⁷ This has meant that for many people who otherwise could not afford to live in such well located situations caravan parks have provided this option. Mr Edmonds believes that for most people who live in caravan parks, this has included an ‘element of choice’, and this needs to be kept in mind.¹³³⁸ Similarly, DoC pointed out to the Committee that many caravan park residents themselves recognise the ‘excellent sense of community, the very good facilities, the wonderful positioning of some of these properties, which provides access to boating and other amenities that they would otherwise not have access to’.¹³³⁹

(ii) Insecurity of Tenure

Of great concern to the Committee is the way in which those living in caravan parks, especially those who purchase on-site vans or park homes, appear to have little understanding of the choice they are making when they decide to live in a caravan park. Of particular concern is their apparent lack of understanding of just how tenuous their right to ‘permanently’ remain in this location actually is. The Committee believes that disclosure of these sorts of issues has greatly improved with the passage of the RPLT Act. However, the passage of this Act, and the subsequent crystallisation of lease arrangements has meant that while there was an initial expectation by many residents that they would automatically receive fixed-term leases over quite long periods of time, they were dismayed to discover that usually only periodic leases would be offered.¹³⁴⁰ While this Act has generally provided better outcomes for long-term tenants, this has not been the popular perception. According to DoC, many long-stay tenants of caravan parks:

*had the impression that they had a lifelong lease but, to some extent, the new laws brought the reality into stark relief. There might have been an un-stated arrangement or perhaps an informal agreement, but times and people moved on and the reality was that some people did not have the contract that they thought they had.*¹³⁴¹

1336

ibid.

1337

ibid.

1338

ibid., pp9-10.

1339

Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p4.

1340

ibid., p12.

1341

ibid., p2.

As DoC further explained:

*in terms of the results of this legislation, certainly there have been mixed outcomes. Obviously, for new people into park homes there is certainty about the arrangements. There is an opportunity for them to weigh up this option relative to other options that might be available. For people with pre-established long-term tenure, there is further certainty and the capacity is clearer in relation to being able to seek compensation. For those who had long-term tenure and perhaps were expecting to be offered long-term fixed contracts, clearly it has been difficult for them to understand the reality of their situation. Certainly what has resulted is some clarity in terms of the 180 days, rather than a much shorter period that was previously available. Now there is certainly clarity, which enables them to better assess their situation.*¹³⁴²

DoC emphasised to the Committee the importance of people understanding ‘the implications of moving to a caravan park, and what will be the costs associated with that, but in particular, too, what will be the sorts of issues that will arise that in the event they need to leave’.¹³⁴³ It is for this reason that the disclosure material which is provided by DoC under the RPLT Act outlines all of these issues.¹³⁴⁴

The Committee does acknowledge that unscrupulous park owners may well be dishonest when disclosing exactly how long a tenant may have remaining in a park. For example, it is alleged that assurances were given to residents that the Kingsway Tourist Park would not be sold,¹³⁴⁵ and also that no warning was given of the proposed sale, even in the case of a park home being purchased 11 months prior to the sale.¹³⁴⁶ However, the Committee was advised by DoC that the park owners appeared to be ‘working in a very conciliatory way to try to resolve’ the situation.¹³⁴⁷ It appears to the Committee, upon hearing evidence given by DoC, that compliance with the RPLT Act is generally less of an issue than ‘the enormous problem of what these people [the residents] are going to do and where they turn for assistance’.¹³⁴⁸

The fact remains that any person entering into a tenancy agreement where they do not own the land will always face the uncertainty of eviction, whether or not they perceive this uncertainty to exist. In the case of the Kingsway Tourist Park, ‘a generous period of notice’ was offered to

¹³⁴² *ibid.*, p3.

¹³⁴³ *ibid.*, pp2-3.

¹³⁴⁴ Department of Commerce, *Information Booklet – Park Living*, June 2008. Available at: http://www.commerce.wa.gov.au/ConsumerProtection/PDF/Publications/Residential_Parks_information_booklet.pdf. Accessed on 10 February 2009.

¹³⁴⁵ Submission No. 6 from Mr George and Mrs Shirley Jackson, 7 April 2009, p1; Submission No. 24 from Mr Fred and Mrs Maureen Armstrong, 28 April 2009, p1; Submission No. 32 from Mrs Maxine Leavy, 29 April 2009, pp4-5.

¹³⁴⁶ Submission No. 8, Closed Submission, 15 April 2009, pp1-2.

¹³⁴⁷ Mr David Hillyard, Director, Industry and Consumer Services, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p10.

¹³⁴⁸ *ibid.*

vacating residents; however, ‘this has not quelled the fears of these long-term residents, who are now facing a very uncertain future’.¹³⁴⁹ It is difficult to envisage any period of notice which could be acceptable to those who simply cannot, and/or do not wish to, move away from the park in question.

It is the view of the Committee that caravan parks in their current form cannot offer security of tenure beyond that prescribed under the RPLT Act. This does not appear to be fully understood by those who advocate for greater security of tenure for caravan park residents. Of course, some argue that the legislation is inadequate,¹³⁵⁰ which is discussed further in Chapter 9. As DoH pointed out at hearing:

*with tenancy agreements it is hard to get people to understand the rights and responsibilities of both parties. We need to be ever vigilant that the maximum information, in really simple terms, gets to people so they understand their obligations.*¹³⁵¹

Further to this, Mr Shane Edmonds used his own experience as an illustration of the relaxed attitude of people entering into tenancy agreements, stating that:

*there is a laissez-faire attitude; it is just “Give me the house, and I will sign the agreement and go.” No matter how long one sits down with people and tries to go through the key elements, people just want to get in and get on with their lives. It is difficult for the Department of Consumer and Employment Protection and caravan park owners to explain these rights and responsibilities and for people to take them on board.*¹³⁵²

He advocated that disclosure ‘should be simple, concise and cover the broad points and point people to other areas with deeper information should they need it’.¹³⁵³ He also acknowledged that it not easy to get disclosure right, arguing that ‘it is a huge legal issue [and] if it comes to a case, it is one person’s word against another about how much disclosure they have had’.¹³⁵⁴ Disclosure requirements under the RPLT Act are discussed in Chapter 9, at Section 9.5(e).

Another important point to note is that many long-term residents believe that even though they bought into a caravan park with the benefit of full disclosure regarding the relative insecurity of tenure offered in that park, they should be offered longer-term fixed leases.¹³⁵⁵ The Committee was advised that some compare their situation with those living in the (purely) residential parks operated by National Lifestyle Villages Pty Ltd (NLV). However, as demonstrated elsewhere

¹³⁴⁹ Submission No. 47 from Mr Paul Miles, MLA, Member for Wanneroo, 1 May 2009, p1.

¹³⁵⁰ For example, Ms Rita Saffioti, MLA, the Member for West Swan, argues this on behalf of the caravan park residents in her electorate. See Submission No. 53 from Member for West Swan, 1 May 2009, pp1-2.

¹³⁵¹ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p7.

¹³⁵² *ibid.*

¹³⁵³ *ibid.*

¹³⁵⁴ *ibid.*

¹³⁵⁵ Closed Evidence, *Transcript of Evidence*, 28 July 2009, pp2-3.

throughout the report, the NLV model of residential park is quite unique and, therefore, different from other caravan parks, and the two types of living arrangements cannot be compared for a variety of reasons.¹³⁵⁶ For example, as explained by one caravan park provider not using the NLV model:

*the difference in the model is that when you look at your lifestyle village-type scenario, they will buy a cabin for \$100 000. They will put it on the site, give them 50 or 60-year leases, but they will sell those for \$250 000 to \$300 000. They will take that \$200 000 up-front, put it into facilities, or keep it as a profit, ongoing. With our tenants who are sitting there on a year by year, the cabin that they own is worth only \$100 000. We sign up for 10, 20, 30, 40-year leases. They will be able to sell that now for \$300 000 or \$400 000. That \$200 000 is not theirs; it is ours. We are happy to do it but obviously, being pensioners, they do not have that \$200 000 or \$300 000 to spend. That is pretty much where it stops from where we sit.*¹³⁵⁷

The Pink Lake Tourist Park in Esperance has taken a similar approach to that outlined above, planning to offer 50 year leases to new (not existing) long-stay tenants within its new park home development. Up-front investment will be required from those who buy into this option. The park owner advised the Committee that they decided upon 50 year leases because offering 20 year leases, while generating ‘significant interest’, was assessed by financial advisers as being an unsound investment over 20 years, whereas, offering 50 year leases alters the investment scenario ‘fairly dramatically’.¹³⁵⁸ The Committee understands that these new prospective tenants are being treated as a market segment that is quite different from the existing long-stay tenants already in the park. Further, this is justifiable as ‘some of those units are old caravans with an annexe [and] to offer them a 50-year lease is just not an option’.¹³⁵⁹

(iii) Nil or Depreciating Assets

Related to the above issue, and also of great concern to the Committee, is the way in which many caravan or park home owners who live in caravan parks do not understand that their asset has a nil and/or depreciating value. This is because what they own is simply a vehicle; they do not own the land upon which the caravan or park home sits. The inflated values of many caravans and park homes being sold in caravan parks throughout the state were noted with concern by the Committee during its many visits to caravan parks. Simply because a park home or caravan sits on a caravan park site, and may have done so for many years, this does not automatically mean that the right to occupy this site can be on-sold, or ‘assigned’, with the structure. Mr Marque Raymond from DoH described the situation as follows:

One of the aspects seems to be that a very important psychological crutch for many people in these situations is where they have provided the accommodation and the cells in terms

¹³⁵⁶ These differences are discussed later in this Chapter at Section 8.4(a)(vi).

¹³⁵⁷ Closed Evidence, *Transcript of Evidence*, 28 July 2009, p3.

¹³⁵⁸ Mr Gregory Cole, Caravan Park Owner, Pink Lake Tourist Park, *Transcript of Evidence*, 27 July 2009, p1, p2 and p5.

¹³⁵⁹ *ibid.*, p5.

*of the structure, they may have bought that 20 years ago. As a depreciating asset, it is actually worth nothing, yet to them, emotionally, it is their home. It puts the context of service delivery in a bit of a different light from standard practice of, "Well, most other people get only six or 12 months to be able to stay at any one time." When renting privately, you are no different. Their argument is, "Yes, but I've been here 20 years and I own the property." Not thinking through that they do not own the land.*¹³⁶⁰

A similar synopsis was provided by Ms Anne Driscoll, Commissioner for Consumer Protection:

*One of the major issues for people in park homes, particularly where they own the cabin but not the land, is that the cabin is clearly depreciating in terms of wear and tear et cetera. The land, generally, except for the past year or so, is continuing to appreciate. People have had a view somehow that maybe even on selling the cabin in situ they have an appreciating asset. Of course, the economic reality is that it might feel that but it is not the nature of the construct.*¹³⁶¹

Mr Peter Crockenberg, Vice-President of PHOA, advised the Committee that because he has a fixed term (10 year) lease he at least had 'something to sell'.¹³⁶² He described the plight of those on periodic leases as 'having nothing to sell' and believed that 'no-one would buy [their park homes] because they have no security of tenure in the first place'.¹³⁶³ A provision to 'assign' the lease (i.e. sell the lease to another person) may be included in the long-stay tenancy agreement.¹³⁶⁴ However, the agreement must be in writing¹³⁶⁵ and specifically contain this provision. Based upon the way in which the industry operates, it is the view of the Committee that caravan park operators would be unlikely to include this provision in their lease agreements. Indeed, no evidence to this Committee has indicated that these are widely included.¹³⁶⁶ This assumption is supported by CIAWA who advised that while they cannot provide exact numbers on how many leases actually include this option, it would be very unlikely that caravan park operators would include this provision due to a range of extenuating factors.¹³⁶⁷ CIAWA advised that what is much more common is the situation where caravans or park homes are sold, sometimes even without the

¹³⁶⁰ Mr Marque Raymond, Principal Policy Officer, Department of Housing, *Transcript of Evidence*, 3 July 2009, p10.

¹³⁶¹ Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p3.

¹³⁶² Mr Peter Crockenberg, Vice-President, Park Home Owners Association Western Australia Inc., *Transcript of Evidence*, 27 July 2009, p6.

¹³⁶³ *ibid.*

¹³⁶⁴ Schedule 1, clause 16 *Residential Parks (Long-stay Tenants) Act 2006* (WA).

¹³⁶⁵ Section 10 *Residential Parks (Long-stay Tenants) Act 2006* (WA).

¹³⁶⁶ The only example of fully assignable leases that the Committee was explicitly made aware of is the prospective 50 year leases to be offered by the Pink Lake Tourist Park in Esperance. Some amount of capital must be invested at the outset in the Pink Lake Tourist Park leases, which is very different from the situations envisaged here.

¹³⁶⁷ Ms Lexie Walter, Caravan Industry Association Western Australia Inc., Telephone Conversation, 1 September 2009.

knowledge of the caravan park operator, for an amount that is considerably more than what the structure itself is worth without the associated tenure over the land.¹³⁶⁸

Residents of the Kingsway Tourist Park believe that the eviction notice and pending park closure was responsible for a devaluation of their homes. They based this view on the assumption that the price for which park homes in the park were being sold prior to the park closure represented their true value. For example, one couple submitted that:

*prior to the eviction notice, homes within the Park were being sold for up to \$160,000 with "about" \$120,000 as a minimum level. The eviction notice effectively destroyed their value as each home must be dismantled by specialist removal teams and transported elsewhere.*¹³⁶⁹

Another couple expected to sell their home for \$128,000 and had almost closed a prospective sale when the eviction notices were issued. They subsequently sold their park home for \$30,000.¹³⁷⁰ Others also report their park homes being 'virtually worthless and impossible to sell' following the caravan park closure.¹³⁷¹ Sadly, for these residents, the original, and possibly quite inflated, values of these park homes were very likely predicated upon the right to reside in the park rather than the value of the park homes which are depreciating assets and effectively of little value without the land upon which they are situated.

This problem is also recognised by some caravan park operators. As one operator advised, people buying into a caravan park are often paying up to \$240,000 for a caravan or park home with a one-year lease, not realising that the caravan or park home itself may only be worth \$50,000 to \$60,000.¹³⁷²

DoH is well aware of this problem. As Mr Edmonds stated, land ownership gives an individual security and then 'a whole lot of other benefits flow from that'.¹³⁷³ It is recognised that ideally there needs to be some way in which the person living on a piece of land in their own dwelling has an ownership stake in that land. However, this would need 'to be done in such a way that it is not a disincentive for operators and developers to provide this facility'.¹³⁷⁴ DoH believes that apart from planning and development issues, 'unless there is a regulatory environment that is not too overwhelming and oppressive to [caravan park] operators, future options might not be explored by

¹³⁶⁸ *ibid.*

¹³⁶⁹ Submission No. 4 from Mr Lou and Mrs Molly Timmers, 6 April 2009, p2.

¹³⁷⁰ Submission No. 6 from Mr George and Mrs Shirley Jackson, 7 April 2009, p2.

¹³⁷¹ Submission No. 24 from Mr Fred and Mrs Maureen Armstrong, 28 April 2009, p1.

¹³⁷² Closed Evidence, *Transcript of Evidence*, 28 July 2009, p4.

¹³⁷³ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p12.

¹³⁷⁴ *ibid.*

them, even if the state is in a position to provide more sites for them to move into'.¹³⁷⁵ DoC similarly explained that:

*the challenge has been to find the right balance between providing some tenure and clarity about the contractual provisions while at the same time seeking to not undermine the long-term sustainability of parks. If further pressure is put on the long-term sustainability of parks, it could exacerbate the problem in the broader sense because there will be fewer caravan parks available for people to reside in.*¹³⁷⁶

The other issue with these depreciating assets is that 'the vans have often deteriorated to the point at which it is difficult for them to be uplifted'.¹³⁷⁷ This makes relocation of these vans, even if it were to be affordable, almost impossible.

(iv) A Reduced Level of Access to Home Ownership or the Rental Market

Coupled with the disadvantage faced by caravan park residents who own an asset worth very little in economic terms is the disadvantage faced in accessing any kind of finance for home ownership. This is due to the nature of caravan park residency, that is, a financial institution will not lend a significant amount of money for home ownership to those purchasing a depreciating asset without any land ownership being involved. This is noted by the operator of the Pink Lake Tourist Park in Esperance who, as noted above, intends to market 50 year leases to long-stay residents, but who has found that for many of these people 'there is no capacity to borrow' because there is no title to the land offered as part of the package.¹³⁷⁸ This operator also advises that the length of the lease makes no difference, whether 20 years or 50 years, 'the banks will not touch it'.¹³⁷⁹

Access to the rental market can also be similarly difficult, with reports that for some dislocated tenants 'their only alternative was to join up and go and rent in the private market, because on their own they could not afford to rent a property of a similar size'.¹³⁸⁰

(v) The Caravan Park/Park Homes Interagency Working Group

In response to the particular situation at the Kingsway Tourist Park, which became apparent in the latter half of 2008, and also to address any future instances, a Caravan Park/Park Homes Interagency Working Group ('the Working Group') was established.¹³⁸¹ This group includes

¹³⁷⁵ *ibid.*

¹³⁷⁶ Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p2.

¹³⁷⁷ Mr David Hillyard, Director, Industry and Consumer Services, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p5.

¹³⁷⁸ Mr Gregory Cole, Caravan Park Owner, Pink Lake Tourist Park, *Transcript of Evidence*, 27 July 2009, p2.

¹³⁷⁹ *ibid.*, p5.

¹³⁸⁰ Mr David Hillyard, Director, Industry and Consumer Services, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p4.

¹³⁸¹ Submission No. 52 from Department of Commerce, 1 May 2009, p38.

representatives from DoH, DoP, the Consumer Protection division of DoC and the Office of Seniors Interests. DoC describes the role of the group as follows:

As set out by the Minister for Commerce in Parliament on 4 December 2008, the working group has two objectives;

- *the first, coordinated by DPI [now the Department of Planning], is to seek to identify suitable Crown land that could be developed into caravan parks within twelve months; and*
- *the second, coordinated by DOH, is to develop a set of protocols to coordinate government agencies in assisting long-stay tenants in the event of a park closure.*¹³⁸²

The working group has drafted a Memorandum of Understanding (MoU) and a Working Group Protocol which aims to guide agencies' 'responses in assisting long-stay tenants during a residential park closure in Western Australia'.¹³⁸³ The MoU 'establishes the working relationships' between the agencies involved.¹³⁸⁴

The Committee believes the establishment of this group is certainly a step in the right direction, and that displaced residents now at least have the benefit of a coordinated and timely process that will assist them in their relocation.

(vi) Potential Long-term Strategies to Address the Social and Economic Dislocation of Long-stay Tenants

DoH's submission to this Inquiry contains several recommendations that attempt to address the growing demand for long-stay sites in caravan parks in the state. They are listed following:

1. *Identify suitable Crown Land sites through the Department of Planning and Infrastructure for new caravan parks dedicated to medium to long-stay rental including owner-occupied park homes and caravans;*
2. *Enable this use to be protected in the long-term and retained in perpetuity through government ownership;*
3. *Develop suitable tenure and tenancy management options for long-term stay (say 30-50 years), including leasing of the land underlying caravan park/park home sites to the residing occupants;*

¹³⁸² *ibid.*

¹³⁸³ Submission No. 94 from Department of Housing, 15 July 2009, p7.

¹³⁸⁴ *ibid.*, p9.

4. *Landgate continues its work on developing new and innovative arrangements around Community Title to enable the land underlying caravan park/park home to be sold or leased to the residing occupants.*¹³⁸⁵

In relation to 1 and 2 above, the identification of Crown land for caravan parks and the government ownership of caravan parks are part of a wider supply issue and, as such, are discussed in Chapter 5. DoH recommendation 4 above is not commented upon as it is outside the scope of this Inquiry.

In relation to leasehold arrangements for caravan parks (see 3 above), the proponents of residential park developments in the style of the NLV model¹³⁸⁶ claim that these leasehold arrangements address the ‘serious long term issue of housing affordability’.¹³⁸⁷ DoC discussed ‘lifestyle villages’ as a response which has been proposed by some as a solution to the affordable housing for dislocated long-stay tenants, noting that the NLV model offers 60 year tenures, while Aspen Parks Property Management Ltd (Aspen Parks) are slightly different in that they offer periodic leases,¹³⁸⁸ not unlike many other caravan parks. However, DoC does not see the current NLV model, in particular, as addressing the issue at hand due to the upfront and ongoing costs involved, including ‘significant entry fees’ and the ongoing costs for rent and facilities which make it a ‘considerably more expensive’ option.¹³⁸⁹

It is true that this ‘concept does provide the purchaser with an alternative housing choice’ where the price of the dwelling purchased ‘can be less than the medium price for the same suburb’.¹³⁹⁰ However, currently at least, the marketing of residential parks ‘is clearly aimed at the “baby boomers” rather than homeowners seeking an “affordable” living option’.¹³⁹¹ They provide an affordable option for ‘baby boomers and empty nesters downsizing into more affordable housing in a secure village with access to recreation and community facilities’.¹³⁹² Furthermore, the ‘lifestyle village’ concept is based upon the ‘assumption that this age group has already invested in the property market and has a capital asset to sell in order to enter into the Lifestyle Village’.¹³⁹³ Clearly, this is not the position of many current long-stay caravan park tenants.

¹³⁸⁵ Submission No. 64 from Department of Housing and Works, 15 May 2009, p7.

¹³⁸⁶ These are often called ‘lifestyle villages’, which differentiates them from other residential caravan parks. It should be noted that they are quite different to traditional caravan parks that offer long-term accommodation.

¹³⁸⁷ Submission No. 95, Closed Submission, 21 July 2009, Attachment 1.

¹³⁸⁸ Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p2.

¹³⁸⁹ Mr David Hillyard, Director, Industry and Consumer Services, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p4.

¹³⁹⁰ Submission No. 103, Closed Submission, 5 August 2009, p3.

¹³⁹¹ *ibid.*

¹³⁹² *ibid.*

¹³⁹³ *ibid.*, p4.

DoH advised the Committee that if these types of parks were to be used as a viable alternative for those requiring an affordable housing option, the 'large and growing recurrent cost in terms of the management arrangements and ongoing fees' for facilities provided would need to be re-thought and possibly eliminated.¹³⁹⁴ DoC further suggests 'some middle ground [that] provides th[e] sense of community' that makes these models attractive.¹³⁹⁵ Furthermore, as already discussed above, it would not be an ideal solution for social housing, particularly for those requiring this type of accommodation with 'profound [and] complex needs'.¹³⁹⁶

Noted above several times is the Pink Lake Tourist Park in Esperance, which is planning to offer 50 year leases to prospective buyers who are looking for this kind of single or couple accommodation. However, due to the fact that one cannot borrow to invest in this kind of arrangement, even this development is marketed towards those with equity in other investments or money to invest, for example, local farmers wishing to downsize, or inland residents who wish to move to the coast.¹³⁹⁷ As the park owner advised the Committee, 'we are advertising this as an affordable option, but it is only affordable to the extent that there is other equity'.¹³⁹⁸

It is also likely that planning inconsistencies would hinder any immediate attempt to develop purely residential parks for affordable housing purposes, although the DoP advised that it is working through these issues.¹³⁹⁹ Planning issues in relation to residential parks are discussed in Chapter 7, Section 7.5(b).

Other solutions have been considered by DoC including the 'development of a fund, administered by the Government, to provide financial assistance to long-stay tenants who are displaced and required to relocate their relocatable home'.¹⁴⁰⁰ However, due to various administrative and policy considerations, and also in light of industry feedback, this option is not being considered any further at the present time.¹⁴⁰¹ As DoC advised at hearing, many solutions considered, including this one, are 'administratively messy or they create an inappropriate market intervention' and, furthermore, 'the nature of park homes is so varied that any response to a particular issue applies only to a subset of the whole'.¹⁴⁰²

¹³⁹⁴ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p5.

¹³⁹⁵ Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p5.

¹³⁹⁶ Mr Shane Edmonds, Project Leader Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p5.

¹³⁹⁷ Mr Gregory Cole, Caravan Park Owner, Pink Lake Tourist Park, *Transcript of Evidence*, 27 July 2009, p4.

¹³⁹⁸ *ibid.*, p5.

¹³⁹⁹ Ms Anne Hill, Executive Director, Regional Planning Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p2.

¹⁴⁰⁰ Submission No. 52 from Department of Commerce, 1 May 2009, p35.

¹⁴⁰¹ *ibid.*

¹⁴⁰² Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p5.

In conclusion, DoC is of the view that the department's actions to date had been effective in alleviating, to some extent, the seriousness of the issues faced by displaced caravan park residents. DoC also questioned whether the displacement of caravan park residents is simply a 'transitional issue',¹⁴⁰³ a possibility also proposed by DoP.¹⁴⁰⁴ DoC further stated that while the displacement of residents is 'a very serious problem' it had 'been brought into sharp focus for these few people'.¹⁴⁰⁵ DoC thought that in addressing the issue as it had done to date, it could possibly ensure that the issue would not be so prevalent or wide-ranging in the future.¹⁴⁰⁶ Also, DoC correctly pointed out that 'there are clearly some broader issues about the availability of all forms of accommodation' which impact upon the demand for caravan park long-stay accommodation and also increase the potential for the dislocation of vulnerable caravan park residents.¹⁴⁰⁷

Finding 113

The redevelopment of caravan parks has created significant dislocation of long-stay residents, which has caused them substantial hardship in many cases.

Finding 114

In many cases, the decision by residents to buy into a long-term tenancy in a caravan park has been based on:

- expectations that were proved to be unrealistic;
- misconceptions about their ownership rights; and
- perhaps, in some cases, misinformation.

¹⁴⁰³ *ibid.*, pp5-6.

¹⁴⁰⁴ Ms Anne Hill, Executive Director, Regional Planning Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p2.

¹⁴⁰⁵ Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, pp5-6.

¹⁴⁰⁶ *ibid.*

¹⁴⁰⁷ *ibid.*

Finding 115

It is important that people who purchase park homes and caravans with the intent of living in a caravan park understand that they have not purchased the land, and that the value of their park home or caravan will depreciate over time.

Finding 116

It is imperative that people who consider purchasing an on-site van or park home are better informed about their rights and responsibilities as tenants of caravan parks, specifically about their tenure arrangements.

Recommendation 41

The government identify land suitable for the development of long-stay caravan parks and vest this land in local government authorities, either in perpetuity or on a 50+ year lease.

Recommendation 42

The Interagency Working Group be retained as a means of addressing the problems and assisting with the adjustment of long-stay tenants who are displaced from caravan parks on redevelopment.

Recommendation 43

The Interagency Working Group works to identify those parks in which long-stay residents are at risk of being displaced and develops appropriate solutions.

(b) The Incompatibility of the Dual Uses

It has become evident to the Committee that these two quite different uses of caravan parks, that is, for tourism and residential purposes, are often incompatible. This is not to suggest that the dual usage should be disallowed; rather, it means that ways to address the competing priorities within caravan parks must be found.

To the detriment of the caravan park visitor, whether traveller or holidaymaker,¹⁴⁰⁸ ongoing use of a caravan park for residential purposes can lead to a devaluation of the tourism experience due to a non-tourist character or ambience within the park. For example, it is reported that some caravan park designers and users view the current regulations as too prescriptive, ‘leading to caravan park designs which are lacking character and/or are too much like residential subdivisions’.¹⁴⁰⁹ Some examples of urbanised features which detract from the ambience of a traditional caravan park experience are sealed roads, designated parking areas and curbing. These kinds of regulations are assumed by Tourism WA to be ‘directed at ensuring caravan parks have the appropriate facilities for permanent residents’.¹⁴¹⁰

The Taskforce noted a:

*concern when tourists stay in these mixed tourism/mining parks with the clash in lifestyles (eg shift working, vehicle movements, late night noisy groups and heavy demand on ablution blocks resulting in overused, dirty and wet facilities). A better solution would be for local government to provide separate land to locate the mining companies (sic) transportable dongas, caravans, ablution blocks and free up the park caravan sites.*¹⁴¹¹

On the other side of this argument, and to the detriment of the long-stay resident, there can be a negative ‘impact on the amenity of the resident due to different lifestyle priorities to short-stay tourists, who in many cases have a higher recreation priority’.¹⁴¹² This issue is exacerbated if the caravan parks residents are older and require the sorts of facilities that might be more readily provided in a retirement village, such as handrails and ramps.¹⁴¹³ Aspen Parks notes that the expectations of short-stay are different from long-stay. While the demands from visitors relate to accommodation diversity and communal amenities:

*long stay tenants are, on the other hand, ‘demanding’ privacy and separation from holiday-makers and to some extent expecting private recreational and communal facilities for their exclusive use. These expectations significantly increase the cost of operating and maintaining a caravan park.*¹⁴¹⁴

¹⁴⁰⁸ The difference between traveller and holidaymaker is explained in Chapter 3.

¹⁴⁰⁹ Submission from Tourism WA to the Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995*, 11 November 2005, p3. Available at: <http://www.tourism.wa.gov.au/publications%20library/polices%20plans%20and%20strategies/tourism%20wa%20submission%20to%20caravan%20park%20act%20review.pdf>. Accessed on 12 February 2009.

¹⁴¹⁰ *ibid.*

¹⁴¹¹ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p15.

¹⁴¹² Tourism Western Australia, *Tourism Planning Taskforce Report: Summary*, January 2006, p5. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Polices%20Plans%20and%20Strategies/Summary%20of%20Report.pdf>. Accessed on 16 February 2009.

¹⁴¹³ Closed Evidence, *Transcript of Evidence*, 28 July 2009, p8.

¹⁴¹⁴ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p9.

As CIAWA points out, while there are economic benefits to dual use, there are management issues which confront the park operator because long-stay tenants ‘have certain physical and social requirements that general tourists do not’.¹⁴¹⁵ Thus, according to CIAWA, mixed parks have their ‘drawbacks’ and ‘benefits’ in that, ‘from an economic point of view’ long-stay tenants provide income during ‘seasonal lows’, however, ‘from a design point of view, [the two user groups] actually do have quite individual requirements’.¹⁴¹⁶

Conflicts within mixed parks are around the issue of territory and the conflicting views of what should constitute the major role of a mixed caravan park. Long-stay residents reportedly have a desire for privacy and personalisation of their site.¹⁴¹⁷ On the other hand, visitors often expect a holiday atmosphere, with a mix of people and tourist experiences.¹⁴¹⁸ The Taskforce noted this conflict in its report and stated that:

the extent of actual and potential conflict between user groups is likely to increase as the number of permanent residents increases (sic), until they become the dominant group. This is due to the different reasons for the groups being in caravan parks, from rest, relaxation and enjoyment for tourists, and work and household routines for residents.

*While a tourist is likely to be viewed as an intruder by residents, the tourist also may resent the residents due to their better access to facilities, knowledge of the park, having a detrimental impact on their tourism experience.*¹⁴¹⁹

This conflict can create problems for park managers, and can result in the following situations:

- *the development of resentment and antagonism in permanent residents towards tourist that may cross or pass through public space that has been personalised or is in proximity to their site;*
- *the personalisation of space has the potential to result in a loss of consistency and variation in standards through out a facility; and*
- *tourists at a facility with a permanent population are likely to be made to feel intruders, particularly where access to facilities is involved. This feeling will also be influenced by the attitude of management and the number of residents who are possessive (sic) of common facilities.*¹⁴²⁰

¹⁴¹⁵ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p6.

¹⁴¹⁶ *ibid.*

¹⁴¹⁷ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p38.

¹⁴¹⁸ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, May 2007, p22.

¹⁴¹⁹ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, p38.

¹⁴²⁰ *ibid.*

Evidence received by the Committee from various caravan park owners attested to the above. For example, park owners in Horrocks describe the tension between the two types of caravan park user, stating that short- and long-stay patrons ‘don’t mix’ because the long-stay tenants ‘want a quiet life’ while the tourists and holidaymakers, particularly when they bring children into the park, create friction which ultimately must be managed by the park operators.¹⁴²¹ Furthermore, these owners believe that even the semi-permanents or annuals who have a reserved site which they use for limited periods of time also ‘have a notion of don’t come near my site’.¹⁴²²

Another owner operator couple described the situation facing them as new park owners in 1999. The owners submit that while the mix of tourist and long-stay sites looked ‘good on paper and provided a good income ... many of the residents were not compatible with each other’ and long-stay tenants ‘encroached their area a bit further at every opportunity’.¹⁴²³ Furthermore, ‘most were hostile toward tourists and management for booking tourists into the park.’¹⁴²⁴ One corporate provider of caravan parks believed that:

*some do not mix. If you have that permanent area, they think that they own it and it is their area. If a kid rides his bike in that area, they chase him out with a broom and they forget that it is a caravan park. The flipside is that you have your tourists mixed in, but they stay up until 10 or 11 o’clock at night drinking and having a good time when these guys are trying to sleep.*¹⁴²⁵

One way to deal with this issue is to divide the park in two and keep the two uses separate, but under one management, as suggested by several park operators.¹⁴²⁶ The Committee was impressed with a caravan park it visited in Albany, and which appeared to employ this strategy to good effect. This approach is supported by the Department for Communities which recommends a ‘buffer zone’ between long-stay and short-stay users and the creation of ‘user specific areas’ which could reduce the conflict between, and increase the enjoyment for all park visitors and residents.¹⁴²⁷

Finding 117

Due to different user expectations and requirements, the use of a caravan park for both residential and tourism accommodation often results in an incompatible mix.

¹⁴²¹ Submission No. 37 from Horrocks Beach Caravan Park, 4 May 2009, p2.

¹⁴²² *ibid.*

¹⁴²³ Submission No. 30 from Lazy Days Caravan and Holiday Park, 29 April 2009, p1.

¹⁴²⁴ *ibid.*

¹⁴²⁵ Closed Evidence, *Transcript of Evidence*, 28 July 2009, p8.

¹⁴²⁶ Submission No. 37 from Horrocks Beach Caravan Park, 4 May 2009, p2; and Closed Evidence, *Transcript of Evidence*, 28 July 2009, p8.

¹⁴²⁷ Submission No. 82 from Department for Communities, 27 May 2009, p3.

Recommendation 44

Local tourism planning strategies should provide for the separation of long-stay sites and tourist sites in caravan parks.

CHAPTER 9 THE IMPACT OF THE LEGISLATIVE REGIME

9.1 Introduction

Chapter 2 outlines the history and structure of the Western Australian dedicated caravan parks and camping grounds legislation, and the regulation of long-stay tenancies.

This chapter reviews the regulation of caravan parks in Western with a particular focus on how this regulatory regime works to:

- maintain a viable caravan park industry
- protect the rights of operators and users
- address the issue of long- and short-stay facilities and sites

Some relevant initiatives that have been implemented by other states and territories are also examined for comparative purposes.

Chapter 7 outlines the state's planning framework that applies to caravan parks and camping grounds, and notes the existence of some inconsistencies in this framework. As the impact of the planning framework is discussed extensively in that chapter, it will not be re-visited here.

Throughout this Inquiry the Committee received evidence in relation to the impact this legislation and planning framework has had, and continues to have, on the caravan park and camping ground industry and on those who stay, and who want to stay, at these facilities. The purpose of this chapter is to provide discussion of the main legislative and regulatory issues raised in evidence. It is not intended as a comprehensive review of the *Caravan Parks and Camping Grounds Act 1995* (WA) (CPCG Act) or the *Residential Parks (Long-stay Tenants) Act 2006* (WA) (RPLT Act). Furthermore, as this is an Inquiry into the caravan park and camping ground industry in general, this chapter is not intended to provide detailed discussion or analysis of any one particular caravan park or camping ground in terms of compliance.

The Caravan Parks and Camping Grounds Advisory Committee (the Advisory Committee) is established by the CPCG Act and is discussed in the following section. The Advisory Committee plays a significant role in the review of the CPCG Act and its function. A review of the CPCG Act has been in train since 2005 and this process is discussed in Section 9.3.

Section 9.4 of this chapter examines the CPCG Act and its impact upon the viability of the caravan park (and camping ground) industry. Included in this discussion are issues such as its application, licensing and compliance, and illegal camping. Section 9.5 examines the RPLT Act and its role in protecting the rights of operators and users of caravan parks. This section is largely concerned with caravan park operators and long-stay tenants as these are the two user groups covered by that Act. Issues discussed here include caravan park tenancy agreements and contentious factors such as 'eviction without reason' and relocation compensation. Finally,

Section 9.6 discusses the role of the CPCG Act in the provision of an adequate mix of short- and long-stay sites. This final section is very brief as most of the issues relating to the supply of long- and short-stay sites are covered in Chapters 7 and 8. However, a summary of the arguments is provided.

9.2 The Caravan Parks and Camping Grounds Advisory Committee

Section 25 of the CPCG Act provides for the establishment of the Caravan Parks and Camping Grounds Advisory Committee. This Advisory Committee sits under the Department of Local Government (DLG) and is comprised of any number of people such as determined by the Minister for Local Government from the following:

- the Western Australian Local Government Association (WALGA)
- the caravan industry
- consumers
- the part of the public sector which has an interest in caravanning and camping
- any other appropriate interest group¹⁴²⁸

It also includes one employee of DLG, nominated by the Chief Executive Officer.¹⁴²⁹

The role of the Advisory Committee is to provide advice regarding caravanning and camping to:

- the Minister for Local Government
- the DLG
- public sector bodies
- local governments
- members of the public
- any other person as the Minister directs¹⁴³⁰

Under s 25 (4)(b) of the CPCG Act, the Advisory Committee also makes recommendations to the Minister, or another person as the Minister directs, regarding ‘ways to improve, promote and

¹⁴²⁸ Section 25(2)(a) *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴²⁹ Section 25(2)(b) *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴³⁰ Section 25(4)(a) *Caravan Parks and Camping Grounds Act 1995* (WA).

regulate caravanning and camping throughout the State'.¹⁴³¹ This Advisory Committee reportedly has played a prominent role in the refinement of the *Caravan Parks and Camping Grounds Regulations 1997* (WA) (CPCG Regulations) in 2000.¹⁴³²

9.3 Review of the Caravan Parks and Camping Grounds Act 1995 (WA)

In line with the requirements of the CPCG Act,¹⁴³³ a review of the Act was commenced by the Minister for Local Government in 2005. Upon commencement of the review, a discussion paper was released which identified and focused 'on a number of key issues that ha[d] been raised over the years in relation to the legislation' and which called for submissions from stakeholders.¹⁴³⁴ DLG advised the Committee that a total of 102 submissions were 'received from a range of stakeholders' that 'included local governments and their representative associations, recreational and industry caravan and camping groups, State Government agencies and members of the public'.¹⁴³⁵ As a result, a number of amendments were proposed to the CPCG Act which were intended 'to improve the operational efficiency, particularly for local governments to administer the Act'.¹⁴³⁶ These amendments are discussed, where relevant, throughout this chapter.

Drafting instructions were approved by Cabinet in October 2007,¹⁴³⁷ nearly two years after submissions to the review closed in November 2005.¹⁴³⁸ The Committee understands that these drafting instructions were provided to Parliamentary Counsel during the previous Parliament. However, 'due to more pressing legislative priorities of the previous Minister, a draft Bill was not developed' and for that same reason 'the Regulation amendments that arose from the review of the legislation have not been progressed'.¹⁴³⁹ While these amendments have again been provided to Parliamentary Counsel during the current Parliament, DLG advises that, to date, 'there has been no formal response from Parliamentary Counsel'.¹⁴⁴⁰

¹⁴³¹ Section 25(4)(b) *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴³² Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995: Discussion Paper*, September 2005, p10. Available at: <http://www.dlgrd.wa.gov.au/Publications/Docs/CaravanParksCampingGroundsActPaper.pdf>. Accessed on 12 February 2009.

¹⁴³³ Section 32 *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴³⁴ Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995: Discussion Paper*, September 2005, p2. Available at: <http://www.dlgrd.wa.gov.au/Publications/Docs/CaravanParksCampingGroundsActPaper.pdf>. Accessed on 12 February 2009.

¹⁴³⁵ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p5.

¹⁴³⁶ *ibid.*

¹⁴³⁷ *ibid.*

¹⁴³⁸ Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995: Discussion Paper*, September 2005, p2. Available at: <http://www.dlgrd.wa.gov.au/Publications/Docs/CaravanParksCampingGroundsActPaper.pdf>. Accessed on 12 February 2009.

¹⁴³⁹ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p6.

¹⁴⁴⁰ Submission No. 92 from Department of Local Government, 10 July 2009, p1.

Therefore, as at October 2009, four years after submissions to the review closed, the Act and Regulations remain unamended. As Section 9.4(a) below argues, the Act and Regulations have been overtaken by time and are significantly outdated in terms of where the caravan and camping industry is now placed. Unfortunately, it now also appears that any amendments to the review will very likely be outdated by the time they are enacted. It is for this reason that the Committee believes that the amendments proposed by DLG should be re-drafted to incorporate the more recent recommendations made by this Committee.

As outlined further throughout this chapter, the amendments included in the drafting instructions are, on the whole, supported by the Committee. However, as will be demonstrated, the Committee believes that these amendments do not go far enough in addressing the issues presented in evidence to this Inquiry.

As the WA Association of Caravan Clubs Inc. (WAACCI) noted:

*the review process has become very protracted and an exhaustive event for the Advisory Committee and the caravan/RV fraternity in that it still requires some contentious issues to be reviewed and resolved before the amendments/changes to the Act can be presented to Parliament.*¹⁴⁴¹

In the late 1990s there were indications that all was not well in relation to the caravan park industry. In this current decade there have been further signs of problems in relation to the operation of caravan parks, including those related to the introduction of the RPLT Act. As noted, the review of the CPCG Act has been in train since 2005 and is yet to see completion. The Committee interprets this as a sign that caravan parks are not accorded high priority in government, something that is of concern to the Committee given the important role that caravan parks and camping grounds play in the provision of tourism accommodation and affordable housing. There needs to be greater effort and commitment made to ensure this review is completed.

Finding 118

The statutory review of the *Caravan Park and Camping Ground Act 1995* (WA) has taken too long and is at risk of not adequately addressing the current circumstances facing the industry.

Recommendation 45

The Department of Local Government complete the statutory review of the *Caravan Park and Camping Ground Act 1995* (WA) as a matter of priority.

¹⁴⁴¹ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, pp10-11.

Recommendation 46

The Department of Local Government incorporates the recommendations contained in this report into drafting instructions for amendments to the *Caravan Park and Camping Ground Act 1995* (WA).

9.4 Maintaining a Viable Caravan Park Industry**(a) Applying the Caravan Parks and Camping Grounds Legislation**

The Committee received some evidence that the introduction of the CPCG Act and Regulations has resulted in improvements within the industry. For example, the Town of Port Hedland believes that ‘the introduction of the Regulations has generally seen an upgrade in parks around the state with the introduction of minimal acceptable standards. With permanent occupation of parks now permitted, the park home industry has gained momentum’.¹⁴⁴² Similarly, the City of Rockingham, while accepting that this legislation had a fraught gestation period, stated that its introduction has helped to bring parks up to acceptable standards.¹⁴⁴³ Overall, it is generally accepted that there is a need for enforceable regulation of the caravan park and camping ground industry. For example:

*If the Acts and Regulations [federal, state and local] are enforced, the tourist industry will provide a professional and profitable industry. Legislation and policies are necessary for providing a high standard of compliance for accommodation and related facilities within parks and resorts. Without monitoring or control there could be a very low standard develop. Legislation must be enforced.*¹⁴⁴⁴

However, a significant amount of evidence pointed to the CPCG Act and Regulations being difficult to read and interpret. Many submissions suggested that the CPCG Act and Regulations are ambiguous, confusing and outdated. For example, the City of Rockingham submits that:

*the Caravan Park & CG Act & Regulations is in a format all of its own and this makes it difficult to read and interpret. For example, the definitions are in Schedule 8, and then there are some other definitions within the text in various places, when in most other Acts it is in the first section.*¹⁴⁴⁵

The point made above by the City of Rockingham regarding definitions within the CPCG Act and Regulations is particularly pertinent. Not only are the definitions located at different points

¹⁴⁴² Submission No. 3 from Town of Port Hedland, 6 April 2009, p3.

¹⁴⁴³ City of Rockingham, *Committee Briefing*, 12 June 2009.

¹⁴⁴⁴ Submission No. 63 from Ms Elizabeth Sherwood, York Caravan Park, 14 May 2009, p10.

¹⁴⁴⁵ Submission No. 66 from City of Rockingham, 18 May 2009, p3.

throughout the legislation,¹⁴⁴⁶ they are also outdated and in need of urgent review. For example, according to the definitions in the CPCG Act, while a caravan park can contain both caravan and camping sites, a camping ground, by definition, only provides sites for camps and not caravans.¹⁴⁴⁷ However, given the number of caravans and other self-contained vehicles that now visit all types of camping grounds, it is obvious that this definition does not reflect current practice, and is therefore obsolete. It is the view of the Committee that each definition within the legislation should be reviewed in terms of current practice within the marketplace.

Finding 119

The definitions contained in the *Caravan Parks and Camping Grounds Act 1995* (WA) and the *Caravan Parks and Camping Grounds Regulations 1997* (WA) are in need of urgent review.

Recommendation 47

The Minister for Local Government ensures that the current legislative review of the *Caravan Parks and Camping Grounds Act 1995* (WA) and subsidiary legislation includes a review of the definitions used throughout the legislation, updating those necessary to reflect contemporary practice.

The City of Albany submits that ‘the result of the current legislative regime is confusion for decision-makers’.¹⁴⁴⁸ Similarly, according to the Shire of Exmouth:

*the current format of the Reg’s (sic) has to be the single most convoluted, difficult to read, mish mash of legislation ever constructed. EG there are not one or two areas of the legislation that covers Park Homes, without doing a detailed assessment of the Regs, different requirements about park homes appear in about 6 or 7 regs/clauses etc. The numerous Schedules that specify provisions that would normally be regarded as regulations make it a very confusing and difficult to read / follow piece of legislation.*¹⁴⁴⁹

¹⁴⁴⁶ Definitions can be found in the *Caravan Parks and Camping Grounds Act 1995* (WA) at s 5 and Schedule 1, and in the *Caravan Parks and Camping Grounds Regulations 1997* (WA) at Schedule 8 and Schedule 9. In addition, various definitions are located throughout the text of both the Act and the Regulations.

¹⁴⁴⁷ Section 5(1) *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴⁴⁸ Submission No. 81 from City of Albany, 25 May 2009, p3. The City of Albany notes that this regime includes policy directions from various government agencies as well as the dedicated legislation and regulations.

¹⁴⁴⁹ Submission No. 78 from Shire of Exmouth, 22 May 2009, p2.

Not only is the legislation difficult to understand and interpret, it also has not kept up with developments within the caravan and camping industry and, as such, is significantly outdated (as exemplified in the discussion of the definitions above). For instance, the Shire of Gingin suggests that ‘the existing Legislation is in need of review as it is outdated and needs to be changed to reflect contemporary building and living standards’.¹⁴⁵⁰ Similarly, the Shire of Nannup supports ‘an updating of the legislation to better reflect the modern environment and addressing the potential social issues’ associated with long-stay living in caravan parks.¹⁴⁵¹ The Committee does not believe that the current situation will be rectified by the proposed amendments represented in DLG’s drafting instructions to Parliamentary Counsel.

As discussed in Chapter 4, the caravan and camping industry has evolved at an incredible pace and undergone substantial change, with this transformation outstripping both infrastructure and regulation. This has largely been driven by emerging demand trends which are, in turn, driven by ‘a dramatic increase in customer expectations and external market forces’.¹⁴⁵² Tourism Western Australia (Tourism WA) identifies marked changes to the industry and believes that this will continue as the characteristics of ‘demographics and customer expectations change over time’.¹⁴⁵³ The emerging demand trends discussed in Chapter 4 at Section 4.4 which have contributed to this change are listed following:

- (a) the rise in demand for alternatives to traditional caravan and camping sites, often termed ‘free’ ‘wild’ or ‘wilderness’ camping, and largely facilitated by the rise of the self-contained recreational vehicle (RV)
- (b) the annual or ‘holiday home’ market catered to by some caravan parks
- (c) a rising demand for chalets and cabins
- (d) an increasing demand for caravan parks as a ‘permanent’, available and affordable housing option
- (e) the increasing (and also quite diverse) expectations of the various market segments
- (f) the incidence of illegal camping

Given that the industry is likely to evolve relatively quickly over time, based upon past performance, it is the view of the Committee that legislation must be broader, less prescriptive and thus more adaptable to market forces and change. It is possibly unavoidable that legislative amendment is a slow moving process; however, this makes adaptability all the more important for an industry such as the caravan and camping industry which is experiencing a range of supply pressures (as discussed in Chapter 6).

¹⁴⁵⁰ Submission No. 42 from Shire of Gingin, 30 April 2009, p1.

¹⁴⁵¹ Submission No. 68 from Shire of Nannup, 18 May 2009, p2.

¹⁴⁵² Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p12.

¹⁴⁵³ Submission No. 60 from Tourism Western Australia, 8 May 2009, p7.

One supply pressure is increasing operating costs. Caravan park operators generally argue that while operating costs are prohibitive, if regulation is lessened, the market will adequately determine the cost, variety and level of services and facilities. Their arguments also often refer to regulatory factors such as planning restrictions and government policy on water and electricity pricing, which are discussed elsewhere in this report. Overall, the message is that, unless the industry is able to self-regulate to a greater degree than it does now, caravan parks will close.¹⁴⁵⁴

This is predicted not only by caravan park operators, but also caravanners themselves. WAACCI argues that the ‘continuation of the very restrictive and oppressive Caravan Parks & Camping Grounds Act 1995 / Regulations 1997’ is a contributing factor to what it sees as the ‘strangulation of the RV tourism industry’.¹⁴⁵⁵ The Campervan and Motorhome Club of Australia Ltd (CMCA) similarly argues that extensive regulation ‘will only serve to diminish mobile tourism in WA’.¹⁴⁵⁶

Generally, concern was expressed that the current regulatory regime increases compliance costs for caravan parks and camping grounds, and, thus, may lead to increased diminution of existing sites and/or compliance issues, and also deter developers from creating new parks.

*Whilst local governments routinely carry out inspections of various premises to ensure compliance with numerous statutes, no other legislation is as onerous as the above mentioned Act.*¹⁴⁵⁷

*It is likely that the onerous requirements for facilities along with requirements for sewers etc may prohibit new parks.*¹⁴⁵⁸

*It seems that no matter what business we are in, interference from a government level has created problems for us. ... now it seems as if too much regulation is going to ruin our lifestyle choice once more. We are getting rid of our pool because we cannot afford the new regulations.*¹⁴⁵⁹

*Maintenance of standards in accordance with existing legislative provisions is becoming increasingly burdensome for the majority of caravan parks and camping grounds in the Shire of Manjimup.*¹⁴⁶⁰

The high capital costs of setting up caravan park infrastructure in accordance with the Caravan Parks and Camping Grounds Regulations 1997 has been identified by existing

¹⁴⁵⁴ For example, see Submission No. 29 from Albany Holiday Park, 28 April 2009, pp2-4; Submission No. 30 from Lazy Days Caravan Park, 29 April 2009, p2.

¹⁴⁵⁵ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p18.

¹⁴⁵⁶ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 30 April 2009, p15.

¹⁴⁵⁷ Submission No. 54 from City of Wanneroo, 1 May 2009, p1.

¹⁴⁵⁸ Submission No. 9 from Shire of Waroona, 15 April 2009, p1.

¹⁴⁵⁹ Submission No. 30 from Lazy Days Caravan and Holiday Park, 29 April 2009, p2.

¹⁴⁶⁰ Submission No. 84 from Shire of Manjimup, 8 June 2009, p6.

*operators as a major impediment to the expansion of caravan park and camping bays on existing sites or the development of a new facility.*¹⁴⁶¹

Infrastructure requirements particularly exemplify the overly prescriptive (and, therefore, quickly outdated) nature of the CPCG Act and Regulations. Given that an identified emerging demand trend is for low-cost, low facility sites for RVs which are semi self-contained, the quite specific facility and infrastructure requirements in the CPCG Regulations are becoming increasingly superfluous for many visitors to traditional caravan parks. The success of some providers (for example, pastoral lessees) in meeting the increased demand for ‘free’ or ‘wild’ camping demonstrates that a low facility caravan park/camping ground is quite workable. As the Caravan Industry Association Western Australia Inc. (CIAWA) noted, ‘a remote RV park is something that, cost-wise, the legislation at the moment is probably precluding’.¹⁴⁶² Given that the demand is for more remote nature-based (and also RV friendly) caravan/camp sites, the legislation appears to be operating counter to market forces.

This is a position strongly argued by WAACCI.¹⁴⁶³ For instance, WAACCI suggests that some relaxation and flexibility in the Regulations could allow for self-contained RVs to be accommodated in areas where the full range of facilities is not provided.¹⁴⁶⁴ Similarly, some LGAs suggest that the Regulations be amended so that minimally equipped sites in parks without the prescribed facilities could be provided.¹⁴⁶⁵ Relaxing regulations around the provision of facilities and services would allow caravan park operators to provide some higher facility sites closer to amenities, with other lower facility sites further away from these. The design of the park could be left up to the individual operator based upon demand and local planning requirements and conditions.

For example, the prescriptive requirements in the CPCG Regulations around the provision of water and water taps may not be necessary in today’s environment, particularly given that many travellers in self-contained vehicles have water supplies on board. Indeed some remote nature-based camping sites require that water is to be supplied by the user.¹⁴⁶⁶ The Wedge Island Protection Association Inc. notes that ‘the water supply stipulations [under the CPCG Regulations] are a costly exercise, especially where no other infrastructure exists’.¹⁴⁶⁷ It argues that ‘recreational users are quite prepared for limited facilities and are self-sustaining but this model does not fit with existing regulations’.¹⁴⁶⁸

¹⁴⁶¹ Submission No. 81 from City of Albany, 25 May 2009, p2.

¹⁴⁶² Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p12.

¹⁴⁶³ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p17 and p20.

¹⁴⁶⁴ *ibid.*, p22.

¹⁴⁶⁵ For example, see Submission No. 46 from Shire of Boyup Brook, 1 May 2009, p1.

¹⁴⁶⁶ For example, during the Committee’s visit to Warroora Station (17 August 2009) members were advised that this station requires campers to supply their own water.

¹⁴⁶⁷ Submission No. 51 from Wedge Island Protection Association Inc., 30 April, p1.

¹⁴⁶⁸ *ibid.*

Tourism WA also supports reducing design prescription.¹⁴⁶⁹ Part of the evidence presented by Tourism WA to the Committee argues that the CPCG Act and Regulations have:

many clauses that affect the viability of some smaller caravan parks. The reason for this is that many of these clauses are based on outdated assumptions and in today's caravan parks they are cost prohibitive. In particular, the clauses relating to maximum distances to ablution blocks, minimum number of pedestals and basins per site etc. According to the CIAWA and the RVMAA, a rapidly increasing number of caravans and RV's being built today include their own shower and toilet facilities. At the recent 2008 CRVA National Conference, a spokesperson for Kratzmann's Caravans stated that over 70 per cent of all new caravans and motorhomes are being built with their own toilet and shower. This should be taken into consideration when reviewing these minimums. Having separate areas in the park for self contained vans may allow park owners to close certain auxiliary ablution blocks and save considerable capital, maintenance and cleaning costs.

*In addition, there are clauses relating to the minimum area needed to be allocated for recreational facilities. Particularly in coastal areas, a large number of parks abut public reserves and national parks which already contain great areas of open recreational space including playgrounds, picnic tables and barbecues. If the legislation allowed for these areas to be used as the parks recreation areas, duplication of facilities is reduced allowing more area to be set aside for caravan sites or onsite accommodation. Not only does this make more sites available, it also makes the parks potentially more profitable, maybe avoiding closure.*¹⁴⁷⁰

There is also an argument that over-regulation leads to caravan parks losing their unique holiday atmosphere, and that the requirements of the legislation may not necessarily be improvements. This is the view of the Shire of Augusta-Margaret River which submits that predominantly 'tourist parks should be afforded greater flexibility in relation to these guidelines, to ensure the parks retain their ambience and character'.¹⁴⁷¹

The proprietors of Horrocks Beach Caravan Park argue that this problem is compounded by a lack of cooperation between local and state government departments. They state that caravan parks:

*are weighed down with Restrictions and Rules and Regulations that we can understand why so many Private Owned Parks are opting out. We like owning this Park and running it but if we and other Parks can't get better cooperation from Government Bodies, we really are flogging a dead horse.*¹⁴⁷²

Suggestions have been made that the CPCG Act and Regulations 'be reviewed based on suggestions from CIAWA and other industry representatives. By updating the Act and relaxing some of these clauses, more inevitable park closures may be avoided'.¹⁴⁷³ The Committee cannot

¹⁴⁶⁹ Submission No. 60 from Tourism Western Australia, 8 May 2009, pp14-15.

¹⁴⁷⁰ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p93.

¹⁴⁷¹ Submission No. 76 from Shire of Augusta-Margaret River, 21 May 2009, p3.

¹⁴⁷² Submission No. 37 from Horrocks Beach Caravan Park, 29 April 2009, p2.

¹⁴⁷³ Submission No. 60 from Tourism Western Australia, Attachment Four, Closed Evidence, 8 May 2009, p93.

understand why these suggestions have not been taken into account by the current legislative review, particularly as DLG's submission contains a list of issues presented to them by the caravan park and camping ground industry as factors limiting the viability of the industry. Particularly relevant were reports that the regulations limit the 'capacity to add additional accommodation to take advantage of the opportunities presented by the mining boom' and that some infrastructure requirements under the legislation are onerous; for example, 'the need for infrastructure such as sealed roads'.¹⁴⁷⁴ At hearing DLG also outlined what is seen as the overly prescriptive nature of the regulations:

*if you speak to local government, they will tell you that it is overly prescriptive. That is one issue, I suppose, and probably the primary issue. Most park operators feel that it is overly prescriptive, and being overly prescriptive that puts a significant work burden on local governments, which are obviously strapped for resources as well. Yes, there is an issue there.*¹⁴⁷⁵

In light of the above arguments, it is the opinion of the Committee that the CPCG Act and Regulations should be reviewed with a view to removing the more prescriptive design requirements in order to reduce compliance costs and make caravan parks a more attractive investment option. Furthermore, aging infrastructure issues (as outlined in Chapter 6) will be less of an issue for existing caravan parks if the replacement of this infrastructure can be implemented according to locational requirements and demand, rather than in accordance with excessive regulatory requirements. In particular, these changes could include (although are not necessarily limited to):

- the removal of detailed provisions prescribing ablution facilities, maximum distances to ablution blocks, and the minimum number of pedestals and basins per site etc.
- an allowance for the provision of low facility sites within caravan parks, which are suited to the modern day self-contained RV with minimal facility requirements
- removal of the clauses relating to the minimum area needed to be allocated for recreational facilities; rather, this should be determined by location and demand

The Committee believes that the removal of such detailed prescriptions could have the effect of solving the following problem outlined by the Shire of Exmouth in relation to the facilities provided for overflow sites:

The application and interpretation of 'overflow areas/sites' is one that currently varies from Shire to Shire and therefore creates some inconsistency throughout the State.

For the purposes of provision of sanitary facilities, many Shires generally allow overflow sites to be considered as 'camp' sites. Therefore, only requiring half as many facilities as

¹⁴⁷⁴ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, pp3-4.

¹⁴⁷⁵ Mr Ross Earnshaw, Manager Statutory Support, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p7.

*caravan sites. However, in tourist destinations that experience a wide peak period, overflow sites/areas are being almost permanently occupied for over 3 months. Whilst the regs make provision for the LG to specify what the peak period is, it may be appropriate for the LG to be given some guide as to what is the maximum consecutive use of an overflow site before it should be considered a short stay site.*¹⁴⁷⁶

Should the design of caravan parks be less prescriptive, the facilities offered at overflow sites and nature-based parks would be more in line with what is offered at caravan parks. Therefore, there would not be the same necessity to dictate what constitutes an overflow site or a short-stay site. Rather sites could be supplied in terms of the levels of facilities required by the users. It seems counterproductive to distinguish between the facilities offered at caravan parks and camping grounds when a large number of caravans use overflow sites, nature-based parks, caravan parks and camping grounds interchangeably.

Finding 120

Significantly reducing regulation will free up the caravan and camping industry which is struggling with compliance costs and aging infrastructure issues.

Recommendation 48

The Department of Local Government reviews the *Caravan Parks and Camping Grounds Act 1995* (WA) in order to significantly reduce the detailed requirements of the regulations in general, and in relation to caravan park infrastructure, in particular.

(b) Licensing and Compliance

In Western Australia, people who operate caravan parks and camping grounds must be licensed as provided under s 6(1) of the CPCG Act.¹⁴⁷⁷ Under ss 7 to 12 of the CPCG Act, the power to issue, renew, cancel and refuse to grant licences resides with the appropriate local government.¹⁴⁷⁸

Under the CPCG Regulations, 'a local government may grant, renew or transfer, only a licence of a type referred to in column 1 of Schedule 2'.¹⁴⁷⁹ Schedule 2, column 1, prescribes the following types of licences:¹⁴⁸⁰

¹⁴⁷⁶ Submission No. 78 from Shire of Exmouth, 22 May 2009, p1.

¹⁴⁷⁷ Section 6(1) *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴⁷⁸ Part 2 *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴⁷⁹ Regulations 41 and 42 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

- Caravan park licence
- Camping ground licence
- Caravan park and camping ground licence
- Park home park licence
- Transit park licence
- Nature based park licence

Regulation 47 allows a local government to specify in a licence an area as an overflow area. Schedule 8 of the CPCG Regulations defines an overflow area as ‘an area of a facility specified as an overflow area in the licence for the facility’.

Under s 8 of the CPCG Act, licences are issued for the ‘prescribed period’, with r 52 setting the prescribed period at ‘one year from the day on which the licence was granted or renewed’.¹⁴⁸¹

The licence must specify the maximum number of sites and the maximum number of particular types of sites, including overflow sites that may be used at the particular facility.¹⁴⁸² Under r 51, the number of camping sites on a licence cannot ‘exceed one site per 25 square metres of camping ground available at the facility’.¹⁴⁸³ In addition to site numbers, the local government may impose other special conditions on the licence in accordance with s 13(2).

Particular issues regarding compliance and licensing raised during the course of the Inquiry are discussed in the following sections.

(i) Licence Fees

Regulation 45 and Schedule 3 of the CPCG Regulations set out the fees for applying for a licence and for licence renewal. Currently, the fee for the grant or renewal of a licence is \$200 or \$6 per site for long-stay, short-stay and transit park sites, \$3 per site for camp sites, and \$1.50 per site for overflow sites, whichever is the greater amount.¹⁴⁸⁴ The Town of Port Hedland argues that ‘the fee structure for the issue of licenses has not changed since the regulations have been introduced and

¹⁴⁸⁰ While the definitions of a caravan park, camping ground and park home are found in s 5 of the CPCG Act, those for a transit park and nature-based park are not. Definitions for these facilities are only found in the CPCG Regulations. See the Glossary of this report for details of those definitions.

¹⁴⁸¹ Section 8 *Caravan Parks and Camping Grounds Act 1995* (WA); Regulation 52 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁴⁸² Regulation 50 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁴⁸³ Regulation 51 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁴⁸⁴ Schedule 3 *Caravan Parks and Camping Grounds Regulations 1997* (WA). Section 5 (1) of the CPCG Act defines a site as an area ‘marked, or intended, for use of one caravan or camp’.

regular CPI increases are required to keep license fees in line with inflation'.¹⁴⁸⁵ The Shire of Roebourne also argues for increases in licensing fees in line with inflation.¹⁴⁸⁶

(ii) Inspection and Compliance

While a local government may inspect a caravan park or camping ground in its district 'at any time', it is obliged under r 21 to inspect each facility in its district periodically 'so that a period of not more than 12 months elapses between inspections'.¹⁴⁸⁷ These physical inspections must be carried out by an authorised person(s) and in accordance with specified procedures.¹⁴⁸⁸ Consequently, licences are renewed annually subject to compliance with the CPCG Act, CPCG Regulations and the conditions imposed in the licence.¹⁴⁸⁹

Following inspection, a local government may issue a works specification notice to a licensed park operator detailing the work required to meet compliance with licence conditions and the time period in which that work is to be completed.¹⁴⁹⁰ In the case of a non-renewal and/or cancellation of a licence, the operator has recourse to a review of the decision by the State Administrative Tribunal (SAT).¹⁴⁹¹

If the park is operated by the local government, it does not have to issue itself a licence, but under s 15 of the CPCG Act must comply with all the laws that apply to private operators, which is not well understood. The Minister for Local Government has the power to direct a local government concerning compliance with legislation or specified standards in relation to parks operated by that local government.¹⁴⁹² A public register is kept by a local government of licences issued by it, recording details such as are prescribed by the CPCG Regulations.¹⁴⁹³

There is some evidence to suggest that caravan parks are largely compliant.¹⁴⁹⁴ With regards to instances of non-compliance, it appears that this can be a result of the prescriptive nature of the existing legislative provisions (discussed above). For example:

Escalating costs and diminishing returns on investment are considered to be major factors of non completion for proprietors faced with compliance issues identified by the Shire of Manjimup. Some significant examples of non compliance have been experienced by the

¹⁴⁸⁵ Submission No. 3 from Town of Port Hedland, 6 April 2009, p3.

¹⁴⁸⁶ Mr Craig Watts, Manager Environmental Health, Shire of Roebourne, Electronic Mail, 18 May 2009, p1.

¹⁴⁸⁷ Regulation 21 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁴⁸⁸ Part 3 *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴⁸⁹ Section 7 *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴⁹⁰ Part 3, s 21(3) *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴⁹¹ Sections 7(8) and 12(4) *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴⁹² Section 16 *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴⁹³ Section 14 *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁴⁹⁴ For example, see Submission No. 36 from City of Cockburn, 30 April 2009, p2 and p3.

*Shire of Manjimup and this has resulted in the commencement of legal action against proprietors on occasion.*¹⁴⁹⁵

Also an issue is the fact that with the legislation being so prescriptive, LGAs must find the resources to police compliance with all the various regulatory requirements. Mr Ross Earnshaw from DLG remarked that discussions about the CPCG Regulations:

*have revolved around the over-prescriptive nature of the legislation. We have what we have, and it seems to be working okay. Obviously, a problem is the lack of resources in local government to be able to scrutinise it properly or make sure the compliance levels are appropriate. That is the problem.*¹⁴⁹⁶

There are also concerns in relation to consistency of application of the CPCG Regulations by LGAs, with the implication being that there is a lack of consistency in this regard. In their combined submission, the Chamber of Commerce and Industry and the Tourism Council of Western Australia (CCI/TCWA) state that they:

*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.*¹⁴⁹⁷

It is possible that this inconsistency is a result of the ambiguity within the CPCG Act and Regulations (discussed above) which makes them difficult to enforce, and also makes them 'unenforceable due to the onus of proof upon the prosecution'.¹⁴⁹⁸ It could also be partially related to, again, the over-prescriptive nature of the CPCG Regulations, as suggested by DLG:

*Not only is the legislation over-prescriptive, but so is the interpretation of the legislation at different levels of government and also in different regional areas. There is nothing more frustrating for an operator than when another officer is brought in from a different region to become the bean counter and makes changes, when for 10 years everything has been fine.*¹⁴⁹⁹

WAACCI suggests better and more formalised inspections of caravan parks to 'assist to identify any perceived problems and shortcomings',¹⁵⁰⁰ although if resourcing is an issue for LGAs then this approach may not be feasible. The proprietor of the Pink Lake Tourist Park, Mr Greg Cole, submits

¹⁴⁹⁵ Submission No. 84 from Shire of Manjimup, 2 June 2009, p6.

¹⁴⁹⁶ Mr Ross Earnshaw, Manager Statutory Support, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p8.

¹⁴⁹⁷ Submission No. 73 from Chamber of Commerce and Industry/Tourism Council of Western Australia, 20 May 2009, p2.

¹⁴⁹⁸ Submission No. 40 from Mr Terence Izzard, 30 April 2009, p1.

¹⁴⁹⁹ Ms Donna Cocking, Chairperson, Caravan Parks and Camping Grounds Advisory Board, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p8.

¹⁵⁰⁰ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p23.

that ‘to ensure consistency of approach it would be better for control and regulation of caravan parks to be under the control of a Government agency which would be a cross between tourism and housing’.¹⁵⁰¹

The Committee has been advised by DLG that it is intended to remove the licensing function of caravan parks from local government, and allocate this function to ‘an independent body’.¹⁵⁰² The Committee does not agree with this proposal and believes that the licensing and compliance function of caravan parks remain under the jurisdiction of local governments.

Finding 121

The Department of Local Government intends to remove the licensing function of caravan parks from local governments.

Recommendation 49

The licensing and compliance functions of caravan parks must remain under the jurisdiction of local governments and not, as proposed, be transferred to an independent body.

(iii) Exemption of the State Government from Compliance with the Caravan Parks and Camping Grounds Act 1995 (WA)

The CPCG Act currently ‘does not apply to or in respect of a caravan park or camping ground operated by a public sector body, as defined in the *Public Sector Management Act 1994*’.¹⁵⁰³ This provision affects those caravan parks and camping grounds operated by the Department of Environment and Conservation (DEC). The Committee was made aware of concerns around this exemption, particularly relating to the anti-competitive nature of this provision, and also relating to the ambiguity of what constitutes a ‘public sector body’.¹⁵⁰⁴

DEC explained that the main difference between the way that DEC’s nature-based parks are regulated and the way that caravan parks are regulated under the CPCG Act and Regulations is in relation to ‘the application of the provisions of the health

¹⁵⁰¹ Submission No. 13 from Pink Lake Tourist Park, 16 April 2009, p3.

¹⁵⁰² Submission No. 92 from Department of Local Government, 10 July 2009, p3.

¹⁵⁰³ Section 3(1) *Caravan Parks and Camping Grounds Act 1995* (WA).

¹⁵⁰⁴ For example, see Submission No. 84 from Shire of Manjimup, 2 June 2009, p4; Submission No. 78 from Shire of Exmouth, 22 May 2009, p1. The Shire of Manjimup also spoke to the Committee at some length about this issue during the Committee’s visit to the Shire.

regulations'.¹⁵⁰⁵ Mr Peter Sharp, Director, Parks and Visitor Services, explained to the Committee that if all nature-based camping sites in the DEC 'estate', in particular the sites in remote areas, had 'to comply with the health regulations, as local governments apply them to the more urban caravan parks, we would find that the cost of running them would be prohibitive on the department and on other partners'.¹⁵⁰⁶ This would most likely mean that they would be closed to the public, thus exacerbating supply issues. Mr Sharp advised that caravan parks developed by DEC in more urban settings, such as Hamelin Bay, do comply with 'standards for those sorts of developments ... however, in the more remote stations, it is just not feasible'.¹⁵⁰⁷ Mr Sharp further argues that it is very likely not even necessary in terms of health and safety as there have been no disastrous outcomes from these provisions.¹⁵⁰⁸

In terms of competitive neutrality, which is the issue that caravan parks and some Shires are concerned about, it is DEC's view that visitors to traditional fully serviced caravan parks and visitors to nature-based camping sites such are two different market segments.¹⁵⁰⁹

However, in spite of this difference, this provision was determined by the National Competition Policy (NCP) Legislation Review to be anti-competitive and its removal from the CPCG Act was recommended.¹⁵¹⁰ Accordingly, this action is included in the drafting instructions currently provided by DLG to Parliamentary Counsel. However, this amendment will not take effect until nature-based park standards have been established by DEC.¹⁵¹¹ The Committee understands that DEC is currently progressing this matter with the use of a consultant in order to develop the standards, although they currently still at the drafting stage.¹⁵¹²

Findings and recommendations in relation to the development of nature-based standards can be found below in Section 9.4(c).

(iv) Compliance with Building Standards and the Building Code of Australia

The overly prescriptive nature of the CPCG Regulations is also mentioned in terms of the standards which apply to structures in caravan parks. As DLG advised, it is the application of

¹⁵⁰⁵ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Protection, *Transcript of Evidence*, 24 July 2009, p6.

¹⁵⁰⁶ *ibid.*

¹⁵⁰⁷ *ibid.*, pp6-7.

¹⁵⁰⁸ *ibid.*, p7.

¹⁵⁰⁹ *ibid.*

¹⁵¹⁰ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p5.

¹⁵¹¹ Submission No. 92 from Department of Local Government, 10 July 2009, p3.

¹⁵¹² Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Protection, *Transcript of Evidence*, 24 July 2009, p7.

building standards (in particular) in caravan parks that is ‘the over-prescriptive part’ of the CPCG Regulations.¹⁵¹³

Many submissions to this Inquiry raised the issue of the compliance of built structures within caravan parks with building standards and with the Building Code of Australia (BCA). As this issue is discussed extensively in Chapter 7 at Section 7.6, the concerns will not be revisited here. It suffices here to note that the proposed Building Bill outlined in that section will address some of the issues raised in relation to building standards. This will require amendment to the CPCG Act. In particular:

*the CPCG legislation would require amendment to ensure that ‘council approval’ noted in that Act requires building approval through the issue of a building permit, in line with provisions of the Building Bill.*¹⁵¹⁴

The Committee supports the necessary amendments to the CPCG Act and Regulations in order to progress these changes. In line with this position, relevant recommendations have been made in Chapter 7.

(v) The Delegation of Certain Functions to the Chief Executive Officer

Currently, ‘the Act does not enable a local government to delegate powers to its Chief Executive Officer (CEO) or other officers’.¹⁵¹⁵ This was identified as an issue at the outset of the legislative review and also in submissions to this Inquiry.¹⁵¹⁶ The review paper presented by the (then) Department of Local Government and Regional Development (DLGRD) stated that:

*local governments have suggested that it would be more practical and appropriate for the Act to be changed to enable certain powers to be delegated by the local government to an officer such as the CEO or another officer selected by the CEO. Powers of this type are included in the Local Government Act 1995 for general administrative delegations.*¹⁵¹⁷

The review paper provided the following examples of duties that must be carried out by council rather than local government officers, and that result in administrative awkwardness:

- granting, renewing or refusing to grant a licence for a caravan park or camping ground (s 7)

¹⁵¹³ Ms Donna Cocking, Chairperson, Caravan Parks and Camping Grounds Advisory Board, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p8.

¹⁵¹⁴ Submission No. 72 from Building Industry Development, 20 May 2009, p3.

¹⁵¹⁵ Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995: Discussion Paper*, September 2005, p9. Available at: <http://www.dlgrd.wa.gov.au/Publications/Docs/CaravanParksCampingGroundsActPaper.pdf>. Accessed on 12 February 2009.

¹⁵¹⁶ For example, see Submission No. 78 from Shire of Exmouth, 22 May 2009, p1.

¹⁵¹⁷ Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995: Discussion Paper*, September 2005, p9. Available at: <http://www.dlgrd.wa.gov.au/Publications/Docs/CaravanParksCampingGroundsActPaper.pdf>. Accessed on 12 February 2009.

- appointment of an authorised person (s 17)
- local government powers relating to giving and cancelling prohibition notices (ss 10 and 11)
- cancellation of licences (s 12)
- the issue of works notices (s 21)¹⁵¹⁸

The review paper also argued that ‘consideration also needs to be given to including a provision to delegate the Ministerial power under section 31 of the [CPCG] Act to the Director General of the [then] Department of Local Government and Regional Development’.¹⁵¹⁹ This section ‘enables the Minister to grant exemptions to, or modifications of, Regulations or local laws relating to the requirements for operating facilities. The inclusion of this power of delegation should result in greater efficiencies in the administration of the Act’.¹⁵²⁰ The Committee understands that both these amendments are included in current drafting instructions.¹⁵²¹

(c) Regulation 49: The Location of Transit Parks and Nature-Based Parks

Regulation 49 of the CPCG Regulations provides that a local government cannot grant a licence for a transit park (where an occupier can stay no longer than 3 consecutive days) or a nature-based park (where an occupier may stay no longer than 3 consecutive months), if there is a caravan park facility within 50 kms.¹⁵²² It should be noted that r 49 does not prohibit people using roadside rest areas as intended.

A brief examination of other jurisdictions indicates that there is no comparable restriction present within legislation. New South Wales regulations define factors to be taken into account by local governments prior to approving a caravan park or camping ground; however, distance to facilities is not one of the specified factors.¹⁵²³ Queensland is perhaps the most comparable jurisdiction in that camping within 25 km of a commercial facility is restricted, although this is a policy position and not prescribed by legislation.

Much evidence to the Inquiry highlighted r 49 and its anti-competitive nature. CMCA submit that this is a form of ‘protectionism’.¹⁵²⁴ Similarly, WAACCI argues that the CPCG Act should ‘address consumer demands by removing restrictions [i.e r 49] and introduce appropriate

¹⁵¹⁸ *ibid.*

¹⁵¹⁹ *ibid.*

¹⁵²⁰ *ibid.*

¹⁵²¹ Submission No. 92 from Department of Local Government, 10 July 2009, pp2-3.

¹⁵²² Regulation 49 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁵²³ Regulation 71 *Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulations 2005* (NSW).

¹⁵²⁴ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p5.

regulations and conditions relating to easier access to transit parks, traditional camping areas and nature based parks'.¹⁵²⁵

Some LGAs have reported finding this regulation a hindrance to the provision of further caravan and camping facilities within their jurisdictions. For example, the Shire of Chittering advises that 'with regard to possible future establishment of a caravan park within the municipality, Reg[ulation] 49 may impact upon the Councils current facilities and therefore its decision making process'.¹⁵²⁶ The Shire of Gingin advised the Committee that r 49 impedes what are otherwise superb opportunities within the Shire for the development of nature-based or 'eco' parks. The Shire believes that these parks cater to a slightly different market than those who use traditional caravan parks, and that there is a great demand for these kinds of facilities in the Shire due to its proximity to the city and scenic geographical character. However, the Shire advised that any attempts to date to establish these facilities have met with resistance due to r 49, and that future attempts would also be stopped by r 49.¹⁵²⁷ Similarly, Mr Vaughan Davies, from Tourism WA's North West Regional Office, provided the Committee with two examples of potential nature-based parks that could serve to alleviate demand pressure during peak times and also cater to niche markets. One such park was suggested by an individual just out of Broome who wished to use his property to cater for a reportedly strong demand for 'pet friendly' caravan parks. The other example was of a Traditional Owner who wished to create a nature-based facility approximately 150 km from Derby, but who was not granted permission due to the fact that 'as the crow flies' the proposed site was less than 50 km from another caravan park.¹⁵²⁸ This interpretation of r 49 is in line with that prescribed in the *Interpretation Act 1984 (WA)*.¹⁵²⁹

In line with the views outlined above, a NCP review found r 49 to be anti-competitive and recommended that it 'be removed and that a set of minimum standards for nature-based parks become legislative provisions. These standards would address matters such as health, safety and amenity'.¹⁵³⁰ In line with the NCP review recommendation, DLG has found that r 49 'is overly restrictive and should be removed' as part of the upcoming legislative amendments.¹⁵³¹

However, some caravan park operators believe that r 49 should remain. They base this argument upon the fact that nature-based and transit parks have lower facility requirements under the CPCG Regulations, and thus have an unfair advantage. For example, one corporate provider of caravan parks argued that for nature-based parks or transit parks to be located within 50km of caravan park facility is:

¹⁵²⁵ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p21.

¹⁵²⁶ Mr Mike Guthrie, Environmental Health Officer, Shire of Chittering, Electronic Mail, 13 May 2009, p1.

¹⁵²⁷ Shire of Gingin, *Committee Briefing*, 19 June 2009.

¹⁵²⁸ Mr Vaughan Davies, Regional Manager, Australia's North West Region, *Committee Briefing*, 30 June 2009.

¹⁵²⁹ Section 65 *Interpretation Act 1984 (WA)*.

¹⁵³⁰ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p5.

¹⁵³¹ Submission No. 92 from Department of Local Government, 10 July 2009, p3.

*just nonsense. They can, as long as they comply with caravan and camping rules. They have to have insurance, staffing, rates and taxes and all those sorts of facilities; otherwise get rid of all my requirements and we are on an equal footing.*¹⁵³²

Implementation of the Committee's recommendation regarding the lessening of requirements for facilities in caravan parks could potentially work towards ensuring that a more even footing exists for all types of caravan parks, whether nature-based or not. Furthermore, as noted above, DEC is developing nature-based standards in the format of a manual which is to be used as a reference 'by a wide audience including potential applicants for nature-based park licences, local government agencies, consultants in a number of design and management fields, educators and politicians'.¹⁵³³ These are being developed 'to ensure fair and consistence (sic) assessment of development applications/proposals and to ensure that consistent design and management standards for campgrounds and caravan parks are achieved and maintained'.¹⁵³⁴ A review of the development brief for these guidelines indicates that many factors are taken into account, including health and amenity issues.

However, the Committee is concerned that 'this project has not yet commenced and DEC will progress [it] when Dep[artment] of Local Government resources are allocated'.¹⁵³⁵

Finding 122

The Department of Local Government is removing regulation 49 from the *Caravan Parks and Camping Grounds Regulations 1997 (WA)* as it has been found by the National Competition Policy review to be anti-competitive.

Finding 123

Regulation 49 of the *Caravan Parks and Camping Grounds Regulations 1997 (WA)* hinders the supply of new nature-based parks, and its removal from the regulations will help meet demand for this type of park.

Finding 124

The drafting of nature-based park guidelines is expected to provide fairness and consistency in the assessment of development applications and proposals for nature-based parks.

¹⁵³² Closed Evidence, *Transcript of Evidence*, 28 July 2009, p5.

¹⁵³³ Submission No. 108 from Department of Environment and Conservation, 16 September, p3.

¹⁵³⁴ *ibid.*

¹⁵³⁵ *ibid.*, p1.

Recommendation 50

The Minister for Local Government and the Minister for Environment ensure that the proposed guidelines for nature-based parks are completed and implemented by December 2010.

(d) Where People Can Camp

Illegal camping, and its relationship with the act of ‘free’ or ‘wilderness’ camping, is a significant issue facing the caravan park industry. As such, much of the evidence received to this Inquiry discussed what various stakeholders believe constitutes illegal camping, how it should be regulated and the effect it has on the caravan park industry.

In order to provide some important background, it is useful to recap the discussion around free and illegal camping as presented in Chapter 4. Section 4.4(e) of that chapter outlined the rise in the demand for freer and more nature-based caravanning and camping accommodation, often as an alternative to the traditional caravan park experience. As noted, this growing trend results from a convergence of two related factors:

- the rise of the ‘self-contained traveller’, demonstrated to have emerged in recent years, and which is facilitated by the advent of the self-contained vehicle
- the diverging demand trends and expectations around the provision of facilities within caravan parks and camping grounds, with the self-contained traveller demanding lower facility sites at a lower cost, but with other market segments (that is, some holidaymakers) demanding the provision of more extensive facilities

Also discussed in that section is the way in which ‘self-contained’ travellers who require some facilities some of the time present a difficulty for many caravan park operators who may struggle to strike a balance between the level of services demanded from the various market segments and the ability to provide these to each user at a cost effective price and in accordance with statutory requirements. Chapter 4, at Section 4.4 (f), discusses the way in which all of these factors lead to incidences of illegal camping.

The legislation restricts camping (including camping in a vehicle) to a licensed caravan park or camping ground, although there are exceptions. A person can camp for up to 3 nights in a period of 28 consecutive days on land which he or she owns or has the right to occupy (or longer with approval from the relevant authority). Permission must still be obtained from the owner or occupier of the land, even if the duration is less than the allowable three nights. If a person wishes to camp outside a licensed caravan park or camping ground for longer than three nights, permission must be obtained from the local government. Permission can then be granted for camping of up to three months in such a situation. Only the Minister can approve a period of

greater than three months within a one-year period. A person can camp for up to 24 consecutive hours in a road side rest area or road reserve only in an emergency.¹⁵³⁶

As also noted in Chapter 4, Section 4.4(f), at a minimum illegal camping occurs when a person camps in contravention of the provisions of the CPCG Regulations. However, as outlined in that section, a broader and more subtle distinction between free camping and illegal camping is outlined by DLG, that is, illegal camping includes irresponsible camping where the impact upon the environment and/or the local community is disregarded.¹⁵³⁷ This could include using facilities without paying the appropriate fee; for example, using dump points on a pastoral lease without observing the conditions imposed by the lessee.

Much contention exists around the interpretation and enforcement of the provisions regulating where people can camp. Some groups argue that the CPCG regulations are too prescriptive and have not kept up with industry developments, particularly the rise in demand for the freer camping experience and self-contained vehicles. Coupled with this is an argument that during peak times or where there are vast distances between facilities, free camping may be necessary. For instance, caravanners argue for more flexibility in camping provisions, claiming that there is a need to 'review and provide flexibility in the regulations for camping on private land (currently up to 3 days), camping on roadside reserves up to 24 hours, and other camping restrictions to manage and control current peak tourist movements that are not supported by adequate facilities en-route'.¹⁵³⁸ Similarly, bushwalkers and those who support bushwalking activities claim that these individuals and groups should be able to camp more freely¹⁵³⁹ and that camping should not be illegal simply because it is near another camping ground.¹⁵⁴⁰

There is also an argument that indigenous camping is not adequately supported by the current regulatory regime, which is discussed in terms of demand in Chapter 4, Section 4.4(e)(ii). The Department of Indigenous Affairs (DIA) submits that the two types of indigenous camping discussed in that chapter, namely camping at community events and 'walkabout' on 'traditional country', should be recognised within the CPCG legislation, and that this legislation should be 'amended to incorporate Indigenous perspectives and practices in relation to "camping" to enable the achievement of the Act's objects for culturally significant Indigenous camping practices'.¹⁵⁴¹

On the other hand, there is an argument that free/illegal camping affects the viability of existing caravan parks, in an industry where park operators are already struggling to keep abreast of rising operating costs. Consideration must also be given to the environmental, health and amenity impacts this kind of camping can have, which is discussed in Chapter 4, at Sections 4.4(e) and (f).

¹⁵³⁶ Regulations 10 and 11 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁵³⁷ Ms Donna Cocking, Chairperson, Caravan Parks and Camping Ground Advisory Committee, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p10.

¹⁵³⁸ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p21.

¹⁵³⁹ Submission No. 62 from Bibbulmun Track Foundation, 12 May 2009, p1.

¹⁵⁴⁰ Submission No. 61 from Federation of Western Australian Bushwalkers (Inc), 12 May 2009, p1.

¹⁵⁴¹ Submission No. 75 from Department of Indigenous Affairs, 21 May 2009, p6.

For example, the Shire of Manjimup expressed to the Committee quite extensive concerns regarding unregulated camping and camping on the side of the road.¹⁵⁴² The Shire gave several examples demonstrating the way in which unregulated camping on private property can have health and amenity impacts, and also how it can affect the viability of local caravan parks. One example provided by the Shire is reproduced following:

*Issues related to camping arise on private property where people use the legislative requirements to justify a decision to camp. Where large numbers of people engage in this camping practice collaboratively it has a direct impact on the customer base for licensed caravan parks and camping grounds. For example, during the old growth forest protests a few years ago up to five hundred people rotated through a makeshift camp site on a rural property in Northcliffe over a period of a few months. Council was powerless to intervene as the logistics of identifying campers being in breach of the three nights in any twenty eight day camping period made it improbable to enforce any legislative provisions. The resulting public health and environmental consequence that resulted from the camping made this unacceptable and an outcome that would not have occurred if those campers were located in a licensed facility.*¹⁵⁴³

Mainly due to considerations of economic viability, some caravan park operators believe that the provisions around where people can camp should be more strictly and narrowly enforced. One caravan park operator submits that:

*the trend in free camping is allowed in the town of York while the caravan park has many sites vacant. Caravans are seen parked on driveways or in back yards in York, and have been there for many weeks. A potential customer had booked into the caravan park for a weeks stay, but instead camped at a house in York. I believe the Shire ranger should be monitoring this free camping and prevent it from happening.*¹⁵⁴⁴

CIAWA recognises the tension between the two arguments. It states that while there are ‘criticisms from the consumer point of view that there needs to be a greater facility for roadside camping or roadside stops’, this type of activity must be monitored by LGAs in terms of the ‘environmental, economic and social impacts’.¹⁵⁴⁵ CIAWA further argues that it is paramount that less regulated camping is controlled, and that some LGAs currently have a ‘zero tolerance’ (such as Exmouth and Esperance). CIAWA states that it has a ‘fairly liberal view when it comes to the great Australian right’ to camp; however, it also recognises the detrimental effect that free camping can have on nearby licensed caravan and camping ‘facilities that are paying huge overheads and taxes and rates ... and having to comply [with] ... the legislation’.¹⁵⁴⁶

¹⁵⁴² Submission No. 84 from Shire of Manjimup, 2 June 2009, pp4-6; Shire of Manjimup and Shire of Nannup, *Committee Briefing*, 21 July 2009.

¹⁵⁴³ Submission No. 84 from Shire of Manjimup, 2 June 2009, p5.

¹⁵⁴⁴ Submission No. 63 from York Caravan Park, 14 May 2009, p8.

¹⁵⁴⁵ Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p10.

¹⁵⁴⁶ *ibid.*

Not only is there contention around camping provisions, but there is also difficulty reported with the interpretation and application of the regulations around where people can camp. Two examples of this ambiguity are provided in the Shire of Exmouth's submission as follows:

*The intent of this clause/reg is not clear. That is, what is 'a person' intended to mean. Is it one person and one person only; is it one group of people as in one camp/caravan; or is any number of people as long as each individual 'person' only camps for 3 nights and they have permission The common interpretation is that it is one company of people, as in relatives that come to visit (eg Uncle and Aunty) for a few days.*¹⁵⁴⁷

*As opposed to Reg 11, Reg 12 only specifically discusses 'caravans' and not 'camps'. There may be occasion where for either a festival or some other special need that the LG may want consider granting approval for more than 3 nights for more than one caravan or camp (being a tent).*¹⁵⁴⁸

Another related issue presented to the Committee is the incidence of 'illegal camping and the negative impacts on Indigenous culture and heritage in the Kimberley', which Traditional Owners are extremely concerned about.¹⁵⁴⁹

Evidently, there are many facets to the wide-ranging issue of where people can camp. Discussed in the following sections are two particular aspects of this subject, which were specifically raised many times in evidence to the Committee. These are camping on the side of the road (including in roadside rest areas) and camping on Crown land (outside designated camping areas).

(i) Roadside Rest Areas and Emergency Camping

Related to all of the above regarding where people can camp is the particular issue of the use of roadside rest areas and camping on the side of the road as permitted under r 11 of the CPCG Regulations. Regulation 11 allows people to camp at a designated roadside rest area for 24 hours or on the side of the road for up to 24 hours in an emergency.

As outlined in Chapter 5 at Section 5.7(a), the provision of roadside rest areas and the facilities provided in such areas were among the most mentioned topics in evidence received to the Inquiry. That section outlines the supply of rest areas in Western Australia including roadside rest stops and facilities. Issues discussed there include the demand for, and supply of, rest areas and facilities, and their importance as a fatigue management tool is highlighted. Concerns raised in various evidence about a perceived lack or shortage of these areas and facilities was addressed and also discussed was the potential for their use over and above their intended use, that is, their use as camping grounds rather than as simply a place to stop and rest. Emphasised here was the necessity for travellers to understand that anything longer than a 24-hour stop should be planned to coincide with available opportunities in towns and appropriate commercial camping and caravanning facilities.

¹⁵⁴⁷ Submission No. 78 from Shire of Exmouth, 22 May 2009, p1.

¹⁵⁴⁸ *ibid.*

¹⁵⁴⁹ Submission No. 75 from Department of Indigenous Affairs, 21 May 2009, p5.

It appears that there is a considerable variation in the interpretation and enforcement of this provision throughout the state. It is suggested that better clarification around the responsibilities for management of this activity is necessary, particularly given that there are reportedly more instances of roadside camping due to the rise of self-contained vehicles.¹⁵⁵⁰

As noted above, the Shires of Exmouth and Esperance have a zero tolerance approach to free camping. On the other hand, the Town of Port Hedland has a very different approach and advised the Committee that it does not tend to move people on.¹⁵⁵¹ The Shire of Manjimup outlines the way in which camping by the side of the road is increasing and becoming very difficult to regulate in its jurisdiction:

*“Campervan” style mobile accommodation is predominantly self contained giving the ability of occupants to simply stop whenever and wherever they like. The Shire of Manjimup has a road network exceeding 3000km and the logistics of ensuring someone is camping for no longer than twenty four hours is simply impractical. Impacts of this type of camping on the immediate area vary dependent on the occupants however over time the accumulation of litter, vegetation removal for camp fires, significant evidence of illegal wastewater disposal and general site deterioration is quite obvious and is on the increase. Feedback provided by Shire officers conclusively demonstrates that the “campervan” style mobile accommodation trend to camp on the roadside has reached crisis point and unless something is done to change the provisions within the legislation, significant environmental consequence will result. The impact on licensed caravan parks and camping grounds for the “campervan” style mobile accommodation trend to camp on roadsides should not be underestimated and the Shire of Manjimup considers this to be significant.*¹⁵⁵²

CMCA believes that there is no clear direction on the application of emergency stopping and camping provisions in the CPCG Act and Regulations. It believes that some clear guidelines must be established ‘so that harmful tales of Proprietors and Shire Rangers harassing sleeping RVers cease’.¹⁵⁵³ It argues this is necessary because this kind of behaviour does not make Western Australia an attractive place for potential travellers, thus putting the state’s reputation ‘at stake’ as ‘such attitudes do WA more harm than good’.¹⁵⁵⁴ CMCA further states that ‘CMCA and its members are not anti caravan parks; they are opposed to enforced monopolies and a range of underhand tactics employed to prevent off road camping’.¹⁵⁵⁵ WAACCI similarly submit that:

caravan club members have a feeling that there is a level of self-interest by park operators in having the provisions of the Act enforced regarding obligatory use of caravan parks,

¹⁵⁵⁰ Submission No. 86 from Shire of Wyndam-East Kimberley, 9 June 2009, p2.

¹⁵⁵¹ Town of Port Hedland, *Committee Briefing*, 22 June 2009.

¹⁵⁵² Submission No. 84 from Shire of Manjimup, 2 June 2009, p6.

¹⁵⁵³ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p12.

¹⁵⁵⁴ *ibid.*

¹⁵⁵⁵ *ibid.*, p15.

prevention of free camping by shires/rangers and strict control of stopping times along the roadside.

*The level of self interest and self preservation is becoming clearly evident from reports of caravan park operators undertaking evening reconnoitring forays throughout their shire area to locate and identify any 'illegal parkers' so that the local ranger can be directed to call and harass them later in the evening/night. In these cases there appears to be a cosy relationship between the local government authorities and the park operators to prevent free parking/stopping and to enforce travellers into the town caravan park or to leave the district even in the middle of the night.*¹⁵⁵⁶

The Committee was provided with multiple examples of instances where caravanners using roadside rest areas for what appear to be genuine fatigue management purposes were moved on by local government officers.¹⁵⁵⁷ While the Committee cannot make a judgement about whether all of these people were actually using the rest areas in accordance with the law, it does appear that at times the treatment of travellers may be somewhat harsh and unwarranted.

The Committee questioned DLG around the many anecdotes regarding people who pull into rest areas for genuine reasons and are then moved on by local government rangers. DLG advised in response that:

*the Caravans Committee [i.e. the Advisory Committee] is aware of the issue of rest areas and the problem you have identified. A properly designated road side rest area (Caravan Parks and Camping Grounds Regulation 11 (3)) may be used for 24 hours for[:] resting, stopping or camping in a vehicle. The problem arises when people camp in areas that are not designated road side rest areas. I think its fair to say that there needs to be greater clarification on this issue so that people are aware of what is permissible (in terms of camping) in a road side rest area.*¹⁵⁵⁸

The department further advised that:

*possibly the confusion arises from the fact that road side rest areas have a clear definition under the Regulations, the definition requiring that the rest area be designated by a traffic sign erected in accordance with a written law which specifically permits stopping for up to 24 hours. In such rest areas, no justification is required for stopping, whereas on road reserves in general, the provisions of regulation 11(1)(c) require an "emergency" as defined by regulation 11(3).*¹⁵⁵⁹

Thus, it is left to caravanners and local governments to determine in each case what constitutes an emergency. One would assume that an emergency would occur when one or more person's safety

¹⁵⁵⁶ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p17.

¹⁵⁵⁷ For example, see Submission No. 90 from WA Association of Caravan Clubs Inc., 2 July 2009, pp1-4.

¹⁵⁵⁸ Mr Ross Earnshaw, Manager Statutory Support, Department of Local Government, Electronic Mail, 10 July 2009, p1.

¹⁵⁵⁹ Ms Merja Stockton, Policy and Research Officer, Department of Local Government, Electronic Mail, 13 July 2009, p1.

is threatened. Common definitions of emergency include ‘crisis’ or ‘urgent situation’ which imply that there is no other option but to stop and camp on the side of the road. Main Roads Western Australia (Main Roads WA) advised that this would legitimately include a situation where the driver is fatigued.¹⁵⁶⁰ Therefore, Mr Pat Matthews from Main Roads WA is of the opinion that a driver who is genuinely tired, whether using a 24-hour rest area or not, should not be moved along.¹⁵⁶¹ Furthermore, while he admitted that Main Roads WA was aware firsthand of people camping illegally in areas which are often near ‘a beautiful river or creek’ where it is ‘not surprising that people overstay the mark’, Mr Matthews believes that Main Roads WA would ‘never chase anyone away’ because there is always the possibility that it could be a genuine fatigue management situation.¹⁵⁶²

Finally, one submission raised the issue of camping in a tent on the side of the road:

*Regulation 11 ... does not appear to permit tent / swag camping in a ‘road side rest area’ or a road reserve in an emergency. Whilst it would seem unlikely that an authority would take enforcement action in the case of non vehicle camping arising from an emergency situation, it does seem unusual for legislation to contain such provisions.*¹⁵⁶³

However, DLG advised in relation to this that:

*people can camp on road reserves for up to 24 hours in an emergency, but only in a caravan or other vehicle. It is not permissible, for instance, to erect a tent on [a] road reserve, whether in an emergency situation or not.*¹⁵⁶⁴

Given all of the above, it would be useful to define what constitutes ‘camping’ on the side of the road, and what is simply pulling up to take a short break. The Committee is informed that the Advisory Committee ‘has expressed interest in discussing possible amendments to the definition of “camp” and “camping” which may clarify what is permissible in the case of such vehicles, and the Department has agreed at this point to await the outcome of any discussions on this matter’.¹⁵⁶⁵

As further outlined by DLG:

Both the Act and Regulations are effectively silent on the meaning of ‘camp’ when used as a verb. The lack of a workable definition has contributed to enforcement related difficulties for local governments that have encountered issues relating to illegal camping.

To resolve this, section 5(1) of the Act is to be amended to include the following definition: ‘The act of camping is to occupy a camp, caravan or vehicle’.

¹⁵⁶⁰ Mr Pat Matthews, Plant Manager, Main Roads Western Australia, *Transcript of Evidence*, 28 July 2009, p3.

¹⁵⁶¹ *ibid.*

¹⁵⁶² *ibid.*

¹⁵⁶³ Submission No. 83 from City of Swan, 28 May 2009, p1.

¹⁵⁶⁴ Ms Merja Stockton, Policy and Research Officer, Department of Local Government, Electronic Mail, 13 July 2009, p1.

¹⁵⁶⁵ *ibid.*

*Further detail may also be required on what constitutes occupation. This will either be included in section 5(1) or prescribed in Regulations following consultation with Parliamentary Counsel.*¹⁵⁶⁶

Provided that a workable definition of ‘occupation’ can be found, this amendment may go some of the way in addressing this issue. However, as the Town of Claremont has found when holding the Perth Royal Show, proving that people ‘inhabit’ or ‘occupy’ a caravan may be more difficult than expected.¹⁵⁶⁷ Particular attention will need to be given to these definitions and amendments to ensure the desired outcome: one which does not unfairly or dangerously impact upon the rights of people to stop for a break or even to ‘camp’ on the side of the road or in a roadside rest area, but which also ensures that rest areas and road reserves are only used in the appropriate manner by caravanners. As noted in Chapter 5, Section 5.7(a), Main Road WA’s policy is simply to provide safe rest areas for people to pull over from the road in order to manage fatigue; it does not intend to replicate more extensive caravanning and camping services where these are better provided by other facilities.¹⁵⁶⁸

In conclusion, the Committee notes the vast distances in more remote areas of the state and the concerns raised (noted above and also discussed in Chapter 5) in relation to the perceived lack or shortage of rest areas in some parts of the state. The Committee also notes that it is not always feasible for travellers to stop at a caravan park or camping ground overnight. The Committee believes that a useful compromise would be to allow overnight stays of 24 hours in all rest areas, not just in those designated as 24-hour rest areas. This should not mean that extensive facilities are necessarily provided at each rest area (in line with current 24-hour rest areas). Rather, it would simply allow a safe and legal stopover for those travellers with a genuine need, and in doing so address some of the concerns raised by travellers regarding the need to be able to camp overnight on the side of the road as a fatigue management strategy. It should be noted that the Committee does not support stays of longer than 24 hours in rest areas or anywhere else on the side of the road.

Finding 125

Camping should not occur outside roadside rest areas unless there is a specific emergency situation, such as fatigue. Roadside rest areas should be used only for overnight stops and not as camping areas for an extended period of time.

¹⁵⁶⁶ Submission No. 92 from Department of Local Government, 10 July 2009, p2.

¹⁵⁶⁷ Submission No. 85 from Town of Claremont, 5 June 2009, p2.

¹⁵⁶⁸ Mr Pat Matthews, Plant Manager, Main Roads Western Australia, *Transcript of Evidence*, 28 July 2009, p6.

Finding 126

Allowing 24-hour camping in *all* roadside rest areas, regardless of the facilities provided in those rest areas, will help to manage driver fatigue and address some of the concerns raised in relation to illegal camping on the side of the road.

Finding 127

Local government officers require consistent and detailed guidance as to what constitutes ‘camping’ and in what situations camping in roadside rest areas or on the side of the road is appropriate and legal.

(ii) Camping on Crown Land

Regulation 11 of the CPCG Act also enables people to camp on unallocated Crown land or unmanaged reserves, but only with the permission of the relevant Minister under the *Land Administration Act 1997* (WA) (LA Act). Section 267 of the LA Act provides that unless permission is obtained from the Minister for Lands, it is an offence to reside on Crown land. If the land is held or controlled by another state instrumentality, then the permission of that instrumentality must be obtained. The [then] DLGRD explained in its 2005 legislative review discussion paper that:

*many of the places where people in the past have wanted to camp appear to be located on land controlled by either the Department for Planning and Infrastructure or the Department of Conservation and Land Management ... Government agencies are generally reluctant to grant permission for camping on Crown land due to concerns about people's health and safety as well as environmental, liability and risk management issues.*¹⁵⁶⁹

This has not changed. In fact, a situation has developed where a significant amount of the camping that occurs (often illegally) on Crown land occurs on or via pastoral leases, for example. As DEC observed at hearing ‘a lot of people actually illegally camp in the marine park’ on the Coral Coast.¹⁵⁷⁰ Camping on pastoral leases is discussed in Chapters 4 and 5. This kind of camping has presented a real difficulty for regulatory bodies — large levels of non-compliance surely mean that the law is ineffective and that a different approach must be taken.

¹⁵⁶⁹ Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995: Discussion Paper*, September 2005, p8. Available at: <http://www.dlgrd.wa.gov.au/Publications/Docs/CaravanParksCampingGroundsActPaper.pdf>. Accessed on 12 February 2009.

¹⁵⁷⁰ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Protection, *Transcript of Evidence*, 24 July 2009, p8.

The very brief discussion above regarding the issues that impact upon the provisions around free and illegal camping demonstrates that it is an extremely complex area involving many factors, some of which are outside the scope of the CPCG Act. It is a sensitive issue because it involves argument around the great Australian right to camp. It is not surprising then that the regulations regarding where people can camp are contentious and difficult to administer, particularly in remote areas of the state. As the (then) DLGRD noted at the outset of the review of the CPCG Act, health, safety and environmental risk management issues must be carefully balanced with the practicability and appropriateness of these laws.¹⁵⁷¹ In addition, there are other important considerations which must be taken into account, notably Indigenous culture and heritage protection.

Finding 128

Where people can camp is a contentious issue with many arguing that it is overregulated and with many instances of non-conformance apparent.

Finding 129

Allowing unregulated camping is not advisable due to environmental, health and amenity considerations.

Finding 130

At a practical level, in the remote areas of the state it is difficult, if not impossible, to enforce existing regulations relating to where people can camp.

One of the solutions to this issue is to provide more approved camping facilities. This is discussed further in Chapter 5 at Section 5.6(b).

¹⁵⁷¹ Department of Local Government and Regional Development, *Review of the Caravan Parks and Camping Grounds Act 1995: Discussion Paper*, September 2005, p8. Available at: <http://www.dlgrd.wa.gov.au/Publications/Docs/CaravanParksCampingGroundsActPaper.pdf>. Accessed on 12 February 2009.

(iii) Where People Can Camp in Other Jurisdictions

A number of jurisdictions, including South Australia,¹⁵⁷² Tasmania¹⁵⁷³ and Victoria¹⁵⁷⁴ rely on local government by-laws/local laws to prohibit camping in public places (including roadsides) unless permission is granted by the local authority. However, like Western Australia, many jurisdictions have policies which permit limited stays in designated roadside rest areas. This is in keeping with the *National Guidelines for the Provision of Rest Area Facilities* prepared by the National Transport Commission and endorsed by Transport Ministers in 2006.¹⁵⁷⁵ The national guidelines encourage, among other things, state and territory authorities to adopt common guidelines for the provision of rest areas, and also recommend regulations or by-laws enabling drivers to legally stay overnight within rest areas.¹⁵⁷⁶

South Australia, Queensland and the Northern Territory all have policies for roadside rest areas, which include objectives, design standards (including minimum facilities to be provided such as bins, toilets and sheltered seating) and management. The South Australian strategy recognises demand from tourist travellers for overnight stays in rest areas and while it is acknowledged that overnight stays are sometimes necessary for fatigue management, specifies that stays exceeding 24 hours should not be encouraged.¹⁵⁷⁷ The Northern Territory policy similarly restricts stays in rest areas to 24 hours. While the policy discourages lengthy stays in order to avoid overcrowding and environmental degradation, it also recognises the need for limited overnight stays from a road safety perspective.¹⁵⁷⁸

In Queensland, stays are permitted at designated Main Roads Queensland controlled roadside rest areas but are limited to a maximum of 20 hours (including overnight) where rest areas are 25 km or less from commercial accommodation facilities such as caravan parks and camping grounds. This is intended to avoid adversely impacting on local hospitality industries by permitting

¹⁵⁷² In South Australia, s 239 of the *Local Government Act 1999* (SA) and r 18A of the *Local Government (General) Regulations 1999* (SA) provide for councils to make by-laws about the use of roads for camping.

¹⁵⁷³ In Tasmania, s 145 of the *Local Government Act 1993* (Tas) enables local government authorities to make by-laws in respect of any matter. A number of local government authorities in Tasmania have by-laws or policies which restrict camping and/or the siting of a caravan in areas other than caravan parks or land deemed suitable for this purpose by the council.

¹⁵⁷⁴ In Victoria, s 111 of the *Local Government Act 1989* (Vic) provides for councils to make local laws with respect to any act, matter or thing in respect of which the council has a function or power under legislation. This includes camping in public places.

¹⁵⁷⁵ National Transport Commission, 'Rest Areas and Napping to Prevent Fatigue', 4 April 2006. Available at: www.ntc.gov.au/NewsDetail.aspx?newsid=183. Accessed on 2 July 2009.

¹⁵⁷⁶ National Transport Commission, 'National Guidelines for the Provision of Rest Area Facilities', November 2005. Available at: www.ntc.gov.au/filemedia/Reports/HVDFNatGlinesRestAreasFacNov_2005.pdf. Accessed on 2 July 2009.

¹⁵⁷⁷ South Australia Department of Transport, Energy and Infrastructure, 'Roadside Rest Areas Strategy for South Australia', June 2008, p8. Available at: www.transport.sa.gov.au/pdfs/Roadside_rest_areas_strategy_for_SA.pdf. Accessed on 1 July 2009.

¹⁵⁷⁸ Northern Territory Department of Planning and Infrastructure, 'Roadside Rest Areas', July 2008. Available at: www.nt.gov.au/transport/ntroads/policies/restareas.shtml. Accessed on 1 July 2009.

camping in close proximity. In other rest areas, ‘the maximum length of stay permitted is 48 hours during a continuous 4-week period’ with conspicuous signage encouraged indicating the length of stay allowed and relevant penalties for breaches.¹⁵⁷⁹

In Victoria, the Rural and Regional Committee report made a recommendation for the Victorian state government to develop ‘rural and regional infrastructure affecting the tourism industry through support for the establishment of infrastructure (such as short-term pull-in bays, dump points and information services) to attract the international motorhome and self-contained vehicles market to Victoria’.¹⁵⁸⁰ The government supported this recommendation in principle and noted that rest stops along roads are the collective responsibility of VicRoads (the government road authority), local councils and the private sector. The government response listed a number of recently constructed rest areas along major highways which ‘are able to be used by caravans and motorhomes’.¹⁵⁸¹ Therefore, there is obviously some provision within Victoria for the limited use of rest area facilities by caravans, although overnight camping is not permissible in all rest areas.

Australian jurisdictions generally discourage camping (including within a caravan) for extended periods of time in areas other than licensed caravan parks and camping grounds. A brief examination has revealed that there is general agreement across jurisdictions that long-term camping in roadside rest areas may:

- lead to overcrowding, noise and environmental degradation of the area
- discourage use of rest areas by other motorists for their intended purpose of combating driver fatigue
- adversely impact on licensed caravan parks/camping grounds that are in close proximity through loss of business

It is worthwhile noting that some jurisdictions have adopted particularly effective means of clarifying what restrictions apply to camping in areas other than licensed caravan parks/camping grounds. In Queensland, a comprehensive ‘Guide to Queensland Roads Rest Areas’ lists the precise location of roadside rest areas by their global positioning system (GPS) coordinates, details of the controlling authority (either Main Roads Queensland, local government or other), facilities available, and importantly, in relation to Main Roads’ controlled rest areas, whether it is

¹⁵⁷⁹ Main Roads Queensland, ‘Roadside Amenities’, Road Planning and Design Manual, March 2002, Chapter 20. Available at: www.mainroads.qld.gov.au/~media/files/business-and-industry/technical-publications/road-planning-and-design-manual/current-document/rpdm_chapter20.pdf. Accessed on 1 July 2009.

¹⁵⁸⁰ Parliament of Victoria Rural and Regional Committee, *Inquiry into Rural and Regional Tourism Final Report*, Parliament of Victoria, Melbourne, July 2008, pxiv.

¹⁵⁸¹ Government of Victoria, ‘Government Response - Inquiry into Rural and Regional Tourism’, 3 February 2009, p11. Available at: www.parliament.vic.gov.au/rrc/inquiries/tourism/20090203_rrt.govtresp.pdf. Accessed on 2 July 2009.

suitable for an overnight stay.¹⁵⁸² The Northern Territory Department of Planning and Infrastructure produces an on-line interactive map showing the location of rest areas along national routes across the territory. This includes information about the facilities available and whether or not camping is permitted within the rest area.¹⁵⁸³ As noted in Chapter 5, Section 5.7(a), the Advisory Committee intends to produce a similar brochure for Western Australia. However, this has not yet been progressed due to government restructuring. The production of such a brochure, in line with what is done in Queensland and the Northern Territory, is supported by the Committee.

Finding 131

Australian jurisdictions generally discourage lengthy and unwarranted camping in roadside rest areas and on the side of the road because this activity can:

- lead to overcrowding, noise and environmental degradation of the area
- discourage use of rest areas by other motorists for their intended purpose of combating driver fatigue
- adversely impact on the viability of licensed caravan parks/camping grounds that are in close proximity

9.5 Protecting the Rights of Operators and Users

(a) The Residential Parks (Long-stay Tenants) Act 2006 (WA)

While the CPCG Act regulates infrastructure within caravan parks, the contractual rights and responsibilities of caravan park operators and users are, on the whole, regulated under the RPLT Act. Chapter 2 of this Report discusses the background and structure of this legislation. As noted there, prior to the introduction of the RPLT Act in 2006, tenancies within caravan parks were regulated by the *Residential Tenancy Act 1987 (WA)* (RT Act), an Act designed ‘to regulate the relationship of owners and tenants under residential tenancy agreements’.¹⁵⁸⁴ However, it was recognised that caravan park tenancies are ‘distinctly different from traditional residential tenancy

¹⁵⁸² Main Roads Queensland, ‘Guide to Queensland Roads Rest Areas’, June 2009. Available at: www.mainroads.qld.gov.au/~media/files/driving-in-queensland/maps/guide-to-queensland-roads-sections/gqr_rest_areas.pdf. Accessed on 1 July 2009.

¹⁵⁸³ Northern Territory Department of Planning and Infrastructure, ‘Rest Areas on the Northern Territory’s National Routes’, November 2007. Available at: www.nt.gov.au/transport/ntroads/roadside/restareas/index.shtml. Accessed on 1 July 2009.

¹⁵⁸⁴ Long Title, *Residential Tenancy Act 1987 (WA)*.

arrangements'.¹⁵⁸⁵ These differences were recognised in the Residential Parks (Long-stay Tenants) Bill 2004 and subsequent Residential Parks (Long-stay Tenants) Bill 2005.¹⁵⁸⁶ DoC describes the application and scope of the Act as follows:

The Residential Parks Act focuses on the contractual relationship between park operators and tenants and is underpinned by the principles established under the Residential Tenancies Act 1987.

*The Residential Parks Act was not developed with the intention of addressing the broader social, housing, tourism and planning issues associated with the use of caravan parks, or to intervene in the supply, demand or use of sites.*¹⁵⁸⁷

Under the RPLT Act, tenancy issues are regulated by DoC and the Minister for Commerce. Chapter 2, Section 2.2(c) outlines the application of this Act.

As explained in Chapter 8, Section 8.4(a)(ii), most long-stay tenants appear to be dissatisfied with the outcomes of the RPLT Act, believing it to have lessened, rather than increased, the protections afforded to them. However, the RPLT Act simply crystallised what, in fact, were already quite tenuous tenancy arrangements. It was also unfortunate that the passage of this Act coincided with a marked increase in land values in Western Australia, which has led to the closure and redevelopment of many caravan parks.¹⁵⁸⁸ Many of the situations which long-stay tenants in Western Australia find themselves in are blamed upon the RPLT Act. The majority of submissions from long-term caravan park residents to this Inquiry expressed the sentiment that RPLT Act had raised their expectations, but ultimately gave 'all the options' to caravan park owners.¹⁵⁸⁹ In the same way, the Member for West Swan also submits that the legislation has been proved to be inadequate in protecting rights of residents.¹⁵⁹⁰

However, the users are not the only group to have expressed dissatisfaction with the RPLT Act. Caravan Park operators are also disgruntled, but for the opposite reason. Some caravan park operators believe that the RPLT Act offers too much protection to the tenant, which makes it more difficult to contemplate offering long-stay sites. The owner of the Cable Beach Caravan Park simply refuses to have people stay in his park for longer than three months because he believes that the RPLT Act is 'ideally suited to the "Tenant" and offers little, if any, assistance to a Park owner/operator'.¹⁵⁹¹ Some of his particular concerns regarding the removal of problem tenants are

¹⁵⁸⁵ Explanatory Memorandum, Residential Parks (Long-stay Tenants) Bill 2004, p1.

¹⁵⁸⁶ Chapter 2, Section 2.2 outlines in more detail the passage of the *Residential Parks (Long-stay Tenants) Act 2006* (WA).

¹⁵⁸⁷ Submission No. 52 from Department of Commerce, 1 May 2009, p2.

¹⁵⁸⁸ For more on this see Chapter 6.

¹⁵⁸⁹ Submission No. 4 from Mr Lou and Mrs Molly Timmers, 6 April 2009, p2. See also Submissions Nos. 6, 8, 12, 16, 17, 25, 28 and 32 for further examples of this sentiment.

¹⁵⁹⁰ Submission No. 53 from Ms R Saffioti, MLA, Member for West Swan, 1 May 2009.

¹⁵⁹¹ Submission No. 79 from Cable Beach Caravan Park, 25 May 2009, p1.

discussed below. The owners of Horrocks Beach Caravan Park argue that caravan park tenants should not receive the same rights as other housing tenants:

*As far as the protecting of Rights of Operators there needs to be more done and when the Residential Parks Bill came out in August 2007 it took away a lot of rights from Park Owners and gave long stay tenants pretty much the same rights that tenants have in housing, which is totally different and shouldn't be aligned.*¹⁵⁹²

Similarly, another park operator argues that the rules applying to long-stay residents in parks are too restrictive and unnecessary since they were already covered by the Residential Tenancies Act.¹⁵⁹³ This could then mean that, like the Cable Beach Caravan Park, park operators will not take on residents due to the extra work involved and the fact that there is a perception that there is not enough legislative protection for the park owner. This is exemplified by the actions of the Albany Holiday Park which submits that:

*our check in forms/leases have gone from a 2 page to 105 page document and ending a tenancy or evicting a bad tenant is now harder and more complicated than if they were renting a suburban house. The result has been that we no longer allow long-stay customers in our caravan sites. Most parks in Albany are the same. The type of people that used to stay in parks long term are now having to find alternative low cost accommodation.*¹⁵⁹⁴

Aspen Parks Property Management Ltd (Aspen Parks) explains the situation from its point of view:

*The recent legislation introduced has been met with discord by both the operator and users, primarily due to the cumbersome nature of the new documents and administrative burden that has been placed upon the operator. In broad terms, the rights of residents in obtaining longer terms of tenure, which was their primary goal, has not changed and from the operator point of view, their rights to control and operate the park freely and openly has been diminished by the over-burden of penalties and infringements not previously in place which places the operator under undue stress and burdened by a multitude of administrative paperwork.*¹⁵⁹⁵

*In contrast, in the eastern states of Australia, the documentation in registering the rights of operator and users is contained in an 8-10 page form. In WA the new legislation has led to a 30-40 page document cluttered with superfluous information and, in our opinion, bureaucracy gone 'mad'. Having been on the legislative subcommittee for the CIAWA in dealing with the new legislation, I witnessed this bureaucracy first-hand.*¹⁵⁹⁶

¹⁵⁹² Submission No. 37 from Horrocks Beach Caravan Park, 29 April 2009, p1.

¹⁵⁹³ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1.

¹⁵⁹⁴ Submission No. 29 from Albany Holiday Park, 28 April 2009, p2.

¹⁵⁹⁵ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, pp11-12.

¹⁵⁹⁶ *ibid.*

Some of the issues noted above are concerning, particularly the fact that the legislation has not delivered on expectations for long-stay tenants, and may even work against them in the long term if what are seen as onerous regulations have the effect of making long-stay tenants an unattractive market to caravan park operators.

However, the Committee also believes that these perceptions could be seen as an indication of successful and unbiased legislation. Indeed, CIAWA believes that the Act protects both operators and users quite successfully in comparison to previous legislation. Ms Donna Cocking, President of CIAWA, informed the Committee that prior to the RPLT Act:

we only had the Caravan Parks and Camping Grounds Act, whereby you put something there and it was measured in terms of infrastructure. Security of tenure was a huge issue for operators as much as it was for tenants. The unfortunate downside is that with much of the land being leased and private operators buying maybe 10 or 15 years ago—a lot of them did not know what they were buying into as well—there was confusion and it was very important to tie these things down.¹⁵⁹⁷

As recognised here by Ms Cocking, a large part of the problem is the fact that many caravan park tenants do not have an understanding of what they are buying (or leasing) when they move into a caravan park. This was highlighted in Chapter 8 at Section 8.4(a) and is also discussed below.

The following analysis is not an exhaustive review of the RPLT Act, nor does it capture every aspect of long-stay tenancies raised in submissions. Rather, it looks at the major and most contentious issues raised in submissions and other evidence, with due regard to the rights of both operators and users.

Finding 132

The *Residential Parks Long-stay Tenants Act 2006* (WA) has generally not been well received by either caravan park operators or long-stay tenants.

(b) Long-Stay Agreements: Security of Tenure

For long-stay residents in particular, their lease arrangements are their greatest concern, for obvious reasons. Recent caravan park closures have made many long-stay tenants in caravan parks understandably very nervous about their future.¹⁵⁹⁸

¹⁵⁹⁷ Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p19.

¹⁵⁹⁸ For example, see Mr Brian Sargent, President, Park Home Owners Association Western Australia Inc., Letter, 4 September 2009, p1 (as received by the Committee from Mrs Liza Harvey, MLA, Member for Scarborough, Electronic Mail, 11 September 2009).

A long-stay agreement is defined as ‘a residential park tenancy agreement for a fixed term of 3 months or longer’ or an agreement ‘for a periodic tenancy that continues for 3 months or longer’.¹⁵⁹⁹ The RPLT Act does not apply to an existing written fixed term agreement entered into before the commencement of the Act (that is, before 3 August 2007).¹⁶⁰⁰

Long-stay agreements can take the form of either a fixed term or periodic agreement. Under a fixed term agreement the period of time that the tenant rents the site (possibly including the structure) is specified. This period of time is three months or longer and can vary considerably. Fixed term agreements are generally preferred by tenants, as will be demonstrated later in this section. Information published by DoC states that ‘it is harder for either party to end a fixed agreement, which provides both parties with some degree of certainty about the length of time of the tenancy’.¹⁶⁰¹ On the other hand, ‘a periodic agreement does not specify the period of time that a tenant rents the premises. Either party can give relatively short notice (compared to a fixed term agreement) to end the tenancy, which provides both parties with more flexibility’.¹⁶⁰²

There is some contention around the two kinds of agreements that can be offered under the RPLT Act. DoC advises that long-stay tenants and their representatives believe that ‘sufficient protection’ is not afforded by the RPLT Act due to the inclusion of periodic tenancies and the ‘eviction without reason’ clause (the latter is discussed in the following section).¹⁶⁰³

As outlined in Chapter 8 at Section 8.4(a)(ii), the Committee is concerned about the lack of understanding around the security of tenure which is able to be offered by existing caravan parks that are operated as commercial enterprises. However, again as noted in Chapter 8, the passage of the RPLT Act and the subsequent crystallisation of lease arrangements has meant that while there was an initial expectation by many residents that they would automatically receive fixed-term leases over quite long periods of time, they were dismayed to discover that usually only periodic leases would be offered.¹⁶⁰⁴ DoC advises that:

*prior to the commencement of the Residential Parks Act, the majority of relocatable home purchases and tenancy agreements were informal. Under the Residential Tenancies Act, which applied to these arrangements prior to the commencement of the Residential Parks Act, long-stay tenants who occupied sites on an informal basis were considered to be occupying the site under a periodic agreement.*¹⁶⁰⁵

¹⁵⁹⁹ Section 5(1) *Residential Parks (Long-stay Tenants) Act 2006* (WA).

¹⁶⁰⁰ Section 6(4) *Residential Parks (Long-stay Tenants) Act 2006* (WA).

¹⁶⁰¹ Department of Commerce, *Information Booklet – Park Living*, June 2008, p5. Available at: http://www.commerce.wa.gov.au/ConsumerProtection/PDF/Publications/Residential_Parks_information_booklet.pdf. Accessed on 10 February 2009.

¹⁶⁰² *ibid.*, p6.

¹⁶⁰³ Submission No. 52 from Department of Commerce, 1 May 2009, p24.

¹⁶⁰⁴ Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p12.

¹⁶⁰⁵ Submission No. 52 from Department of Commerce, 1 May 2009, p24.

A review of the implementation of the RPLT Act conducted by Consumer Protection in 2008 found that:

*long-stay tenants who previously occupied sites under informal arrangements were required to formalise their occupancy through written agreements. In many circumstances, these residents have been offered periodic long-stay tenancy agreements rather than fixed-term agreements for an extended period. Through this process, long-stay tenants in this situation have become increasingly aware of the possibility that their agreement can be terminated without grounds.*¹⁶⁰⁶

In spite of the informal and quite tenuous arrangements that existed prior to the passage of the RPLT Act, residents believed that, ‘although they occupied sites under informal arrangements, they believed that their occupation was for life’.¹⁶⁰⁷ They believed that the RPLT Act would ensure that they were ‘offered a fixed-term lease of a significant duration and access to compensation expenses should they be required to relocate as a result of the termination of a tenancy by the park operator’.¹⁶⁰⁸

The payment of relocation expenses required upon termination of a fixed term agreement by a park operator is a significant part of what makes the fixed term agreement so attractive to tenants and so unattractive to operators. Residents generally feel that compensation for relocation should be paid by a park operator.¹⁶⁰⁹ Several residents from the soon to be redeveloped Kingsway Tourist Park expressed their concern to the Committee regarding the fact that they would receive no relocation compensation due to having a periodic agreement.¹⁶¹⁰ The Member for Wanneroo suggests the introduction of a similar model to that used in Queensland, where relocation compensation is paid under any type of agreement in the instance of a termination by the park operator due to redevelopment of the park. This option has been investigated by DoC which, while acknowledging the obvious advantages for residents, advises that ‘significant drawbacks’ include the following:

- *the proposal would unlikely be supported by the CIAWA, on the grounds that it poses significant restrictions and costs on the operation and sale of freehold land;*
- *park operators would be required to compensate all long-stay tenants under site-only agreements for their relocation expenses. It is likely that these future expenses would be passed on to the residents in the form of higher site rents;*
- *parties would have less opportunity to negotiate an agreement that suits their individual needs; and*

¹⁶⁰⁶ *ibid.*, p23.

¹⁶⁰⁷ *ibid.*, p25.

¹⁶⁰⁸ *ibid.*

¹⁶⁰⁹ For example, see Submission No. 41 from Mr Graeme Quirk, 30 April 2009, p1; Submission No. 52 from Department of Commerce, 1 May 2009, p25.

¹⁶¹⁰ For example, see Submission No. 16 from Mr Bernie Cresdee, 20 April 2009, p3.

- *the proposal may encourage park operators to sell their parks prior to the legislation being amended to avoid being subject to the new laws.*¹⁶¹¹

From a caravan park operator's perspective, having to pay for relocation is a daunting prospect, not just in terms of outlaying the money, but also due to the fact that some caravans and park homes are simply not relocatable. Furthermore, there may be nowhere for them to relocate to. This was explained to the Committee as follows:

*cabins and sometimes caravans—caravans are not too bad, but the cabins that they have are sometimes 20 or 30 years old. They are not compliant to the building codes of Australia at the moment. If you pick them up from one park to the next, even within the same local authority, let alone another government authority, that council may not allow that cabin to be relocated. So straightaway you potentially cannot relocate that anywhere. That is a point that we put up that was always ignored. Secondly, how far do you go? We always talk about the Perth metro area because that is where the bulk of it is, but this legislation covers the whole of Western Australia. Now you go to Newman, you go to Port Hedland, you go to wherever. You can go on forever and ever trying to find somewhere to relocate them. It is very difficult to administer.*¹⁶¹²

DoC believes that the RPLT Act 'has improved the position of long-stay tenants who occupied sites under informal arrangements by':

- *requiring agreements to be formalised in writing to clarify the position of long-stay tenants and park operators; and*
- *increasing the notice period required to terminate a long-stay agreement without reason from a minimum of 60 days to a minimum of 180 days.*¹⁶¹³

However, the Department of Communities argues that:

*although this new legislation contributes to a better understanding of obligations in the event of the closure of a caravan park for new long-stay users, those who are established long-stay park home residents do not have any greater security of tenure than existed prior to the Residential Parks (Long-stay) Tenants Act 2006.*¹⁶¹⁴

The legislation also does not alter the current situation for residents who bought into caravan parks without adequate disclosure before the passage of the RPLT Act. For example, two residents of the Swan Valley Tourist Village who bought 12 years ago claim that they:

¹⁶¹¹ Submission No. 52 from Department of Commerce, 1 May 2009, p33.

¹⁶¹² Closed Evidence, *Transcript of Evidence*, 28 July 2009, p3.

¹⁶¹³ Submission No. 52 from Department of Commerce, 1 May 2009, p24.

¹⁶¹⁴ Submission No. 82 from Department for Communities, 27 May 2009, pp2-3.

*should not be punished buy (sic) the new Legislation simply because we made a decision twelve years ago. The Legislation should detail better protection for existing park home owners who were unable to make an informed decision in the past.*¹⁶¹⁵

Many submissions from long-stay tenants and their representatives to this Inquiry argue that long-term fixed leases should be compulsory, rather than just an option for caravan park operators.¹⁶¹⁶ There also seems to be a consensus that they should be for five years or longer.¹⁶¹⁷ The Park Home Owners Association Western Australia Inc. (PHOA) argues that:

*a fixed term agreement would give the Tenant greater security of Tenure and also allow the Landlord greater projection (sic) particularly if the site was zoned as a permanent caravan Park. There are approximately five Caravan Parks with fixed term agreements the remainder living precariously with Periodic agreements. (This does not include Lifestyle Villages). It might be worth noting that Park Homes by law are required to be established in Caravan Parks. The anomaly is questioned, when a Home that is worth \$300,000-00 when sitting on a rented patch of land is still subject to the twelve months license (sic) dictated by the Caravan and Camping Grounds Act.*¹⁶¹⁸

The issue identified above by PHOA regarding the 12 month licence timeframe is also noted by CIAWA as an issue that impacts on caravan parks' ability to offer long-term agreements. As Ms Cocking explained to the Committee:

*there is a concern from an industry perspective in that we have two main acts that govern the area. Obviously, the Caravan Parks and Camping Grounds Act 1995 has it written that it overrides any other act. When there is an issue of tenancy tenure, there is a conflict, and also, with the continual re-licensing on a 12- month basis, for a caravan park to offer any more than 12 months tenure it is clearly not acting within the legislation. There is a conflict between those acts.*¹⁶¹⁹

Also impacting upon caravan parks' ability to offer long-term leases is their own leasehold arrangements, which may not be long-term. Again Ms Cocking explained that:

¹⁶¹⁵ Submission No. 44 from Mrs Auriel Hill and Mr Lennard Rance, 30 April 2009, p2.

¹⁶¹⁶ For example, see Submission No. 12 from Mr Murray Evans and Mr Graham Speed, 16 April 2009, p4, and p5; Submission No. 8, Closed Submission, 15 April 2009, p3; Mr Brian Sargent, President, Park Home Owners Association Western Australia Inc., Letter, 4 September 2009, p2 (as received by the Committee from Liza Harvey, MLA, Member for Scarborough, Electronic Mail, 11 September 2009).

¹⁶¹⁷ Submission No. 12 from Mr Murray Evans and Mr Graham Speed, 16 April 2009, p4,5; Mr Brian Sargent, President, Park Home Owners Association Western Australia Inc., Letter, 4 September 2009, p2 (as received by the Committee from Liza Harvey, MLA, Member for Scarborough, Electronic Mail, 11 September 2009).

¹⁶¹⁸ Mr Brian Sargent, President, Park Home Owners Association Western Australia Inc., Letter, 4 September 2009, p2 (as received by the Committee from Liza Harvey, MLA, Member for Scarborough, Electronic Mail, 11 September 2009).

¹⁶¹⁹ Ms Donna Cocking, Chairperson, Caravan Parks and Camping Grounds Advisory Committee, Department of Local Government, *Transcript of Evidence*, 3 July 2009, p4.

*a couple of our parks have a six-month rolling lease. It is illegal for them to offer any more tenure than that six-month rolling lease. As operators, they are unsure of their futures. There are also private operators who bought in as an opportunity, perhaps as a family succession, and had a different model or a different plan, but because they have two, three, four or 10 of these specific long-stay tenants, they had to implement the written agreements et cetera. By their nature, because of their buildings, caravan parks have always operated transiently. That relates to the affordability of the accommodation.*¹⁶²⁰

It is apparent then, that to make it compulsory for caravan parks to offer five year fixed term leases may not be an option in the short-term, unless there are other consequential amendments to the licensing regime and a standardisation of leasehold arrangements across all parks. As PHOA acknowledges, for longer leases to be offered by caravan parks:

*the 12-month licence may have to be addressed in the Local Government Act; that is, to provide a longer licence than that, because it is an anomaly that they get only 12 months while running parks that give leases of anywhere up to 60 years in national lifestyle villages.*¹⁶²¹

DoC has canvassed several options for increasing security of tenure for residents ‘who have not been able to negotiate extended fixed-term agreements with park operators’ one of which has been ‘mandating extended fixed-term agreements to replace periodic site-only agreements, particularly for tenants who occupied sites prior to the commencement of the Act’.¹⁶²² However, this has not been considered workable for a variety of reasons. Drawbacks to imposing a retrospective five year fixed-term agreement are listed by DoC as follows:

- *retrospective legislation is generally contentious;*
- *it is expected that the residential parks industry would oppose this proposal on the grounds that it would create a barrier in which they could sell the land;*
- *some park operators who are already contemplating sale or redevelopment may be encouraged to sell the park before being required to offer five-year fixed term agreements;*
- *it would create a large financial burden to those residential parks that have already decided to close or redevelop;*
- *the proposal may not suit all long-stay tenants under site-only agreements (including those that may need to enter aged care facilities during the five-year lease period) and it would be difficult to provide an opt-out system without compromising compliance;*

¹⁶²⁰ Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p19.

¹⁶²¹ Mr Mervyn Archer, Committee Member, Park Home Owners Association Western Australia Inc., *Transcript of Evidence*, 27 July 2009, p3.

¹⁶²² Submission No. 52 from Department of Commerce, 1 May 2009, p3.

- *the proposal does not provide for a contingency for long-stay tenants after the fixed-term agreement expires, as their occupation would revert to a periodic tenancy.*¹⁶²³

Periodic agreements also mirror relevant provisions of wider tenancy legislation as noted by DoC:

*Given the variety of caravan park tenancies and the intent to mirror the relevant provisions of the Residential Tenancies Act, it was determined that the Residential Parks Act should provide tenancy agreements that reflected the marketplace at that time. As a consequence, the Residential Parks Act provides for both fixed-term and periodic tenancy agreements.*¹⁶²⁴

Furthermore, while the above arguments presented by long-stay tenants and PHOA are for a minimum five year lease, it actually appears that an ‘acceptable lease’ in their view is a ‘lifetime lease’, where tenants are able to live in the caravan park for the duration of their lives.¹⁶²⁵ It is the view of the Committee that mandating a five year lease with a renegotiation clause will not guarantee this outcome.

The Committee has taken extremely seriously the above concerns expressed by caravan park residents. However, it also recognises that the introduction of legislative change along the lines of that advocated by long-stay residents and PHOA (that is, five year fixed term agreements and/or relocation compensation) may have the effect of any, or all, of the following:

- forcing more caravan park closures due to increasing costs, particularly in the short term in order to get in before any such legislative amendment takes effect
- the removal of existing long-stay residents from caravan parks by operators if the income provided is not seen as adequate to cover the increased administrative and financial burden
- a increased reluctance by caravan park operators to take any new long-stay tenants into their park

These very real possibilities mean that legislative change in the manner advocated by residents and PHOA to existing provisions around long-stay agreements could possibly harm, rather than help, many caravan park residents in the long term.

The Department of Housing (DoH) points out that in Western Australia there appears to be a ‘gap’ in the caravan park legislation between the short-stay approach that is focused on tourism and camping opportunities and the other end of the spectrum where there are ‘residential villages for people over 55’.¹⁶²⁶ It notes that ‘between those two there is no regulation in the legal framework’

¹⁶²³ *ibid.*, p32.

¹⁶²⁴ *ibid.*, p24.

¹⁶²⁵ Mr Brian Sargent, President, Park Home Owners Association Western Australia Inc., *Transcript of Evidence*, 27 July 2009, p3.

¹⁶²⁶ Mr Shane Edmonds, Project Leader, Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p6.

which can successfully apply to long-stay tenants who do not live in lifestyle village type arrangements.¹⁶²⁷ As such, DoH suggests that the government ‘develop suitable tenure and tenancy management options for long-term stay (say 30-50 years), including leasing of the land underlying caravan park/park home sites to the residing occupants’.¹⁶²⁸ This option was discussed in Chapter 8, at Section 8.4(a)(vi). As noted there, this is an option that can be pursued in some cases for marketing to certain demographics. However, currently it may not be an option that would be available to all long-stay caravan park residents due to the upfront (and also ongoing) costs that would be involved, keeping in mind that this amount could not be borrowed under existing home loan arrangements. Furthermore, the lease/ownership arrangements for the caravan park or park home land itself would need to be long-term.

Recommendations regarding the development of long-term leasing options for caravan park tenants are made in Chapter 8.

Finally, one other suggestion has been ‘the development of a fund to assist long-stay tenants who are required to relocate as a result of the closure of a residential park’.¹⁶²⁹ This idea was thought to be worth pursuing by some, both within industry and government.¹⁶³⁰ However, DoH did point out that relocation of some of the structures would be an issue:

*It makes sense on a very pragmatic level. Certainly issues of equity come into play. The issue is though—it is the same issue we are facing now in terms of relocation—how do we ensure that, over a long period, these dwellings are maintained to a standard that will enable them to be relocated. As I understand the act, it says they must be relocatable. Clearly, in a lot of these circumstances, they are not. A prescribed requirement is explicit in the act. It is often asked: why do we have a regulation that cannot be honoured; who is monitoring it? This has not happened. Clearly, despite that being in the act, a lot of people have focused more on their lifestyle in the place they are living rather than ensuring they can be relocated. If we tried to lift some of those places with a crane, they would fall apart. For reasons of lifestyle, comfort and practical purposes they have added kitchenettes, verandas, toilets etc.*¹⁶³¹

DoC also presented some potential restrictions to the implementation of such a fund:

Is there a capacity for some sort of compensation fund to be developed, so that everyone pays a small amount of money over time, and if you are required to vacate you can get some assistance? ... A lot of people will not think such a fund is a good idea, for example,

¹⁶²⁷ *ibid.*

¹⁶²⁸ Submission No. 64 from Department of Housing, 15 May 2009, p7.

¹⁶²⁹ Submission No. 52 from Department of Commerce, 1 May 2009, p3 and p35.

¹⁶³⁰ For example, see Closed Evidence, *Transcript of Evidence*, 28 July 2009, p4; Mr Shane Edmonds, Project Leader, Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p10; Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p17.

¹⁶³¹ Mr Shane Edmonds, Project Leader, Strategic Policy, Department of Housing, *Transcript of Evidence*, 3 July 2009, p10.

*those who have long-term tenure. Why should they have to pay for a fund that will help those that should have been sorted out before? As you can appreciate, the nature of park homes is so varied that any response to a particular issue applies only to a subset of the whole.*¹⁶³²

DoC has concluded that ‘a number of policy issues must be addressed before a fund of this type could become operational, including’ significant administrative issues, eligibility, stakeholder support, equity issues, and a range of legal issues.¹⁶³³ It also notes that there does not appear to be any commensurate provision ‘operating in any other industry or in any other Australian jurisdiction’.¹⁶³⁴

Possible legislative amendments to address the current perceived problems with the RPLT Act, as suggested to the Committee, are summarised below.

Finding 133

Despite commonly held views, it is not possible to have permanent tenure in a caravan park.

Finding 134

It is better for long-stay tenants to have a fixed-term lease.

(c) ‘Eviction Without Reason’

Another related issue which is of great concern to long-stay tenants is what many term ‘eviction without reason’. Like PHOA, many long-stay tenants highlight this as an issue about which they are very concerned.¹⁶³⁵ This refers to a provision in the RPLT Act which states that ‘a park operator may give a notice of termination to a long-stay tenant to terminate the long-stay agreement without grounds’.¹⁶³⁶ In this case, however, certain conditions must be complied with. These are:

¹⁶³² Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p5.

¹⁶³³ Submission No. 52 from Department of Commerce, 1 May 2009, p35.

¹⁶³⁴ *ibid.*

¹⁶³⁵ For example, see Submission No. 41 from Mr Graeme Quirk, 30 April 2009, p1; Submission No. 12 from Mr Murray Evans and Mr Graham Speed, 16 April 2009, p1; Submission No. 26 from Mrs Janice Goodfellow, 28 April 2009, pp1-2; Submission No. 31 from Mr Neville Hampson and Ms Maureen Sibly, 29 April 2009, p2; Submission No. 44 from Ms Auriel Hill and Mr Lennard Rance, 30 April 2009, p2.

¹⁶³⁶ Section 42 *Residential Parks (Long-stay Tenants) Act 2006* (WA).

- for a periodic site-only agreement a minimum of 180 days notice must be given
- for a periodic on-site home agreement a minimum of 60 days notice must be given
- for a fixed term agreement there is no minimum notice period, rather the end of the tenancy is the date stated on the contract ('it is suggested that about 30 days before the tenancy is due to end, that the tenant and park operator discuss whether the tenancy will continue or end')¹⁶³⁷

However, these conditions are not acceptable to PHOA, which argues that those who own their park home or caravan should not be in the situation where they can be forced to relocate their home without reason or compensation. PHOA advised the Committee as follows:

*The problem is that the act does not differentiate between people who own their own home and rent the site and those transients coming and going. As a consequence, we have this dreadful situation where there can be evictions without reason. People can be given 180 days to get out, and that is that—bang, gone. To me the act we were promised was supposed to alleviate that situation and it has not. All we have now is 180 days to get out rather than 60 days.*¹⁶³⁸

As noted above, when the RPLT Act was introduced, it was intended to mirror the relevant provisions of wider tenancy legislation. According to PHOA this is not sufficient justification for the inclusion of the eviction without reason provision. As the above quote illustrates, PHOA bases this assumption upon the argument that many caravan park tenants who own the structure in which they live are 'homeowners' and, therefore, are entitled to more extensive rights than other residential tenants. PHOA informed the Committee that it understands that the 'eviction without reason' provision is a 'hangover from the original Residential Tenancies Act 1987'; however, it believes that 'it overrides natural justice to be told to pick up your home and go – even in 180 days'.¹⁶³⁹ PHOA argues that reasons should be provided to SAT for eviction¹⁶⁴⁰ and that compensation for moving should be offered (again, see above).¹⁶⁴¹

However, the fact remains that there will be times where a caravan park owner, as the landowner, will legitimately require tenants to move on where the tenant will not necessarily be in breach of any protocol or regulation.

¹⁶³⁷ Department of Commerce, *Information Booklet – Park Living*, June 2008, p31. Available at: http://www.commerce.wa.gov.au/ConsumerProtection/PDF/Publications/Residential_Parks_information_booklet.pdf. Accessed on 10 February 2009.

¹⁶³⁸ Mr Peter Crockenberg, Vice-President, Park Home Owners Association Western Australia Inc., *Transcript of Evidence*, 27 July 2009, p3.

¹⁶³⁹ Mr Mervyn Archer, Committee Member, Park Home Owners Association Western Australia Inc., *Transcript of Evidence*, 27 July 2009, p3.

¹⁶⁴⁰ *ibid.*

¹⁶⁴¹ Mr Peter Crockenberg, Vice-President, Park Home Owners Association Western Australia Inc., *Transcript of Evidence*, 27 July 2009, p5.

While it is possible that caravan park operators could be directed to find alternative accommodation for displaced residents, in terms of relocating all tenants before redevelopment can proceed, Mr Simon Hall from CIAWA advised the Committee that ‘to hold to ransom a particular owner until such time as tenants had suitably organised themselves to an alternative location is probably difficult to administer’.¹⁶⁴² Furthermore, according to Mr Hall, the notice period ‘is quite an extensive period of time’ and a new development on any other type of land use would not require this action.¹⁶⁴³

Ms Pat Strahan, CEO of CIAWA, further added that she thought that most caravan park owners had ‘developed a rapport’ with their tenants which would mean that they would do their best to find them alternative accommodation. She noted ‘one instance of an owner having been to probably 10 to 15 parks trying to find somewhere for them to go’.¹⁶⁴⁴ Ms Strahan argued that caravan park owners do not abuse the provision in the Act by callously throwing tenants out. Rather, these unfortunate situations come about ‘through circumstance’ with tenants often given longer than the 180 days notice.¹⁶⁴⁵ As noted in Chapter 8, Section 8.4(a)(ii), the issue is not the notice period or even the reasons behind the eviction, but rather the fact that many tenants believe they will live in the caravan park for their lifetime, when the harsh reality is that a lot of them may have to move. As noted in Chapter 8, Section 8.4(a)(v), the Caravan Park/Park Homes Interagency Working Group has been established to assist long-stay tenants in the event of a park closure. It appears that the government and the caravan park industry are taking this issue seriously, as Mr Hall stated:

*on this issue the industry, and myself personally, have spent a lot of time talking with local and state government to try to find suitable land and to fasttrack re- zonings to assist the relocation of tenants. I think in one particular case there were 80-odd, and only a handful are left that have not been relocated. Whilst there is nothing legal in place, I think everyone morally tries to do it, but to force it by legislation is not a good idea.*¹⁶⁴⁶

Interestingly, while long-stay tenants believe that eviction is too easily enacted, caravan park operators submit that it is too difficult when it involves ‘problem tenants’. For example, the Town of Port Hedland advises that ‘a developing issue is the requirement for Park owners to comply with the Residential Tenancy Act for long term residents. While I have minimal knowledge of that particular Act I am aware that some local managers have issues when trying to evict problem tenants’.¹⁶⁴⁷ A caravan park operator in Broome believes that the RPLT Act has led to the situation where park owners cannot remove problem tenants immediately, which is a ‘serious

¹⁶⁴² Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p18.

¹⁶⁴³ *ibid.*

¹⁶⁴⁴ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p18.

¹⁶⁴⁵ *ibid.*

¹⁶⁴⁶ Mr Simon Hall, Town Planner, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p18.

¹⁶⁴⁷ Submission No. 3 from Town of Port Hedland, 6 April 2009, p3.

concern to the safety and welfare of other park users'.¹⁶⁴⁸ Similarly, DLG submits that one of the issues affecting the viability of caravan parks is 'legislation preventing park operators from removing undesirable tenants from the park without lengthy and expensive legal procedures'.¹⁶⁴⁹

To the contrary, PHOA argues that the removal of problem tenants is not a justification for this provision, stating that 'there are sufficient disciplinary clauses in the Act to allow the Landlord to control his site without tenants being victimized under the threat of eviction without reason'.¹⁶⁵⁰

Indeed, the Committee is concerned that some operators use the periodic lease 'eviction without reason' provision to manage the residents rather than manage the park itself.

(d) The Marketing and Sale of Park Homes or Caravans

Under the RPLT Act, a 'long-stay tenant is entitled to sell a relocatable home owned by the tenant while it is in place on the agreed premises, unless the [tenancy] agreement expressly provides that on site sales are prohibited'.¹⁶⁵¹ The park operator may act as the selling agent if there is a written agreement between the tenant and the operator which allows this.¹⁶⁵²

It was suggested to the Committee that 'in considering the protection of rights for operators and users, the sale of onsite caravans and mobile homes continues to be a "bone of contention" in the industry on a number of different levels'.¹⁶⁵³ While it is recognised that the sale of a caravan or park home is at the total discretion of the owner, in terms of 'who they sell to and when', since 'their right of occupancy is determined by a license/lease, then a new purchaser of the onsite accommodation is a new tenant and needs to be approved by the landlord (operator)'.¹⁶⁵⁴

CIAWA believes that the RPLT Act and competition legislation/policy has denied caravan park operators 'the right to control the sale of caravan and park homes in their caravan parks'.¹⁶⁵⁵ According to CIAWA this then means that:

as a result, consumers are able to enter into contracts for the purchase of a caravan or park home with third parties before they receive proper advice on tenancy arrangements from the owner/manager of the park within which the caravan or park home is located.

¹⁶⁴⁸ Submission No. 79 from Cable Beach Caravan Park, 25 May 2009, p1.

¹⁶⁴⁹ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, pp3-4.

¹⁶⁵⁰ Mr Brian Sargent, President, Park Home Owners Association Western Australia Inc., Letter, 4 September 2009, p2 (as received by the Committee from Liza Harvey, MLA, Member for Scarborough, Electronic Mail, 11 September 2009).

¹⁶⁵¹ Section 55(1) *Residential Parks (Long-stay Tenants) Act 2006* (WA).

¹⁶⁵² Section 57 *Residential Parks (Long-stay Tenants) Act 2006* (WA).

¹⁶⁵³ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p12.

¹⁶⁵⁴ *ibid.*

¹⁶⁵⁵ Submission No. 65 from Caravan Industry Association Western Australia Inc., 15 May 2009, p10.

*Where a relocatable 'dwelling' is sold in-situ, the purchaser can incorrectly assumes (sic) (or is incorrectly advised by the seller) that existing tenancy rights are provided.*¹⁶⁵⁶

It believes that this is important because:

*to ensure that the consumer is adequately informed about issues, including security of tenure, relating to living in caravan parks and park home parks, caravan park operators must be involved in the sale process prior to the contract for sale and purchase being signed.*¹⁶⁵⁷

Examples were provided to the Committee which demonstrate the importance of buyers being aware of the situation they are buying into. One of the most important issues which the buyer must be aware of is discussed in Chapter 8 at Section 8.4(a)(iii), that is, the fact that they are buying a depreciating asset where the value of the land is not included in the selling price. As Aspen Parks describes:

*in its strictest sense, the valuation of house and land package attributes a diminishing value on improvements, while the value of land appreciates. In the instance of a caravan park, the onsite accommodation (depreciating asset) is owned by the user and the land (appreciating asset) is owned by the operator. In transacting a sale, the user sells their asset for inflated prices due to the value of land component and not the true value of their accommodation asset. Therefore, the value of the operator's land wrongfully passes to the owner of the accommodation for no compensation to the operator. This inequity is often overlooked by State and Local Government departments and interest groups who have no financial investment in the caravan park industry.*¹⁶⁵⁸

Furthermore, not only is it possible that a potential buyer will not receive the correct information they need to make an informed decision, they may also be misled by the seller, a situation that can have disastrous consequences. The following example is provided:

*Other instances have occurred where the sitting tenant has been advised of their requirement to relocate their onsite accommodation for redevelopment of the area. In which instance they have on-sold the accommodation to an unsuspecting purchaser expecting to occupy that very site only to be burdened by the relocation.*¹⁶⁵⁹

The Committee has been made aware that this is not an isolated incident. For example, a caravan park owner may not be intending to re-let the site once an existing long-stay tenant moves on, but without their knowledge the structure on the site is on-sold for an inflated amount, with the

¹⁶⁵⁶ *ibid.*, p26.

¹⁶⁵⁷ *ibid.*, p17.

¹⁶⁵⁸ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p12.

¹⁶⁵⁹ *ibid.*, p12.

understanding of the purchaser that it remains in situ. In these situations it becomes morally difficult for a conscientious park operator to force that person to then relocate.¹⁶⁶⁰

CIAWA outlines very clearly the problems that can be had with disclosure, and emphasises the importance of the caravan park operator being involved in the sale of caravans or park homes in their park. Therefore, this organisation is quoted at length below.

Let us face it, if you were on the waiting list or had nowhere else to go, it would be an attractive option to buy a little park cabin on site at \$250 000 or \$260 000, which is one of the records recently. Some of these buyers still do not read the contract. We are bound to provide full disclosure. There would not be an operator on the face of the earth who does not provide the park home living document, so there is plenty of education and information available but some buyers choose not to hear that. The attitude of the Department of Commerce has always been “buyer beware”. Our association has been extremely proactive in saying that operators need to be involved at the end point of a sale between someone who wants maximum premium selling, basically a structure on a site, which without the park is worth zero, and someone on the other side who is happy to purchase that for \$250 000 and not even consult with or be interviewed by the operator or for the sale to be controlled by the operator—not for commission but for the full disclosure. Many of these sales are still happening at half a dozen parks.

We only have to look on the website for park home sales to see that a real estate agent or someone who is not licensed can sell it to you. You may have purchased it and signed the contract before you are aware of your rights and responsibilities. It has been an ongoing issue for the past five or six years. It is one that we continually readdress. There is one specific incidence that is well known both in writing and also anecdotally where a caravan park was specifically built on reclaimed land. It has a methane problem and environmental issues. It is still asking \$285 000, \$260 000 and \$250 000 for those park homes. It is an unfortunate situation. The legislation precludes the operator from being directly involved in the sale. It is an issue of affordable housing. Therefore, it is the best choice and it is also built on an assumption that they are not reading the contract, which merely says that there are conditions and it is not a forever situation.¹⁶⁶¹

It should be acknowledged that PHOA expressed some resistance to allowing the park home owner being the sole selling agent of homes in the park, largely due to concerns around unreasonable commissions and lack of transparency.¹⁶⁶² The Committee believes that these are legitimate concerns; however, they are issues which could be addressed in legislation.

¹⁶⁶⁰ Ms Lexie Walter, Administration and Events Coordinator, Caravan Industry Association Western Australia Inc., Telephone Conversation, 1 September 2009.

¹⁶⁶¹ Ms Donna Cocking, President, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p19.

¹⁶⁶² Mr Mervyn Archer, Committee Member, Park Home Owners Association Inc., *Transcript of Evidence*, 27 July 2009, p7.

The Committee believes that the issues relating to disclosure could be largely resolved if park owners were to be involved in the process for the sale of onsite accommodation. While some advocate for park owners to be the sole selling agent, this has several drawbacks, including that:

- *the proposal may result in park operators becoming de facto real estate agents however they are not required to be licensed [as real estate agents]...*
- *the proposal may be anti-competitive, in that a long-stay tenant would not be able to access a competitive marketplace to obtain a market price for the park home or the fees associated with selling the home; and*
- *the proposal highlights the potential for conflict of interest. In the scenario where a park operator is selling a new park home and has a number of occupied homes also for sale, it is likely that the park operator would attempt to sell the new home first as they would continue to generate an income while the occupied homes are on the market.¹⁶⁶³*

Therefore, making the caravan park operator the sole selling agent may not be advisable. Nevertheless, there is still an opportunity for them to have a role in the transaction, namely advising the prospective purchaser of their rights and responsibilities associated with the lease. It could be a condition of the sale that park owners are involved and that no transaction takes place before they have provided full disclosure to a potential buyer. Alternatively, greater onus could be placed on the vendor, as suggested by DoC:

Further consideration may be given to requiring a vendor/seller to give to a purchaser disclosure material regarding the sale of the property, including whether there is any right for the purchaser to reside on the site. Therefore, if a vendor did not give to the purchaser the required disclosure material and the purchaser suffered a loss, the purchaser could sue the vendor for civil damages for the losses suffered.¹⁶⁶⁴

Finding 135

Despite the regulations requiring disclosure to tenants entering into agreements, a large number of purchasers of long-stay caravans or park homes were, and are, not aware of the tenure arrangements that exist within the caravan park.

¹⁶⁶³ Mr Andrew Zell, Policy Officer, Legislation and Policy, Consumer Protection, Department of Commerce, Electronic Mail, 24 September 2009, p1.

¹⁶⁶⁴ *ibid.*

Finding 136

It is important for prospective purchasers to be informed of the tenure arrangements prior to purchasing a caravan or park home.

Finding 137

While providing information to the prospective purchaser is the seller's responsibility, the group best placed to ensure this information is provided is the caravan park owner/operator as they have control of the land and the tenure of the site.

(e) Disclosure to Prospective Buyers

Under the RPLT Act, 'before a park operator makes a long-stay agreement with a person the park operator must give the person the following' documents¹⁶⁶⁵:

- proposed agreement
- information booklet
- information sheet
- park rules
- condition report¹⁶⁶⁶

All of these are detailed in the information booklet (included in the above list) entitled *Information Booklet – Park Living*. The booklet summarises the rights and responsibilities of park operators and tenants, with reference to the format of agreements, issues regarding park living, dispute resolution and the termination of tenancies.

This booklet has been drafted by DoC in consultation with PHOA and other stakeholders.¹⁶⁶⁷ DoC believes that the booklet is clear and easy to understand, but acknowledges that, as it has only been in circulation since the RPLT Act came into operation, there could be room for

¹⁶⁶⁵ Section 11(1) *Residential Parks (Long-stay Tenants) Act 2006* (WA).

¹⁶⁶⁶ Department of Commerce, *Information Booklet – Park Living*, June 2008, p4. Available at: http://www.commerce.wa.gov.au/ConsumerProtection/PDF/Publications/Residential_Parks_information_booklet.pdf. Accessed on 10 February 2009.

¹⁶⁶⁷ Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p8.

improvement.¹⁶⁶⁸ One particular improvement noted by the Commissioner for Consumer Protection is that ‘some strong points could be made’.¹⁶⁶⁹ Presumably, the Commissioner means that the booklet it could more forcefully explain some of the less well understood aspects of caravan park tenancy.

The importance of correct disclosure to prospective long-stay tenants has been highlighted in the previous sections above, and also in Chapter 8. It is clear that if a prospective tenant is not provided with the required disclosure documents, then they may be buying into a situation that they do not fully understand, with all that this implies. Of utmost importance is that long-stay tenants understand that the situation into which they are buying is not a permanent situation, unless there is a considerably lengthy lease in place (for example, the 60 year leases offered in lifestyle villages operated by National Lifestyle Villages Pty Ltd (NLV)). Of great concern to the Committee is that fact that a person may purchase a caravan or park home situated in a caravan park before discussion occurs with the park operator about the form that the tenancy agreement will take, and, most alarmingly, before they obtain and consider the relevant disclosure documents.

The Committee is of the view that this booklet is relatively easy to read and understand, and summarises well the main aspects of the legislation. However, it suggests that a prominent statement at the beginning of the booklet could better explain the nature of caravan park living with regard to the issues which have been raised during this Inquiry, such as the separation of land and building ownership, tenure, and the fact that caravan parks cannot, by their nature, provide permanency beyond the duration of the particular long-stay agreement in place.

Finding 138

It is the obligation of park owners to provide prospective tenants with a copy of the Department of Commerce disclosure booklet.

Finding 139

The Department of Commerce disclosure booklet does not explicitly highlight the nature of the tenure arrangements for long-stay caravan and park home residents.

¹⁶⁶⁸ Mr Andrew Zell, Policy Officer, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p8.

¹⁶⁶⁹ Ms Anne Driscoll, Commissioner for Consumer Protection, Department of Commerce, *Transcript of Evidence*, 24 July 2009, p8.

Recommendation 51

The Department of Commerce disclosure booklet must be urgently revised to contain a clear and explicit notification of the limits to a long-stay caravan park tenancy agreement.

(f) The Regulation of Long-stay Tenancies in Other Jurisdictions

In canvassing possible solutions for legislative amendment to the RPLT Act, DoC has examined residential tenancy regimes as they apply to caravan parks in other jurisdictions. A detailed synopsis has been provided to the Committee in DoC's submission. As outlined in that submission 'the application of residential parks tenancy legislation varies between jurisdictions'.¹⁶⁷⁰ For those jurisdictions that regulate residential parks, namely, New South Wales, Queensland, Western Australia, South Australia and Victoria, similar provisions across residential park regulations include the requirement for:

written agreements;

disclosure material to be given to tenants prior to entering into agreements;

dispute resolution through a tribunal; and

*increased notice periods to terminate a periodic on-site agreement without reason, compared to residential tenancies legislation operating in each jurisdiction.*¹⁶⁷¹

Whereas, the variations between 'regulations across jurisdictions include the application of the regulations to particular segments of the residential parks industry, ongoing agreements and the provisions relating to the termination of agreement'.¹⁶⁷²

(g) Legislative Amendment

PHOA argues that at 'an absolute minimum' the following legislative amendments should be enacted:

- *Remove from Act "Eviction Without Reason".*
- *Fixed term Lease to be offered to all Tenants. Minimum 5 years, with renegotiable clause after the period.*
- *Adequate relocation compensation to be paid if evicted.*

¹⁶⁷⁰ Submission No. 52 from Department of Commerce, 1 May 2009, p15.

¹⁶⁷¹ *ibid.*

¹⁶⁷² *ibid.*

- *Rent increases to be limited to CPI annually.*
- *Remove from the Act owners first right of refusal on sale of home.*
- *Greater help from S.A.T. given to the Tenant.*¹⁶⁷³

In terms of amendment to the RPLT Act, DoC has ‘undertaken preliminary examination’ of several options,¹⁶⁷⁴ and these have been discussed in context in the previous sections. They include:

- *increasing the minimum period of notice to be given to long-stay tenants;*
- *mandating extended fixed-term agreements to replace periodic site-only agreements, particularly for tenants who occupied sites prior to the commencement of the Act;*
- *implementing tenure provisions similar to those used in the Queensland or New South Wales legislation that governs residential parks; and/or*
- *the development of a fund to assist long-stay tenants who are required to relocate as a result of the closure of a residential park.*¹⁶⁷⁵

However, DoC advise that:

*early examination of these options suggest that each is likely to have wider consequences that would result in higher costs for long-stay tenants and/or park operators and may produce significant market distortions that may affect the long-term viability of residential parks. Some of the options may also create a discrepancy between the original legislative principles that underpin general residential tenancy and residential park tenancy.*¹⁶⁷⁶

As DoC further notes, ‘solutions to support the maintenance and growth of this niche housing sector are likely to require a “whole of government” approach that takes into account the State’s planning, housing and tourism strategies and the ageing population’.¹⁶⁷⁷ It appears that at this point, amendment of the RPLT Act, in isolation of other reforms, in order to address the security of tenure issue and related concerns raised by residents is not considered to be the best approach.

The Committee believes that, in line with the argument presented by DoC, a holistic approach to the various issues faced by caravan park residents is required. Furthermore, many of the wider issues that have led to the situations which are concerning to caravan park residents and which

¹⁶⁷³ Mr Brian Sargent, President, Park Home Owners Association Western Australia Inc., Letter, 4 September 2009, p2 (as received by the Committee from Liza Harvey, MLA, Member for Scarborough, Electronic Mail, 11 September 2009).

¹⁶⁷⁴ Submission No. 52 from Department of Commerce, 1 May 2009, p3.

¹⁶⁷⁵ *ibid.*

¹⁶⁷⁶ *ibid.*

¹⁶⁷⁷ *ibid.*

desperately need addressing are outside the scope of this Inquiry. These include, but are not necessarily limited to, rising land values, housing affordability and the ineffectiveness of social housing to adequately provide alternatives to caravan parks for those in need. The Committee urges the government to address as a matter of priority these related issues.

The Committee, after due consideration, could not accept the legislative amendments proposed by PHOA. Other recommendations are contained in this report that, if implemented, will address PHOA's concerns. These include several wide-ranging solutions to some of the concerns raised by residents of caravan parks which do fall within the ambit of this Inquiry which are discussed in Chapter 8, at Section 8.4(a)(vi).

When the situation arises where long-stay tenants face the risk of being evicted, the interagency working group model developed to assist residents of Kingsway should be established to provide assist. Refer Chapter 8.

9.6 Providing an Adequate Mix of Long- and Short-Stay Facilities and Sites

The CPCG Regulations define a '*long stay site*' as being 'a site at a caravan park which is to be occupied consecutively by the one person or group of persons for any period of time'.¹⁶⁷⁸ The Regulations provide for certain facilities and services to be made available at each long-stay site in keeping with the more permanent nature of the living arrangement. For example:

- a 'hard stand for a vehicle other than the caravan' and/or a parking space 'next to the site',¹⁶⁷⁹
- 'a separate meter to record the electricity, if any, supplied to that site',¹⁶⁸⁰
- 'a tap or water connection point with a supply of potable water',¹⁶⁸¹
- 'a sewage connection point' at long-stay sites 'which have ablution, toilet or laundry facilities',¹⁶⁸²
- 'all connections necessary to install a telephone on the site, unless otherwise approved',¹⁶⁸³
- 'a lockable mail box',¹⁶⁸⁴

¹⁶⁷⁸ Schedule 8 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁶⁷⁹ Schedule 7, clause 13 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁶⁸⁰ Schedule 7, clause 37(2) *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁶⁸¹ Schedule 7, clause 43 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁶⁸² Schedule 7, clause 46(2) *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁶⁸³ Schedule 7, clause 50(2) *Caravan Parks and Camping Grounds Regulations 1997* (WA).

A '*short stay site*' is defined by the CPCG Regulations as being 'a site at a caravan park which is to be occupied consecutively by the one person or one group of persons, for no longer than 3 consecutive months'.¹⁶⁸⁵

Certain aspects of the provision of long- and short-stay facilities and sites have been discussed earlier in this report, and will not be revisited in any detail in this section. The dual use of caravan park sites and facilities is discussed in Chapter 8. Section 8.3(a) of that chapter outlined the supply of and demand for long- and short-stay sites within caravan parks. That section notes that demand for long-stay sites in caravan parks is generally increasing while demand for tourist sites is not decreasing. This presents a problem in that caravan parks around the state continue to close, thereby creating a tension between the supply of short- and long-stay sites, particularly in areas where supply is constrained (such as the North West tourism region). As also noted in that section, there is significant concern within the industry and also within the wider caravanning and camping community that the residential use of parks is encroaching on their use for tourism purposes. Section 8.3(b) presents a discussion around the provision of a suitable balance of both types of sites.

Currently the CPCG Regulations allow LGAs to provide for the mix of sites within the licensing conditions imposed on a caravan park.¹⁶⁸⁶ WALGA believe that 'this is appropriate as Local Government is best placed to understand the needs of their own communities'¹⁶⁸⁷ and recommends 'that Local Government continue to be responsible for determining the mix of permanent and short stay accommodation in Caravan Parks'.¹⁶⁸⁸ It concedes that maybe the only place this has not worked well is:

*in the north of the State where the economic boom and the resulting demand for housing has resulted in caravan parks becoming full of permanent residents. With the lack of available accommodation in these areas, there is little choice than to allow these parks to be used for permanent accommodation.*¹⁶⁸⁹

The number of sites allocated for tourist and residential use within a caravan park is largely a local government planning issue, and as such is discussed extensively in Chapter 7. Section 7.5(a) of that chapter canvasses the planning for long- and short-stay sites within caravan parks, with particular reference to the potential use of a percentage to determine the ratio of sites allowed. Much evidence was received by the Committee regarding this, and it has proven to be a particularly contentious issue. The argument presented in Chapter 7 is that advocated by most stakeholders, that is, that a common approach throughout the state in regards to the number of long-stay sites within each caravan park would not be workable and that each LGA should provide

¹⁶⁸⁴ Schedule 7, clause 51(a) *Caravan Parks and Camping Grounds Regulations 1995* (WA).

¹⁶⁸⁵ Schedule 8 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁶⁸⁶ Regulation 50 *Caravan Parks and Camping Grounds Regulations 1997* (WA).

¹⁶⁸⁷ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p6.

¹⁶⁸⁸ *ibid.*, p7.

¹⁶⁸⁹ *ibid.*, p6.

a flexible approach within their local tourism planning strategies and developed in consultation with local operators. On the whole, this is what appears to be happening. Therefore, it is suggested that this mix should be prescribed in caravan and camping legislation. Rather, it requires address through local government town planning schemes, policies and strategies. Furthermore, some aspects that are leading to the increasing use of caravan parks for residential purposes, such as housing affordability and availability, will require addressing through government policy and a whole of government approach.

In terms of the provision of facilities for the two user groups, it has been suggested to the Committee that the CPCG Act and Regulations be amended to 'recognise and separate the provisions and regulations applying to Tourist Caravan Park travellers and the Permanent Park Home residents', whereas currently the two are 'being treated as having the same needs'.¹⁶⁹⁰ As noted in Chapter 4, there is a degree of variation between the types of services and facilities required by travellers, holidaymakers and residents of caravan parks. Furthermore, as noted in Chapter 8, Section 8.4(b), that the two quite different uses of caravan parks, that is, for tourism and residential purposes, are often incompatible. It is not suggested that the dual usage of caravan parks should be disallowed. Rather, it appears that keeping the two uses separate as far as possible in the one caravan park is the best way to address this problem.

The extent to which this can be provided through legislative change is clearly limited. However, in terms of park design, should the recommendation made earlier in this chapter be adopted, that is, reducing design prescription and allowing parks more flexibility to meet demand, this would enable park operators to provide certain facilities in certain areas of the park only where necessary. For example, removing the prescriptions regarding the provision of ablution blocks would enable a park which caters largely for self-contained RVs to only provide ablution blocks in the residential area of the park. On the other hand, if all the long-stay homes in the park were self-contained park homes, then it may only be necessary to have ablution blocks for camp sites, for example.

The regulation of purely residential parks, in particular those 'park home parks' which are modelled as lifestyle villages, has become something of an anomaly under the CPCG legislation. As the City of Rockingham points out:

*the Regulations do not adequately cater for Park Home Villages (such as National Lifestyle Villages). Many requirements of a Caravan Park (eg ablution facilities, recreational facilities for children etc) are not appropriate for an over 55's lifestyle village yet there are no specific exemptions.*¹⁶⁹¹

Similarly, the Shire of Busselton argues:

facilitating tourist use of caravan parks and camping grounds should be addressed more clearly in the Caravan Park and Camping Regulations 2007 (the Regulations). At present there is no distinction between the requirements for park homes within tourism or

¹⁶⁹⁰ Submission No. 43 from WA Association of Caravan Clubs Inc., 30 April 2009, p20.

¹⁶⁹¹ Submission No. 66 from City of Rockingham, 15 May 2009, p3.

residential zoned areas. Park homes are simply classified as short term accommodation. Amendment of the Regulations or introduction of new legislation could facilitate tourist use by making a distinction between the standard of building requirements for structures in caravan parks and camping grounds as opposed to park home parks or park homes in residential areas...

The benefit of legislating for the separation of park home parks and tourist parks includes financial benefits for genuine tourist uses. Caravan Parks and camping grounds for tourist use do not require to be constructed to the same standard which may reduce the cost for tourist parks. This is a major issue affecting the establishment of new tourist parks.¹⁶⁹²

As noted above, planning and development issues affecting caravan parks is discussed in Chapter 7 and will not be revisited in any depth here. It should be noted, however, that Chapter 7, Section 7.5(b), contains a recommendation to separate the regulation of 'lifestyle village' type developments from other caravan and camping regulations.

¹⁶⁹² Submission No. 55 from Shire of Busselton, 1 May 2009, p6.

CHAPTER 10 REGIONAL SNAPSHOTS

From the early stages of this Inquiry it became obvious to the Committee that while there are common issues confronting operators and users of caravan parks and camping grounds in Western Australia there are also significant regional variations in relation to the pressures faced by the industry and the circumstances in which caravan parks operate. As a means of demonstrating the existence of regional variations, this chapter provides a series of snapshots of a sample of regions and towns, composed from the evidence presented to this Inquiry. The snapshots presented are of Broome, the Pilbara Region, Mandurah, Albany, Busselton and Coral Bay.

10.1 Broome

Broome is located on the north west coast of Western Australia and is part of the Kimberley region which, together with the Pilbara region, comprises Australia's North West Tourism Region. Tourism Western Australia (Tourism WA) describes Broome as one of the state's 'most popular holiday destinations' and 'the southern gateway to the magnificent wilderness region of the Kimberley'.¹⁶⁹³ North West Tourism advised that Broome is a popular destination for grey nomads and others who are travelling through the north west region. Visitors come to Broome for resort style accommodation, to see the Kimberley and to access cruise boats that tour the coastal areas.¹⁶⁹⁴

Evidence suggests that, at present, the Broome economy is still strong and that 'the caravan industry continues to flourish in Broome'.¹⁶⁹⁵ Tourism WA advise that 'research indicates that 68% of caravan park visitors travelling interstate entered in the north of WA and exited in the south'.¹⁶⁹⁶ Furthermore, according to Mr Philip Chadd, State Representative, Campervan and Motorhome Club of Australia Ltd (CMCA), there is 'not much' between Broome and Kununurra.¹⁶⁹⁷ Therefore, Broome acts as the major provider of tourism accommodation between Kununurra and Exmouth. However, as the following demonstrates, there is also evidence to suggest that there is significant risk to the Broome economy in general, and the caravan park industry in its current configuration, in particular, and that Broome is facing a potential watershed.

¹⁶⁹³ Tourism Western Australia, *Western Australian Region Profiles. Australia's North West*, nd. Available at: http://www.australiasnorthwest.com/en/Destinations/The_Kimberley/Broome/Pages/Broome.aspx. Accessed on 12 September 2009.

¹⁶⁹⁴ Mr Glen Chidlow, North West Tourism, Committee Briefing, 29 June 2009.

¹⁶⁹⁵ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1; Mr Glen Chidlow, North West Tourism, Committee Briefing, 29 June 2009.

¹⁶⁹⁶ Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p1.

¹⁶⁹⁷ Mr Philip Chadd, State Representative, Campervan and Motorhome Club of Australia Ltd, *Transcript of Evidence*, 2 July 2009, p6.

(a) The Caravan Park Industry in Broome

At the time the 2006 *Broome Accommodation Study* was published there were six caravan parks in Broome providing caravan powered sites, camp sites and cabins.¹⁶⁹⁸ There were also three sites located outside of Broome, namely Bird Observatory, Barn Hill and Port Smith. Together, these nine caravan parks and camping grounds provided 1,551 sites in the Broome area.¹⁶⁹⁹ However, by the time Tourism WA developed its pre-feasibility study for potential caravan park development in Broome, the number had fallen to five.¹⁷⁰⁰ One of these parks, the Roebuck Bay Caravan Park, is owned by the Shire of Broome and leased to a private operator. This park is ‘kept for caravan and camping with no park homes or chalets’.¹⁷⁰¹ However, during its investigative travel the Committee observed that people were living in this park on a long-term basis. This issue will be returned to below.

In addition to the caravan parks, there are a number of overflow sites in Broome located at the PCYC, the Pistol Club and the 7 Day Adventists, which add 152 sites during the peak demand period.¹⁷⁰²

(b) Demand for Caravan Parks and Camping Grounds

As noted above, the caravan park industry in Broome is seen to be flourishing. According to PRD Nationwide Project Marketing (WA) (PRD Nationwide), ‘demand for caravan bays, camping sites and cabins at this location [Palm Grove] is extremely strong and patrons are less sensitive to price’.¹⁷⁰³ Mr Graeme Campbell, operator of the Roebuck Bay Caravan Park, also submits that ‘demand this year has been high’.¹⁷⁰⁴ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation (DEC), also sees demand for camping increasing in the Broome area. At hearing, Mr Sharp stated that DEC statistics:

are showing that tourism up to this point in time this year has been increasing eight per cent in the Kimberley. So even in light of the downturn, we are actually having an increase, a ramp-up, in terms of the visitation and demands on our agency. ... We are

¹⁶⁹⁸ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p20. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Investment%20Opportunities/IDVS%20BME%20Accommodation%20Study%20Edit%20Version%20Nov%202007.pdf>. Accessed on 11 September 2009.

¹⁶⁹⁹ *ibid.*

¹⁷⁰⁰ Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p59.

¹⁷⁰¹ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1.

¹⁷⁰² Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p20. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Investment%20Opportunities/IDVS%20BME%20Accommodation%20Study%20Edit%20Version%20Nov%202007.pdf>. Accessed on 11 September 2009; Shire of Broome, Committee Briefing, 30 June 2009.

¹⁷⁰³ Submission No. 19 from PRD Nationwide Project Marketing (WA), 20 April 2009, p1.

¹⁷⁰⁴ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1.

*certainly seeing around Broome demands for people to go out and camp out of Broome; it is still strong.*¹⁷⁰⁵

For the year ended June 2006, caravan parks represented 37.55% of total rooms/sites available, 44.09% of the total rooms/sites sold and 14.17% of the estimated total tourism accommodation revenue. This data does not include the number of long-stay sites and the revenue they generate. Caravan parks were found to have a 49.59% occupancy for the June 2006 financial year.¹⁷⁰⁶

Broome caravan parks are also subject to the same demand trends noted in Chapter 4, namely the trend toward self-contained vehicles and changing demands for facilities provided in parks.

In assessing Broome's medium-term (2012-2025) land use requirements, the *Broome Accommodation Study* reports that:

*the medium term needs are expected to see new developments meeting a changing visitor profile and demand. It is anticipated that new developments over this period will be predominantly in the categories of Luxury Hotels, Apartment Hotels, Standard Hotels and the emergence of reconfigured Caravan Parks that provide higher yielding accommodation types such as cabins and chalets in addition to tents and powered sites.*¹⁷⁰⁷

In relation to long-term land use requirements, the study suggests the development of such reconfigured caravan parks outside Broome itself, further north on the Dampier Peninsula.¹⁷⁰⁸

The study provides several reasons for the development of reconfigured caravan parks that contain increasing numbers of cabins, chalets and permanent tents:

- 'a diminishing availability of traditional caravan and camping sites'
- 'a developing trend in consumer demand for this reconfigured type of accommodation'
- 'a need by operators to increase yield to maintain viability of such operations'.¹⁷⁰⁹

¹⁷⁰⁵ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p10.

¹⁷⁰⁶ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p10. This study estimated that 'permanent' park residents occupied 9.61% of available park sites and excluded this number of sites from their data.

¹⁷⁰⁷ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p3.

¹⁷⁰⁸ *ibid.*, p4.

¹⁷⁰⁹ *ibid.*

(c) Supply and Supply Pressures

As noted above, there are currently five caravan parks operating in Broome. However, there is considerable pressure on the supply of caravan parks in this area. As Mr Graeme Campbell submits, ‘there has been approximately 20 parks closed in the last ten years with only one significant one opened (Point Samson)’.¹⁷¹⁰

The Shire of Broome expressed its concern at the potential closure of three parks in Broome. According to the Shire, the Palm Grove Holiday Park and the Tarangau Caravan Park have been sold, and the 480 site Cable Beach Caravan Park is under pressure to sell from people who wish to redevelop the site.¹⁷¹¹ The Committee understands that the owner of the Cable Beach Caravan Park is a long-term owner of the park and has expressed his desire to continue operating as a caravan park. However, the Committee also understands that this park owner may be subject to considerable pressure to sell in the future.¹⁷¹²

This situation is characteristic of the redevelopment pressures that are building up in many of the high value tourism areas of the state.

These closures are discussed further below. While the current economic downturn has provided some breathing space for Broome caravan parks, if these three parks are lost, the implications for Broome tourism are significant.¹⁷¹³

(i) Seasonality of Demand

Like demand for tourism accommodation elsewhere in the north west, demand for caravan parks and camping grounds in Broome is seasonal. Here, there are three seasons in which the accommodation market operates:

- *Peak Season – 1st June to 30th September*
- *Shoulder Season – 1st April to 31st May and 1st to 31st October*
- *Low Season 1st November to 31st March*¹⁷¹⁴

PRD Nationwide also notes the beginning of the caravanning season in April, continuing to the end of September. According to PRD Nationwide, ‘the demand for cabins extends to the end of

¹⁷¹⁰ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1.

¹⁷¹¹ Shire of Broome, Committee Briefing, 30 June 2009.

¹⁷¹² Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p59.

¹⁷¹³ Shire of Broome, Committee Briefing, 30 June 2009.

¹⁷¹⁴ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p8.

October and for a short time over Xmas. These cabins fill a gap between the Resorts and the backpacker Hostels'.¹⁷¹⁵

The 2006 *Broome Accommodation Study* found that:

*throughout the peak season all accommodation outlets experience occupancies of 95% plus, during the shoulder season between 55% and 75%, and 15% to 45% over the low season. The peak season (June to September) has reached maximum capacity.*¹⁷¹⁶

This study also reports that:

*in 2005/2006 the caravan parks reflected the greatest variation in market occupancy between low season (November to March) at 11.14% and high season (April to October) at 77.06%.*¹⁷¹⁷

In comparison with other accommodation categories, the study data 'shows a clear flattening trend' in caravan park accommodation demand, stating that 'anecdotally the caravan park owners have noticed that the long-term customers are staying 2 weeks less than the previous year due to fuel costs'.¹⁷¹⁸ Based on anecdotal evidence, the Shire of Broome advised the Committee that the seasonality of the industry means that caravan park operators are doing it tough, particularly when combined with the increasing level of service demanded by the caravanning public.¹⁷¹⁹

(ii) Land Pricing and Availability

As well as seasonality of demand, caravan parks and camping grounds in Broome are under considerable supply pressure due largely to land pricing and availability, although there is also renewed pressure for worker accommodation to meet resource sector demand. In fact, land availability was 'a key component and driver' of the 2006 *Broome Accommodation Study*.¹⁷²⁰

Mr Graeme Campbell sees Broome facing issues similar to those being confronted in other areas 'in so much that there is a drive to utilize caravan parks for other uses primarily because of the value of the land for uses other than caravan parks'.¹⁷²¹ According to the owners of the Palm Grove Holiday Park, while 'business remains quite profitable and is well maintained', 'due to its

¹⁷¹⁵ Submission No. 19 from PRD Nationwide Project Marketing (WA), 20 April 2009, p1.

¹⁷¹⁶ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p8.

¹⁷¹⁷ *ibid.*, p21.

¹⁷¹⁸ *ibid.*, p21.

¹⁷¹⁹ Shire of Broome, Committee Briefing, 30 June 2009.

¹⁷²⁰ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p4.

¹⁷²¹ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1.

close proximity to Cable Beach, the land value is unlikely to sustain a caravan park in the long term. The site is bound to be redeveloped for a higher and more profitable use at some point'.¹⁷²²

As noted above, two caravan parks have been sold and a further is at risk of being sold. The Palm Grove Holiday Park was sold, then remarketed and sold again to a Hong Kong based company, and will eventually be redeveloped. The Tarangau Caravan Park was sold and at the time of this Inquiry was back on the market.¹⁷²³ These sales possibly reflect the decreasing viability of caravan parks and the increasing speculative value of caravan park land. As Mr Graeme Campbell advised, 'the cost of building a new park versus the return means that no one is building new parks'.¹⁷²⁴

(iii) Residential Housing Land and Building Costs

As well as facing competition from external investors, caravan park land is in competition with land for residential developments. This competition places upward pressure on land prices.¹⁷²⁵ Between 2001-2002 and 2005-2006, the median land price in Broome experienced significant upward movement, as the following data on Broome's three main residential areas show.

Table 10.1 Broome Median Land Prices¹⁷²⁶

Residential Area	2001-2002 (\$)	2005-2006 (\$)	% Increase
Broome	55,000	150,000	172.7
Cable Beach	58,000	180,000	210.3
Roebuck	52,000	150,000	188.5

The *Broome Accommodation Study* noted that residential land prices increased by 30% in 2005-2006 and were 'expected to increase by a further 15% to 20% in 2006/2007'.¹⁷²⁷ In 2006, Broome real estate agents and property developers estimated price growth between 2007 and 2010 to be six to eight per cent per annum. They further 'estimated that price equilibrium will be achieved around 2012-2018 on the basis that Broome International Airport is re-located to 12 Mile and that current airport land is released for residential and commercial development'.¹⁷²⁸ In briefing the

¹⁷²² Submission No. 19 from PRD Nationwide Project Marketing (WA), 20 April 2009, p1.

¹⁷²³ Shire of Broome, Committee Briefing, 30 June 2009.

¹⁷²⁴ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1.

¹⁷²⁵ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p4.

¹⁷²⁶ Adapted from: Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p24.

¹⁷²⁷ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p24.

¹⁷²⁸ *ibid.*

Committee, the Shire of Broome advised that a small block of land in Broome would now sell for between \$300,000 to \$360,000.¹⁷²⁹

As well as increasing land prices, the cost of building in Broome has also increased significantly, 'from \$1,000 per square metre in 2001 to \$1,800 per square metre in 2006 representing an increase of 80%'.¹⁷³⁰

The *Broome Accommodation Study* data represented in Table 10.2 show the increase in median house prices in Broome's major residential areas between 2001-2002 and 2005-2006.

Table 10.2 Broome Median House Prices¹⁷³¹

Residential Area	2001-2002 (\$)	2005-2006 (\$)	% Increase
Broome	175,000	415,000	137.1
Cable Beach	215,000	420,000	95.5
Roebuck	220,000	425,000	93.2

While the data shown in Tables 10.1 and 10.2 no longer reflect the current land and house prices in Broome, they help to show the significant increases in land and house values.

The Shire of Broome advised the Committee that in June 2009 house and land packages in Broome ranged between \$600,000 and \$800,000.¹⁷³² These prices are expected to continue to increase over the long-term.

Residential housing availability in Broome is also affected by the high proportion of investment properties and Government Regional Officers' Housing homes. These houses do not have a high turnover and are seen by the Shire of Broome as distorting the Broome property market.¹⁷³³

The rising price of land and building costs in Broome makes it increasingly difficult for existing and potential developers to make an acceptable return on their investment. This is particularly critical for accommodation that is at the lower-yielding end of the market, that is, for caravan parks. Here, 'the high land and building costs are expected to be prohibitive to the development of

¹⁷²⁹ Shire of Broome, Committee Briefing, 30 June 2009.

¹⁷³⁰ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p25.

¹⁷³¹ *ibid.*, p24.

¹⁷³² Shire of Broome, Committee Briefing, 30 June 2009.

¹⁷³³ *ibid.*

new properties in their current configuration in order to meet demand in this category'.¹⁷³⁴ Therefore, investment is more likely to be in the medium to high end of the tourism market.¹⁷³⁵

(iv) Impact of Resource Projects

The *Broome Accommodation Study* reported that the large rise in land values were due largely to:

- *Skilled labour developing the Broome Power Station*
- *Demand from 4 Gas exploration companies – Woodside, Inpex, Apache and Shell*
- *Skilled labour for \$45 million upgrade to Broome Hospital.*¹⁷³⁶

Developments such as these place pressures on residential accommodation, resulting in housing shortages and increased rental prices. While the rental values may have fallen slightly, until quite recently people had to pay \$800 to \$900 per week for an average family home.¹⁷³⁷

Given the increased demand for residential accommodation and the increased cost of renting a residential property in Broome, it is not surprising that people turn to caravan parks as an affordable form of housing. According to Mr Graeme Campbell, 'given the housing shortages in the North there has been a lot of occasions where the tourist component of parks is negligible due to permanent places being given to workers'.¹⁷³⁸ Roebuck Bay Caravan Park, for example, provides low-cost long-stay accommodation for many members of the Broome workforce.¹⁷³⁹ While the *Broome Accommodation Study* noted the redevelopment potential for the Roebuck Bay Caravan Park land, the Shire of Broome 'has taken the step of declaring that the Park we lease is kept for caravan and camping with no park homes or chalets'.¹⁷⁴⁰

The Shire of Broome expressed concern about the impact that Woodside's development at James Price Point would have on Broome's tourism accommodation.¹⁷⁴¹ Noting that the development was already using up tourist accommodation, the Shire is concerned that further speculative pressure is already being placed on land values and on residential housing. It is possible that this development will see the relocation of the Broome Airport sooner than is currently anticipated, although it is expected that this will still mean a minimum of five years before the cessation of the disturbance from aeroplanes and helicopters in the town centre and the availability of the airport

¹⁷³⁴ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p25.

¹⁷³⁵ *ibid.*

¹⁷³⁶ *ibid.*, p24.

¹⁷³⁷ Shire of Broome, Committee Briefing, 30 June 2009.

¹⁷³⁸ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1.

¹⁷³⁹ Shire of Broome, Committee Briefing, 30 June 2009.

¹⁷⁴⁰ Submission No. 80 from Roebuck Bay Caravan Park, 22 May 2009, p1.

¹⁷⁴¹ Shire of Broome, Committee Briefing, 30 June 2009.

land for development purposes.¹⁷⁴² It is important to the Shire that Broome, primarily a tourism based economy, is not transformed into another Karratha, primarily a resource sector economy.

There is acknowledgement from DEC of the increasing pressures from resource sector growth. According to Mr Peter Sharp, DEC's Director, Parks and Visitor Services:

there is no doubt that the Kimberley will be a hot spot for the next 50 years. The growth of the oil and gas industry will put some interesting pressures on Broome and areas around there.

Based on DEC's experience in relation to Rio Tinto's operations in Karijini National Park, Mr Sharp also believes there will also be 'a substantial increase in short-term recreational visits in the immediate vicinity of wherever people are residing'.¹⁷⁴³

(v) Planning and Development Issues

Broome is affected by the rigid interpretations applied to the State's coastal planning policy. As Broome faces the same issues as Karratha and Port Hedland in this regard, the question of the policy's impact on Broome in particular is not discussed here. Refer to Section 10.2(c)(ii) below for a discussion on the general impact of coastal planning policy on land use in the north west region.

Apart from its affordability, land availability is a major problem facing the caravan park industry in Broome. The Shire of Broome expressed concerns in relation to the lengthy planning process involved in trying to get land released. Furthermore, there has been no land released over the past 10 years, largely due to Native Title negotiations. The Native Title claim initially covered the entire Broome area. However, most reserves were found to extinguish Native Title. Nevertheless, there are still large tracts of land in and around Broome that are subject to a Native Title claim.¹⁷⁴⁴

The *Broome Accommodation Study* notes the limited availability of land for caravan park development in Broome and 'forecast[s] that land will need to be secured in areas such as Quondong, Barred Creek, Willie Creek, Coconut Well, Crab Creek and Port Smith in order to meet forecast demand in this category'.¹⁷⁴⁵

The Department of Planning (DoP) advised at hearing that it is 'assisting the Shire of Broome with its local planning strategy at the moment' and was 'trying to make sure that it [Shire of Broome] gets its local planning strategy in place'.¹⁷⁴⁶ Ms Hill, Executive Director, Regional Planning and

¹⁷⁴² *ibid.*

¹⁷⁴³ Mr Peter Sharp, Director, Parks and Visitor Services, Department of Environment and Conservation, *Transcript of Evidence*, 24 July 2009, p10.

¹⁷⁴⁴ Shire of Broome, Committee Briefing, 30 June 2009.

¹⁷⁴⁵ Tourism Western Australia, *Broome Accommodation Study. Future Needs Analysis*, report prepared by Kadar Pearson & Partners, Tourism Western Australia, Perth, November 2006, p4.

¹⁷⁴⁶ Ms Anne Hill, Executive Director, Regional Planning and Strategy, Department of Planning, *Transcript of Evidence*, 27 July 2009, p16.

Strategy, DoP, advised that Broome ‘is extremely well supplied with public open space and somewhat less well supplied with residential land’.¹⁷⁴⁷ According to Ms Hill:

*whenever there has been a development in the past, obviously they have to put aside a certain amount of public open space. It is not managed. It is often very degraded land and it has some social issues.*¹⁷⁴⁸

Given this, there are several amendments in train ‘to convert public open space’.¹⁷⁴⁹

(d) Implications for Tourism in Western Australia

The Committee has heard considerable evidence in relation to the problems associated with the lack of supply of caravan park and camping ground sites in the peak and shoulder seasons. The Committee has also seen first hand caravanners queuing outside caravan parks waiting for a site to become available. As the CMCA advised, people ‘try to get into Broome, and cannot’.¹⁷⁵⁰ Similarly, the Caravan Industry Association Western Australia Inc. (CIAWA) stated that ‘in the north west people say that they get to Broome and they have not got accommodation; it might be for July and August’.¹⁷⁵¹

One response of caravan park operators to the situation has been to cancel existing bookings and stop taking further bookings for sites. The WAACCI submit that:

*many caravan parks and tourist agents are not willing or able to take forward bookings for holiday/tourist centres along the WA Coast, Esperance, Busselton, Geraldton, Shark Bay, Coral Bay, Broome, to Kununurra. The situation in the NW of WA is extremely serious (eg Broome) when thousands of tourists are left without any firm travel plans when sightseeing the Kimberley region. It is the same story from Darwin right down to Carnarvon and beyond when talking to other travellers.*¹⁷⁵²

At hearing, Mr Walker told of his personal experience in Broome:

My wife made the booking. She made a booking the year before to stay at Roebuck Bay Caravan Park. ... She rang the caravan park and our booking was acknowledged. The trip was going to be the following year, in about June. In February of that year we got a notice from the caravan park saying that all the bookings had been cancelled. We were told that the caravan park chose the bookings by lottery and unfortunately we did not get a booking.

¹⁷⁴⁷ *ibid.*, p17.

¹⁷⁴⁸ *ibid.*

¹⁷⁴⁹ *ibid.*

¹⁷⁵⁰ Mr Philip Chadd, State Representative, Campervan and Motorhome Club of Australia Ltd, *Transcript of Evidence*, 2 July 2009, p6.

¹⁷⁵¹ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p8.

¹⁷⁵² Submission No. 43 from Western Australian Association of Caravan Clubs Inc., 30 April 2009, p15.

*We had paid money. We had booked the boat for \$30 000 or \$40 000 and we then had to make different arrangements.*¹⁷⁵³

If there is a lack of available sites and no capacity to book sites in advance, one logical conclusion is that people will stop travelling to Broome, choosing instead to travel to other locations in Australia and overseas. According to North West Tourism, Bali is one of Broome's greatest competitors.¹⁷⁵⁴

The evidence of caravan clubs bears witness to the risk of travellers either turning back from Western Australia at Kununurra, or not travelling as far north along the coast to Broome. Mr Walker, WAACCI, advised that 'the long distances and the hassle of trying to formally book to make sure that they have a successful trip is just too much'.¹⁷⁵⁵ WAACCI further submits that:

*many 'road' tourists are very aware of the above constraints, including the current restriction on park accommodation and are already looking to travel elsewhere in Australia and to overseas destinations. They are suffering from mild irritation through to extreme annoyance at feeling they are not wanted as tourists in Broome.*¹⁷⁵⁶

Similarly, according to CMCA:

*if there is no reasonable accommodation within near walking distance from a business centre, then the tourist will generally be forced by circumstances to simply drive straight through. Or turn around and go back home as is often the case in the North West between Broome and Kununurra.*¹⁷⁵⁷

This risk is also acknowledged by Tourism WA which submits that 'if caravan park tourists are not able to get a caravan park site in Broome or Port Hedland, for example, they may decide not to enter the State at all'.¹⁷⁵⁸

(e) Future Developments

It is clear to the Committee that the situation in Broome is critical. The Shire of Broome is clearly aware of the situation and, as part of a pre-feasibility study into caravan park development, 'identified one site for a new caravan park feasibility study as part of this project'.¹⁷⁵⁹ According to the Shire, its:

¹⁷⁵³ Mr Edward Walker, President, WA Association of Caravan Clubs Inc., *Transcript of Evidence*, 2 July 2009, p5.

¹⁷⁵⁴ Mr Glen Chidlow, North West Tourism, Committee Briefing, 29 June 2009.

¹⁷⁵⁵ Mr Edward Walker, President, WA Association of Caravan Clubs Inc., *Transcript of Evidence*, 2 July 2009, p6.

¹⁷⁵⁶ Submission No. 43 from Western Australian Association of Caravan Clubs Inc., 30 April 2009, pp15-16.

¹⁷⁵⁷ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p15.

¹⁷⁵⁸ Submission No. 60 from Tourism Western Australia, 8 May 2009, p1.

¹⁷⁵⁹ Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p59.

*preferred strategy for the development of the caravan park is to release land vested in the Shire as a leasehold opportunity to a private developer by way of a tender to build, lease and operate the park.*¹⁷⁶⁰

The proposed park is comprised of three different types of accommodation, each in its own precinct:

- Accommodation Precinct: luxury units, family units and lodging accommodation
- Caravan and Camping Precinct: holiday vans, recreational vehicles (RVs), self-contained vehicles, ensuite sites and caravan sites
- Transient Worker Precinct¹⁷⁶¹

This 500 site park would also provide a recreation room, swimming pools, campers kitchen and other recreational facilities.¹⁷⁶²

However, the study found that ‘due to the high level of capital infrastructure constructed in the early years [sunk costs such as road services and landscaping], the park does not start returning a reasonable return (better than interest accounts) for almost 15 years’.¹⁷⁶³ In the context of a standard 21 year lease situation, this means that investors would not have sufficient time to recoup their costs.¹⁷⁶⁴

It is generally accepted that a caravan park cannot be built to operate solely in the peak season and that overflow areas provide a vital service in Broome in peak times. There is also evidence to suggest that the development of nature-based parks on pastoral leases will provide an important supply of caravan and camping sites. As CMCA stated:

*we see the development of farm stays as a very suitable alternative, particularly up around Broome and that area. That is why Barn Hill has just exploded, because it is available.*¹⁷⁶⁵

Tourism WA also believes that nature-based developments such as Barn Hill provide a ‘real opportunity’.¹⁷⁶⁶

¹⁷⁶⁰ *ibid.*

¹⁷⁶¹ *ibid.*

¹⁷⁶² *ibid.*, pp63-74 and p75.

¹⁷⁶³ *ibid.*, p77.

¹⁷⁶⁴ *ibid.*, p77.

¹⁷⁶⁵ Mr Philip Chadd, State Representative, Campervan and Motorhome Club of Australia Ltd, *Transcript of Evidence*, 2 July 2009, p7.

¹⁷⁶⁶ Mr Richard Muirhead, Chief Executive Officer, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p10.

Finding 140

Broome is the iconic tourism destination in WA. While it attracts tourists from all over the world, it is also a major centre for caravanning. Broome is a stopping place for grey nomads and a destination point for winter drifters and backpackers. A significant proportion of the workers in Broome are tourists themselves who live in lower cost accommodation, often being caravan parks.

Given that tourism is not a high wage industry, if accommodation in caravan parks is lost or becomes unaffordable, the entire economy of Broome would be undermined.

10.2 The Pilbara Region

Port Hedland and Karratha are the two main centres in the Pilbara region of Western Australia that are situated along the major tourist route through the area. Evidence to the Committee shows that there is little, if any, sign of an economic downturn in the Pilbara.¹⁷⁶⁷ The Local Government Areas (LGAs) responsible for each of these towns bore witness to the continuing high levels of activity in the resources sector.

The Shire of Roebourne believes there is approximately eight to ten years of high level construction still to come in the Shire. This activity will result from a combination of Woodside projects in the area, the large impact from the magnetite project and the merger of Rio Tinto and BHP, and the expansion of Cape Lambert with the Port B proposal for eight new berths.¹⁷⁶⁸ The Town of Port Hedland submits that:

*in recent years, Port Hedland has experienced significant and sustained iron ore export growth. This growth has shown no sign of slowing even with the worldwide economic downturn, with BHP Billiton Iron Ore commencing their Rapid Growth Project Five (RGP5) to increase exports and Fortescue Metals Group Limited (FMGL) now exporting out of Port Hedland.*¹⁷⁶⁹

The National Housing Supply Council's *State of Supply Report 2008* states that in 2008 Port Hedland 'was predicted to become the world's largest tonnage port over the next decade as a result of a proposed expansion in the production of iron ore'.¹⁷⁷⁰

Not surprisingly, while there is recognition of the potential to develop tourism in general, and industrial tourism, in particular, in the area, both Port Hedland and Karratha are mining towns rather than tourism providers. Therefore, their focus is on meeting the needs of their mining communities.¹⁷⁷¹ The Shire of Roebourne sees the diversification into tourism in the region as a long-term aim and stated that the sheer volume of development in the resources sector absorbs all of the local government's resources. Furthermore, many smaller tourism operators who had tried to establish a tourism business in the area had closed due to the high costs of living and operating in the region.¹⁷⁷²

¹⁷⁶⁷ Mr Stephen Webster, Chief Executive Officer, Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

¹⁷⁶⁸ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

¹⁷⁶⁹ Submission No. 3 from Town of Port Hedland, 6 April 2009, p1.

¹⁷⁷⁰ National Housing Supply Council, *State of Supply Report 2008*, Commonwealth of Australia, Canberra, February 2009, p156.

¹⁷⁷¹ Town of Port Hedland, *Committee Briefing*, 22 June 2009; Mr Stephen Webster, Chief Executive Officer, Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

¹⁷⁷² Shire of Roebourne, *Committee Briefing*, 23 June 2009.

The sustained level of activity in the Pilbara has created pressure on accommodation in the region, and as the region has not experienced the economic downturn evident in other areas, this pressure has remained. As an indication of this, the Pilbara Development Commission pointed to the fact that for the June 2009 Pilbara Mining Conference held in Karratha 10 to 15 attendees has to be turned away due to a lack of available accommodation.

(a) Supply of Caravan Parks

The Pilbara Development Commission advised that there are 15 caravan parks in the Pilbara, including those in Onslow, Newman, Marble Bar, Karratha and Port Hedland.¹⁷⁷³ Table 10.3 shows information on caravan parks in Port Hedland as provided to the Department of Local Government (DLG) survey of caravan parks.

Table 10.3 Caravan Parks in Port Hedland

Type of Site	Black Rock Tourist Park	Port Hedland Caravan Park	Cooke Point Holiday Village
Long-stay and Semi-permanent Residential Sites	30	111	30
Short-term On-site Accommodation	55	62	153
Short-term Sites for Travellers	38	0	0
Number of Sites for Large Self-Contained Vehicles	55	0	0
Tent Sites	20	10	10
Overflow Sites - Tents or Vehicles	20	0	7 powered

Port Hedland also has 30 sites available this season at the Port Hedland Golf Club and, while recognising that it does not offer a long-term solution, it has also ‘approved emergency - 24 hour parking at the racecourse in recent years to accommodate overnight tourist parking’.¹⁷⁷⁴

¹⁷⁷³ Mr Stephen Webster, Chief Executive Officer, Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

¹⁷⁷⁴ Submission No. 3 from Town of Port Hedland, 6 April 2009, p2.

The Town of Port Hedland submission reveals the quite high occupancy rate for these parks as at April 2009:

- Black Rock Tourist Park: 35 vacancies
- Port Hedland Caravan Park: 28 vacancies
- Cooke Point Holiday Village: 59 vacancies

In total, there are 521 caravan park sites and only 122 vacant sites. This means that in April 2009 caravan parks in Port Hedland experienced 75.6% occupancy in a time that is outside the peak tourist season for the north west.¹⁷⁷⁵ This is further evidence that caravan parks are being used for long-term worker accommodation.

Table 10.4 provides information on the caravan parks operating in the Shire of Roebourne, and is compiled from information provided to DLG.

Table 10.4 Caravan Parks in Shire of Roebourne¹⁷⁷⁶

Type of Site	Balmoral Holiday Park	Pilbara Holiday Park	Cove Caravan Park	Samson Beach Caravan Park	Harding River Caravan Park	Karratha Caravan Park	Dampier Transit Park
Long-stay and Semi-permanent Residential Sites	184	132	0	2	50	93	0
Short-term On-site Accommodation	0	66	0	22	53	33	18
Short-term Sites for Travellers	0	0	88	0	0	0	0
Number of Sites for Large Self-Contained Vehicles	0	0	0	0	0	0	0
Tent Sites	0	10	8	2	12	8	10
Overflow Sites - Tents or Vehicles	0	0	8 tent	0	12 tent	0	1 tent

¹⁷⁷⁵ *ibid.*, pp1-2. Note that there is a variance in the number of sites at the Black Rock Tourist Park. The Town of Port Hedland submission puts the number of sites at 143.

¹⁷⁷⁶ Based on data provided in survey responses contained in Submission No. 92 from Department of Local Government, 10 July 2009; Mr Craig Watts, Shire of Roebourne, Telephone Conversation, 15 September 2009.

All of these parks, except for the Dampier Transit Park, are privately owned. While the Dampier Transit Park land is freehold, it is part of the Pilbara Iron Leasehold and operated by the Dampier Community Association.¹⁷⁷⁷

Information on occupancy rates was not available, however, the Shire advised that the Samson Beach Caravan Park was full within one week of its opening.¹⁷⁷⁸ This points to the high demand for sites in the region.

In addition to these parks, the Shire has two nature-based camping areas, one at Forty Mile Beach, the other at Cleaverville. Both of these sites are owned by the LGA and are described by the Shire as 'large'.¹⁷⁷⁹ There is also a camping area in Millstream National Park.¹⁷⁸⁰

What is most revealing about the information in Tables 10.3 and 10.4 is the lack of short-term sites for travellers, with none available in Karratha and only 38 in Port Hedland. The Town of Port Hedland notes that park operators are increasingly 'wanting to develop more permanent accommodation sites that have traditionally been used for tourist or short stay accommodation'.¹⁷⁸¹ The impetus for this is well demonstrated by the following comment made by an operator in the region:

*If you own a caravan park by yourself in the north west, you would not be looking at tourists at the moment; it would be full of mine workers. We have told them that they can come and stay with us and pay whatever rate we charge them until April. In April they have to leave because our tourists come through. They ask us what the tourists are paying. It may be a difference between \$100 a week and \$450 a week. They just give us \$450 a week and say they will stay there for two years. It is very hard for private operators not to have those mine workers there. Those numbers are not accurate but that is the sort of difference. They are staying there for two years. It is not cyclical; there are no people coming in and out for two nights. Staffing is down because you do not have to worry about who is in and out; they are there all the time.*¹⁷⁸²

Given this price differential it is understandable that operators would want to participate in the worker accommodation market. However, while operators may desire more long-stay sites as a means of ensuring the viability of their parks, this trend can only exacerbate the existing situation in relation to availability of short-stay sites. Again, given that Karratha and Port Hedland are on the major north west tourist route, the lack of short-stay sites poses serious problems for caravanners and campers in the region.

¹⁷⁷⁷ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

¹⁷⁷⁸ *ibid.*

¹⁷⁷⁹ Submission No. 92 from Department of Local Government, 10 July 2009.

¹⁷⁸⁰ *ibid.*

¹⁷⁸¹ Submission No. 3 from Town of Port Hedland, 6 April 2009, p3.

¹⁷⁸² Closed Evidence, *Transcript of Evidence*, 28 July 2009, p6.

Another noticeable characteristic of caravan parks in the Pilbara is the number of sites that are able to accommodate larger self-contained vehicles. While the Committee understands that the nature-based parks provide for these larger vehicles, it is a concern that so few sites are available in parks situated closer to major towns in the region.

(b) Supply of Worker Accommodation: A Supply Pressure

The overwhelming issue faced by the Pilbara is the provision of worker accommodation. In fact, the *State of Supply Report 2008* classes Port Hedland as a ‘housing hot spot’.¹⁷⁸³ According to the report:

*2008 saw significant population pressures in the Pilbara caused by fly-in fly-out workers and short-term contract workers, which increased the resident population from 10 to 25 per cent.*¹⁷⁸⁴

The Committee received substantial evidence that the primary source of demand for accommodation in the Pilbara was from workers in the resource sector.¹⁷⁸⁵ Furthermore, with the continuing expansion and development of projects, this demand is expected to continue. For example, RPG5 will require a 1,200 person camp to be built in Port Hedland by 2010 and Citic Pacific requirements will peak at 4,000 staff mid-2010 at their project situated 80 to 100 km south of Karratha.¹⁷⁸⁶

The Department of Commerce (DoC) submits that ‘residential parks in Western Australia are used to provide housing to mining industry workers particularly in regional Western Australia’.¹⁷⁸⁷ Furthermore, DoC advise that ‘site rents can vary greatly between towns. For example, a long-stay site in Karratha can range from \$200 to \$450 a week, while a long-stay site in Newman is approximately \$150 a week’.¹⁷⁸⁸ The Pilbara Development Commission also advised that companies pay up to \$320 per night for a donga, comprised of one room plus an ensuite, with the average being approximately \$255.¹⁷⁸⁹

¹⁷⁸³ National Housing Supply Council, *State of Supply Report 2008*, Commonwealth of Australia, Canberra, February 2009, p156.

¹⁷⁸⁴ *ibid.*

¹⁷⁸⁵ Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p6; Submission No. 15 from Ms Judith Maddams, 19 April 2009, p4; Submission No. 52 from Department of Consumer and Employment Protection, 1 May 2009, p5; Mr Craig Watts, Shire of Roebourne, Electronic Mail, 18 May 2009, p1; Town of Port Hedland, *Committee Briefing*, 22 June 2009; Mr Stephen Webster, Chief Executive Officer, Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

¹⁷⁸⁶ Mr Stephen Webster, Chief Executive Officer, Pilbara Development Commission, *Committee Briefing*, 22 June 2009; Town of Port Hedland, *Committee Briefing*, 22 June 2009.

¹⁷⁸⁷ Submission No. 52 from Department of Commerce, 1 May 2009, p5.

¹⁷⁸⁸ *ibid.*

¹⁷⁸⁹ Mr Stephen Webster, Chief Executive Officer, Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

As the following sections demonstrate, this enormous demand for worker accommodation places significant pressure on the supply of caravan park sites for travellers in the Pilbara region. Consequently, grey nomads and others struggle to get a site in the Pilbara, a situation that is detrimental to the tourism market.¹⁷⁹⁰ The Shire of Roebourne argues:

*the caravan parks located within Karratha are usually at or near to capacity being used by the local workforce[which] take[s] up the majority (if not all) of the sites available, which leads to less availability for holiday makers and travellers (eg 'grey nomads').*¹⁷⁹¹

Tourism WA expressed its concern at this situation. According to Chief Executive Officer, Mr Richard Muirhead, in areas 'such as the Pilbara, where occupancy by fly in, fly out or short-term workers has filled caravan parks, the use by leisure visitors has really been sterilised'.¹⁷⁹² However, when there is a desperate shortage of accommodation, people 'have to be put somewhere, so parks have fallen into that role'.¹⁷⁹³

(c) Other Factors Affecting the Supply of Caravan and Camping Sites

While the pressure on short-stay tourism caravan park accommodation in the Pilbara is certainly due to the increasing number of resource industry workers, this in itself is also a function of other factors such as the lack of available and affordable land for residential housing, the high cost of building, high rental costs and the need for LGAs to work within, rather than against, the local resources economy

(i) Availability and Cost of Residential Housing

Evidence suggests that the cost of living in the Pilbara is high, and that housing construction and rental costs are a large component of this. The Committee heard that a four-bedroom house in Karratha can rent for between \$1,800 and \$3,000 per week.¹⁷⁹⁴ The median rent in Port Hedland in September 2008 is reported as being \$1,050, with a 0% vacancy rate as rental properties coming onto the market are 'snapped up by renters before they are even advertised'.¹⁷⁹⁵ The Town of Port Hedland advised that renting a three-bedroom one-bathroom house in Port Hedland could cost up to \$2,500 per week. While some workers may be able to afford such rental prices, they are clearly out of the range of key service workers who, for example, may earn the relatively low salary of

¹⁷⁹⁰ Town of Port Hedland, *Committee Briefing*, 22 June 2009; Submission No. 67 from Aspen Parks Property Management Ltd, 15 May 2009, p6; Submission No. 15 from Ms Judith Maddams, 19 April 2009, p4.

¹⁷⁹¹ Mr Craig Watts, Shire of Roebourne, Electronic Mail, 18 May 2009, p1.

¹⁷⁹² Mr Richard Muirhead, Chief Executive Officer, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p2.

¹⁷⁹³ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p8.

¹⁷⁹⁴ Shire of Roebourne, *Committee Briefing*, 23 June 2009; Mr Stephen Webster, Chief Executive Officer, Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

¹⁷⁹⁵ National Housing Supply Council, *State of Supply Report 2008*, Commonwealth of Australia, Canberra, February 2009, p156.

\$55,000.¹⁷⁹⁶ The Committee understands that the housing situation in the region is so serious that some LGAs are turning a blind eye to people renting out rooms in their homes without the normally requisite planning approval.

Furthermore, even if workers who could afford to rent wanted to live in the region, there is a lack of rental accommodation available.¹⁷⁹⁷ The costs of building a house in the Pilbara is also high and is estimated to be approximately double that of building in the Perth metropolitan region.¹⁷⁹⁸ The Shire of Roebourne estimates that a four-bedroom home would cost approximately \$600,000 to build, not including the price of land. The purchase price of such a home in Karratha is estimated to be \$1 million.¹⁷⁹⁹ A June 2008 Senate Select Committee on Housing Affordability in Australia found that for workers other than those in the more highly paid mining sector, housing in Karratha is ‘extremely unaffordable’.¹⁸⁰⁰

Houses in Port Hedland have also experienced enormous increases in prices. The *State of Supply Report 2008* shows that the median house price in Port Hedland rose from \$190,000 in 2002 to \$790,000 in 2008. In South Hedland the rise was from \$132,500 to \$484,500 over the same time period.¹⁸⁰¹ As the 2008 report states, ‘unprecedented pressure in the housing market has seen skyrocketing sales prices within the town [Port Hedland]’.¹⁸⁰²

These prices also mean that housing in Karratha and Port Hedland does not present a particularly attractive option for investors. This is also affected by land availability and other planning issues, which are discussed further below.

The lack of housing is not a new problem in the region. For example, as the DoP acknowledges, the lack of housing meant that people lived in caravans in the light industrial area.¹⁸⁰³ The DoP advised that in the 1980s ‘people were bringing in a labour force who were immediately accommodated in the light industrial areas because they were serviced’.¹⁸⁰⁴ According to Mr Denis Millan, Director, Strategic Projects, the situation at the time was ‘quite incredible’ and that

¹⁷⁹⁶ Mr Stephen Webster, Chief Executive Officer, Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

¹⁷⁹⁷ Mr Craig Watts, Shire of Roebourne, Electronic Mail, 18 May 2009, p1.

¹⁷⁹⁸ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

¹⁷⁹⁹ *ibid.*

¹⁸⁰⁰ Senate Select Committee on Housing Affordability in Australia, *A Good House is Hard to Find: Housing Affordability in Australia*, Senate, Parliament of Australia, Canberra, June 2008, p33, cited in National Housing Supply Council, *State of Supply Report 2008*, Commonwealth of Australia, Canberra, February 2009, p162.

¹⁸⁰¹ National Housing Supply Council, *State of Supply Report 2008*, Commonwealth of Australia, Canberra, February 2009, p156.

¹⁸⁰² *ibid.*, p157.

¹⁸⁰³ Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p15.

¹⁸⁰⁴ *ibid.*

it was almost possible to ‘challenge where the residential population of Karratha was. Was it in town or out?’¹⁸⁰⁵ While the DoP advised that this is no longer such a serious issue, the Shire of Roebourne stated that people still live in light industrial units in Karratha.¹⁸⁰⁶

According to the Pilbara Development Commission, the lack of affordable housing in the region is a major reason behind the use of fly-in fly-out workers on resource projects.¹⁸⁰⁷ An additional impact of the housing affordability issue is that on small, local businesses which have difficulty in attracting and keeping staff as the towns cannot service their needs.¹⁸⁰⁸

(ii) Land Availability

Caravan parks in the Pilbara, just as in other areas of the state, are also subject to pressures from higher-value land use.¹⁸⁰⁹ As noted, this means that caravan park operators are applying to increase the number of long-stay sites in their parks. It also means that land that might be available as a caravan park development is seen as a more valuable site for another use.¹⁸¹⁰

The lack of land coming onto the market is also an issue in the Pilbara. The CIAWA believes that ‘it is up to local government to start opening up more land and start[ing] to do something to accommodate these workers [who live in caravan parks]’.¹⁸¹¹ However, LGAs advised the Committee that development and building in the region is slow, primarily due to the length of time taken obtaining environmental, heritage and other planning approvals.¹⁸¹² The Shire of Roebourne gave an example of a 30 to 40 hectare site west of the Balmoral Caravan Park that the Shire had identified as a possible site for the development of a tourist park or park home park. According to the Shire, it has taken three years of negotiations with LandCorp to get the basic feasibility work finished.¹⁸¹³ The Shire also advised that residential land is very difficult to get through the LandCorp process. As an example, the Shire raised the issue of the State Master Plan, which it rejected on the basis that it contained insufficient information. The Shire has committed \$1.3

¹⁸⁰⁵ *ibid.*

¹⁸⁰⁶ Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p15; Shire of Roebourne, *Committee Briefing*, 23 June 2009.

¹⁸⁰⁷ Mr Stephen Webster, Chief Executive Officer, Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

¹⁸⁰⁸ Shire of Roebourne, *Committee Briefing*, 23 June 2009; National Housing Supply Council, *State of Supply Report 2008*, Commonwealth of Australia, Canberra, February 2009, p157.

¹⁸⁰⁹ Mr Stephen Webster, Chief Executive Officer, Pilbara Development Commission, *Committee Briefing*, 22 June 2009.

¹⁸¹⁰ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p3.

¹⁸¹¹ Ms Pat Strahan, Chief Executive Officer, Caravan Industry Association Western Australia Inc., *Transcript of Evidence*, 2 July 2009, p8.

¹⁸¹² Shire of Roebourne, *Committee Briefing*, 23 June 2009; Town of Port Hedland, *Committee Briefing*, 22 June 2009.

¹⁸¹³ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

million to infrastructure and has received a State grant; however, delay has been experienced on the planning generally, and with the Heritage Council, in particular. These delays and restrictions mean that 19 private blocks of land cannot be developed. The Shire also expressed concerns about the interpretation of the Country Coastal Planning Policy and the negative impact this has had on the development of land in Cossack.¹⁸¹⁴

The *State of Supply Report 2008* highlights the ‘severely limited’ land supply as a housing supply issue in Port Hedland.¹⁸¹⁵ The report also notes the following factors as affecting the planned and future release of land in Port Hedland:

- the impact of iron ore dust
- coastal setbacks to protect from cyclonic storm surge and other environmental issues
- difficulties in determining long-term town-based housing demand
- high infrastructure costs
- dealing with shortages of construction workers and accommodation for those workers.¹⁸¹⁶

One possible consequence of these factors is the added pressure this places on existing accommodation facilities, including caravan parks and camping grounds. As Mr Greg Cole of Pink Lake Tourist Park explained:

*as soon as you get a regional development around a regional centre, people gravitate to a caravan park because there are normally places to stay—there is space, whereas, if have you to do another development and it takes two or three years to do it, you cannot tell someone to wait a couple of years while people live in cars, tents or whatever. You can do a park home development fairly quickly. That has certainly been the case in Hedland and Karratha where old caravan parks have become accommodation villages.*¹⁸¹⁷

This bears similarity to the situation that developed in the 1980s and the above-mentioned use of industrial estates for residential purposes. Mr Denis Millan confirmed that at that time:

*the real heavy focus of trying to get land onto the market quickly. This was prior to native title. Particularly in Karratha, it was a matter of playing catch up, and you never did. Regardless of how quickly you got blocks on the market in that area, they were built and developed overnight.... It is land that was available.*¹⁸¹⁸

¹⁸¹⁴ *ibid.* Planning issues in relation to the Country Coastal Planning Policy are discussed in Chapter 7.

¹⁸¹⁵ National Housing Supply Council, *State of Supply Report 2008*, Commonwealth of Australia, Canberra, February 2009, p156.

¹⁸¹⁶ *ibid.*

¹⁸¹⁷ Mr Greg Cole, Park Owner, Pink Lake Tourist Park, *Transcript of Evidence*, 27 July 2009, p10.

¹⁸¹⁸ Mr Denis Millan, Director, Strategic Projects, Department of Planning, *Transcript of Evidence*, 27 July 2009, p15.

The situation is exacerbated by the fact that there is little, if any, market in land as most of the land in the region is owned by government.¹⁸¹⁹

There is evidence to suggest that the state government is aware of these issues. According to the *State of Supply Report 2008*, ‘the Western Australian Planning Commission is working with the Pilbara Industry’s Community Council to establish services and approve “land banks” to deal with the uncertain timing of demand’.¹⁸²⁰ Furthermore, Tourism WA advised that ‘the availability of land is of interest’ to the agency.¹⁸²¹ Acknowledging that the use of caravan parks for long-stay accommodation is a trend in the Pilbara, Tourism WA stated that the agency has been:

*trying to address some of those issues with land availability by making sure that crown land and local government land is considered for caravan parks and by securing those parcels of land. We know that when it is leasehold land from either local government or the state, it is easier to secure the long-term future of the caravan park. We have a program called Landbank, which is trying to facilitate that across the state.*¹⁸²²

(d) Other Issues

Throughout its investigative travel in the cyclone prone regions of the state, the Committee heard concern expressed about the safety or otherwise of using caravans as long-stay accommodation in such regions. In the cyclone season there are thousands of people living in caravan parks, which creates a significant safety concern. The *Caravan Park and Camping Ground Regulations 1997* (WA) (CPCG Regulations) provide that caravans, annexes and other buildings on a caravan park site in cyclone prone regions must be ‘made safe’ and are to be tied down using anchor points capable of securing the structure in the ‘design wind speed’ for that area.¹⁸²³ However, as the Town of Port Hedland observes, this regulation does not make residents safe.¹⁸²⁴ There is considerable risk in staying in a caravan during a cyclone; in fact, cyclones can crush caravans. This risk associated with being in a caravan during a cyclone is a further consequence of using what is intended to be a vehicle as a long-stay dwelling.

As well as the obvious risk to individuals from remaining in a caravan during a cyclone, there are risks associated with having large numbers of people in this situation and nowhere for them to evacuate to. As the Shire of Roebourne advised, while most workers leave the region when a cyclone approaches, there are cyclone shelters in the work camps.¹⁸²⁵ Such shelters are not compulsory in caravan parks. While an operator may, in fact, close the caravan park and, thus,

¹⁸¹⁹ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

¹⁸²⁰ National Housing Supply Council, *State of Supply Report 2008*, Commonwealth of Australia, Canberra, February 2009, p156.

¹⁸²¹ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p3.

¹⁸²² *ibid.*

¹⁸²³ Clause 47, Schedule 7, *Caravan Park and Camping Ground Regulations 1997* (WA).

¹⁸²⁴ Town of Port Hedland, *Committee Briefing*, 22 June 2009.

¹⁸²⁵ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

reduce the risk at that site, the LGA has the added concern of finding suitable places for people to wait out the cyclone. The Shire of Roebourne uses the local college as a cyclone shelter, but admits that it cannot cater for the thousands of people who would be present in caravan parks and camps in the area.

The predominant use of caravan parks for worker accommodation clearly places pressure on the supply of tourism sites in the Pilbara. However, as LGAs acknowledge, it is difficult for them to say ‘no’ to development proposals given the resource basis of their economies. The Town of Port Hedland submits that it is ‘very concerned that available short term sites in Hedland will dry up completely and tourists will be forced to move on if sites are unavailable’.¹⁸²⁶ While this LGA recognises its capacity to control new caravan park developments and limit the number of long-stay sites allowed in a development, it also believes that this can often be futile as any condition it imposes ‘could quite easily be reversed at a State Administrative Tribunal hearing on appeal. Therefore, Local Government has no certainty in controlling short term sites’.¹⁸²⁷

It is also clear to the Committee that caravan parks in the Pilbara face particular and acute pressures from a lack of work accommodation. It also seems that the \$100 per night that caravan parks charge is beyond the means of many travellers, particularly grey nomads on a retirement income. Furthermore, the Committee has seen first-hand the popularity of nature-based camps such as those at Cleaverville and 40 Mile Beach. This popularity is also recognised by the Shire of Roebourne which advised that even in the peak tourist season most people still only stay in Karratha for a few days; instead, most people looking for an extended stay travel on to Cleaverville or 40 Mile Beach.¹⁸²⁸ The Town of Port Hedland also acknowledges the value of what is called farm stays, and believes that pastoralists should be encouraged to develop these facilities.¹⁸²⁹

There is considerable potential in the Pilbara for the development of tourism, particularly industrial tourism. Understandably, due to the huge demand of the mining and resources industry, local governments and others in the community are not in a position at present to invest adequate resources into the development of their tourism industry.

The lack of available caravan sites in the Pilbara is an impediment to tourists having a whole of Western Australia experience. This is having a significant impact on caravanning in the Pilbara and the state.

The Pilbara is an ideally placed region for the development of nature-based parks.

¹⁸²⁶ Submission No. 3 from Town of Port Hedland, 6 April 2009, p3.

¹⁸²⁷ *ibid.*; Town of Port Hedland, *Committee Briefing*, 22 June 2009.

¹⁸²⁸ Shire of Roebourne, *Committee Briefing*, 23 June 2009.

¹⁸²⁹ Town of Port Hedland, *Committee Briefing*, 22 June 2009.

Finding 141

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The Pilbara is an ideally placed region for the development of nature-based parks.

10.3 Mandurah

The City of Mandurah (the City) is situated approximately 74 km south of Perth and according to the City's web site 'is blessed with a unique blend of coast, bushland, industry and inner-city living', and is a 'tourist's paradise', 'the capital of the Peel region' and the 'gateway to the South West'.¹⁸³⁰

The City submits that it is experiencing:

- annual average population growth of 4.5% over the five-year period 2003-2008, compared with the state average of 2.1%
- a rapidly aging community with the median age of residents being 43 years as at the 2006 Census, with 20.9% of residents being over 65 years
- very high levels of unemployment, currently standing at 4.9%
- relatively low percentages of residents graduating from Year 12 or achieving post-secondary qualifications¹⁸³¹

Tourism is an important component of the Mandurah economy and caravan parks are considered to offer significant economic potential to the Mandurah region.¹⁸³² The City advised that it had had considerable input into the *Tourism Planning Taskforce Report* and that their local tourism planning strategy is nearing finalisation.¹⁸³³ However, evidence presented to the Committee suggests two major reasons why the availability of caravan parks sites for tourists and holidaymakers is at risk. The first is the use of caravan parks in Mandurah primarily for affordable housing; the second is the rising price of land, which makes caravan park land attractive for redevelopment as residential housing or resort style accommodation.

(a) Use of Caravan Parks for Affordable Housing

At the time of this Inquiry, Mandurah had six caravan parks within its jurisdiction. Table 10.5 details the parks, and the number and type of sites available.

In addition to the caravan parks listed in Table 10.5, the Mandurah Ocean Marina Chalets provides exclusively short-stay accommodation, albeit not for caravanners.¹⁸³⁴

¹⁸³⁰ City of Mandurah, 'Home Page', nd. Available at: <http://www.mandurah.wa.gov.au/>. Accessed on 16 September 2009.

¹⁸³¹ Submission No. 70 from City of Mandurah, 18 May 2009, p2. The City of Mandurah's submission contains a substantial amount of demographic data.

¹⁸³² City of Mandurah, *Committee Briefing*, 12 June 2009.

¹⁸³³ *ibid.*

¹⁸³⁴ Submission No. 70 from City of Mandurah, 18 May 2009, p4.

The table below clearly demonstrates the very high proportion of caravan park sites that are not available for short-stay tourism. While some of these non-tourist sites may be taken by annuals or semi-permanent residents, the City's conclusion that caravan parks within that LGA 'primarily cater for long-stay residential occupancy, with only minimal short-stay occupancy' seems reasonable.¹⁸³⁵

Table 10.5 Mandurah Caravan Parks¹⁸³⁶

Park	Accommodation Type	Total Number of Sites	Sites Available for Tourism
Miami Caravan Park	Caravan Park, Camping Grounds	140	22
Waters Edge Caravan Park	Chalet, Caravan Park, Camping Grounds	79	9
Lucky Caravan Park	Chalet, Caravan Park	27	7
Belvedere Caravan Park	Chalets, Cabins, Onsite Vans, Caravan Park, Camping Grounds	192	12
Timbertop Caravan Park	Chalets, Cabins, Onsite Vans, Caravan Park	100	30
Dawesville Caravan Park and Holiday Village	Chalet, Caravan Park, Camping Grounds	97	14
	Total	635	80

The *Peel Region Affordable Housing Plan* acknowledges that 'caravan parks have also provided an interim accommodation "safety valve" for displaced low-income families'.¹⁸³⁷ The Peel Development Commission also submits that while 'caravan parks are primarily intended as short-stay options', the reality in Peel and elsewhere is that 'they are filling an important gap in affordable housing provision'.¹⁸³⁸ The Commission further states that the rapid growth in population and industry in Peel has led to the reduced availability of affordable housing and,

¹⁸³⁵ *ibid.*

¹⁸³⁶ Adapted from information provided in Submission No. 70 from City of Mandurah, 18 May 2009, p5. The submission from the Peel Development Commission (No. 57) provides different estimates, possibly due to differences in definition etc. For the purpose of this snapshot, the Committee has decided to use the data provided by the City of Mandurah.

¹⁸³⁷ Peel Region Affordable Housing Steering Group, *Peel Region Affordable Housing Plan*, 2008, p32, cited in Submission No. 70 from City of Mandurah, 18 May 2009, p4.

¹⁸³⁸ Submission No. 57 from Peel Development Commission, 5 May 2009, p1.

therefore, an increasing number of people who turn to caravan parks as a place to live.¹⁸³⁹ While the precise number of people living in caravan parks in Mandurah is not known, the City estimates that approximately 1,200 to 1,300 people currently reside in local caravan parks.¹⁸⁴⁰ The City advised that these can be divided into three broad groups, namely retirees who choose caravan park living as a lifestyle choice, workers in the area and those who access caravan parks as a housing of last resort option.¹⁸⁴¹ There is an acute shortage of crisis housing in Mandurah which means that caravan parks are often used as emergency accommodation for the homeless and victims of abuse. Residents of caravan parks in Mandurah, therefore, reflect the categories of long-stay tenants outlined in Chapter 8 at Section 8.2.

(b) Rising Land Values

Chapter 6 at Section 6.1(b) of this report discusses the significant increase in property values over recent years, particularly in coastal regions, and the negative impact this has on the availability of land for caravan parks. The City states that land values in ‘areas such as Mandurah have seen significant increases over the past four years and some properties have seen increases of 200% or more in their value’.¹⁸⁴²

As many of the caravan parks in the Mandurah region are situated on prime coastal land they are among those the Department of Housing (DoH) sees as ‘increasingly being sold off for residential or tourism hotel developments’.¹⁸⁴³ There is substantial evidence that this is, indeed, the case in Mandurah. The City advised that the Mandurah Ocean Marina Chalets are now situated on land once occupied by the Peninsula Caravan Park. The Estuary Hideaway Holiday Cabins, the Preston Beach Caravan Park, the Olive Road Caravan Park and the Yalgorup EcoPark have also closed for redevelopment over recent years.¹⁸⁴⁴ The Peel Development Commission submits that the Miami, Timbertop and Belvedere Caravan Parks ‘have been subject to redevelopment considerations’.¹⁸⁴⁵ The Committee understands that this redevelopment pressure arises primarily from the rapidly increasing land values in the area.

(c) Impact of Pressures on Mandurah’s Caravan Parks

As with many other locations in the state, one of the impacts of rising land values is the move toward redevelopment as either higher yielding tourism accommodation or residential housing. In

¹⁸³⁹ *ibid.*

¹⁸⁴⁰ Submission No. 70 from City of Mandurah, 18 May 2009, p5.

¹⁸⁴¹ City of Mandurah, *Committee Briefing*, 12 June 2009.

¹⁸⁴² City of Mandurah, ‘Vacant Land FAQ’s2006/07 Rates: Vacant Land’, nd. Available at: <http://www.mandurah.wa.gov.au/council/finance/vacant>. Accessed on 18 September 2009.

¹⁸⁴³ Submission No. 64 from Department of Housing, 15 May 2009, p2. The Department of Housing lists the City of Wanneroo and the Shire of Kalamunda as metropolitan areas also affected by this phenomenon.

¹⁸⁴⁴ City of Mandurah, *Committee Briefing*, 12 June 2009; Submission No. 57 from Peel Development Commission, 5 May 2009, p2.

¹⁸⁴⁵ Submission No. 57 from Peel Development Commission, 5 May 2009, p2.

particular, Mandurah has seen the development of luxury apartments at its marina complexes. For example, in March 2008, a Mandurah Ocean Marina apartment was placed on the market at \$895,000.¹⁸⁴⁶ As noted, this has a significant impact on the availability of affordable housing in the Mandurah region.

The primary purpose of this Inquiry is the provision of caravan parks and camping grounds for tourism purposes. Nevertheless, the Committee recognises the role that caravan parks play in providing affordable housing for Mandurah residents.

In briefing the Committee, the City confirmed the development pressure on its caravan parks, describing the situation for each park as follows:

- Lucky Caravan Park: redevelopment is possible, but is subject to the Mandurah Terrace Precinct Plan requirement that 50 tourism accommodation rooms be provided
- Belvedere Caravan Park: redevelopment is possible and there are no tourism requirements under the Mandurah Terrace Precinct Plan
- Timbertop Caravan Park: redevelopment is likely, subject to road requirements and further consideration
- Miami Caravan Park: redevelopment is possible, but is subject to the Falcon Precinct Plan requirement to provide a combination of residential and tourism accommodation¹⁸⁴⁷

In response to the closure and impending closure of caravan parks, the City 'has recently identified eight potential caravan sites'.¹⁸⁴⁸ The City submits that at the time of this Inquiry it was 'currently assessing each site against a range of factors, including distance from city centre, road access, proximity to airport, access to public transport, and pedestrian access to activities'.¹⁸⁴⁹ Following the assessment of these eight potential sites (five of which are privately owned and three owned by the Crown), as the City advises, it will:

*liaise further with the Caravan Industry of Australia on caravan park site options, and subsequently plans to seek land allocations from Tourism Western Australia's Landbank, which was created to ensure an adequate supply of tourism development sites to meet the future needs of the WA tourism industry.*¹⁸⁵⁰

¹⁸⁴⁶ Wayne-Ellion, Tammy, 'Mandurah Ocean Marina Apartments', *Perth Now, Sunday Times*, 17 March, 2008. Available at: http://www.news.com.au/perthnow/story/0,,2339652250132_48,00.html. Accessed on 18 September 2009.

¹⁸⁴⁷ City of Mandurah, *Committee Briefing*, 12 June 2009.

¹⁸⁴⁸ Submission No. 70 from City of Mandurah, 18 May 2009, p6.

¹⁸⁴⁹ *ibid.*

¹⁸⁵⁰ *ibid.*

However, the City is not optimistic that caravan parks will be able to be developed on these sites. The City's view is that 'due to the cost of developing the facilities and infrastructure which is a legislative/regulatory requirement in new caravan parks, there is little prospect of the development of these parks occurring'.¹⁸⁵¹ Furthermore, the City suggests that 'the only likelihood seems to be if potential developers are able to access government land, or to reserve sites on a moderate rental, long-term lease basis'.¹⁸⁵²

Finding 142

Mandurah is the canary in the coal mine in relation to caravan park tourism accommodation. The City's caravan parks are under more pressure than other areas in the state from long stay demand and for conversion to alternative high value uses.

¹⁸⁵¹ *ibid.*

¹⁸⁵² *ibid.*

10.4 Albany

The City of Albany, located 409 km south of Perth, is home to around 33,600 people, and is the ‘hub of a 40,000 square kilometre region known as the Great Southern, home to 52,000 people’.¹⁸⁵³ The population growth of this LGA is just under 1.5% per annum with a large component of retirees.¹⁸⁵⁴

Albany’s climate is temperate¹⁸⁵⁵ and, as will be demonstrated below, the cold winter temperatures (July 7°C to 16°C on average¹⁸⁵⁶) and mild summer temperatures (January 14°C to 25°C on average¹⁸⁵⁷) mean that seasonality is one of the major issues affecting demand for caravan parks and camping grounds. During the Committee’s visit to the region, the City of Albany advised of its need to counter the perception that Albany is cold and damp,¹⁸⁵⁸ a factor that can be a deterrent to tourism, particularly caravanning and camping. Seasonality has meant that caravan park operators in Albany have looked to other means to supplement income from caravan and camping patrons, in particular, the provision of chalets and long-stay sites.

The City of Albany has been proactive in tackling the issues facing the caravan and camping industry in its jurisdiction, as evidenced by the implementation of the recommendations of the *Tourism Planning Taskforce Report* and ,in particular, the drafting of a local tourism planning strategy.

(a) Demand

Most visitors to the Great Southern Region choose Albany as a destination. The majority of visitors are intrastate visitors (approximately 75% of total visitors) mostly from the Wheatbelt and Great Southern Regions.¹⁸⁵⁹ The Great Southern Development Commission advised the Committee that the wider tourism industry in Albany is steadily increasing. It noted that while the rest of the region gets drive-by business, Albany is actually a destination in itself. The Shires within the region, including the City of Albany, have made an effort to develop the tourism product, for example, hosting events on a regular basis to attract visitors.¹⁸⁶⁰

¹⁸⁵³ City of Albany, ‘About Albany’, 2009. Available at: <http://www.albany.wa.gov.au/about-albany/>. Accessed on 18 September 2009.

¹⁸⁵⁴ Great Southern Development Commission, *Committee Briefing*, 22 July 2009.

¹⁸⁵⁵ City of Albany, ‘About Albany’, 2009. Available at: <http://www.albany.wa.gov.au/about-albany/>. Accessed on 18 September 2009.

¹⁸⁵⁶ *ibid.*

¹⁸⁵⁷ *ibid.*

¹⁸⁵⁸ City of Albany and Shire of Denmark, *Committee Briefing*, 22 July 2009.

¹⁸⁵⁹ Great Southern Development Commission, *Committee Briefing*, 22 July 2009.

¹⁸⁶⁰ *ibid.*

However, while ‘the introduction and marketing of major events (Albany Classic, Vintage Blues Festival, Soapbox Derby etc) has progressively extended the holiday season’, they have not affected the seasonality of demand for caravan park sites.¹⁸⁶¹ Furthermore, most of the event participants and spectators utilise motels.¹⁸⁶² As noted above, demand for caravan and camping sites in Albany is extremely seasonal, with a very narrow shoulder season.¹⁸⁶³ The peak time for Albany is ‘over the summer months, with the two weeks immediately following Christmas being the busiest times for caravan parks’.¹⁸⁶⁴ At no time has the City’s parks ever been completely full, with prime parks filling first during peak season and with no overflow areas required.¹⁸⁶⁵ The City of Albany reports that:

*in submissions that the City has received with previous development applications, the proprietors state that their caravan parks approach their registered maximum occupancies during only short periods in the year; annual occupancy rates of caravan and camping bays are claimed to be as low as 5%. The occupancy of chalets is marginally higher, as is the nightly returns received by the proprietor from chalet and other fixed accommodation units.*¹⁸⁶⁶

The Albany Holiday Park reports that ‘despite increases in advertising, demand for our caravan sites has dropped 8% from 07-08 to 08-09’.¹⁸⁶⁷ They attribute this to ‘higher tariffs, higher fuel prices and lower disposable income for our main customers, retired travellers’.¹⁸⁶⁸ They also claim that other operators in Albany ‘are experiencing the same thing’.¹⁸⁶⁹

It appears that the steadiest demand within the caravan and camping industry is for chalets and long-stay sites, although even long-stay demand appears to have decreased in recent times.¹⁸⁷⁰ Demand for long-stay sites, while being met currently by caravan parks and park home parks within the Albany area, could be diluted ‘in the near future’ with ‘the development of a lifestyle village on the site of the former Oyster Harbour Caravan Park’, and ‘competition for park home clients may have a longer term economic impact on several caravan parks’.¹⁸⁷¹

¹⁸⁶¹ Submission No. 81 from City of Albany, 25 May 2009, p2.

¹⁸⁶² *ibid.*

¹⁸⁶³ Great Southern Development Commission, *Committee Briefing*, 22 July 2009.

¹⁸⁶⁴ Submission No. 81 from City of Albany, 25 May 2009, p2.

¹⁸⁶⁵ City of Albany and Shire of Denmark, *Committee Briefing*, 22 July 2009.

¹⁸⁶⁶ Submission No. 81 from City of Albany, 25 May 2009, pp1-2.

¹⁸⁶⁷ Submission No. 29 from Albany Holiday Park, 28 April 2009, p3.

¹⁸⁶⁸ *ibid.*

¹⁸⁶⁹ *ibid.*

¹⁸⁷⁰ *ibid.*

¹⁸⁷¹ Submission No. 81 from City of Albany, 25 May 2009, p3.

(i) Illegal Camping

An aspect of demand discussed in Chapter 4 is that for free camping, which can (and often does) lead to illegal camping. As noted there, in recent years, the advent of self-contained vehicles has created demand for free or low-cost camp sites with access to facilities such as dump points and potable water supplies. In Albany, as in other areas, this has become a ‘point of contention’ for caravan park operators.¹⁸⁷² This is because ‘this group seeks out bush camps, beach car parks and other discrete public spaces (some within sight of registered caravan parks) during overnight and extended stays’.¹⁸⁷³ It is the view of caravan park operators in the Albany area ‘that this group only pays for caravan park accommodation (a single night) when they need the services and infrastructure that only a caravan park can provide, notwithstanding that those tourists may have holidayed in the district for several weeks’.¹⁸⁷⁴ For example, the City of Albany has placed a toilet block at Lower King on the river, but the problem is now that people camp there, using these free facilities and not the caravan parks in town. Furthermore, the City advised that at Emu Point people camp near the boat ramp using caravan parks for maybe just one night to utilise the park facilities and to get rid of waste etc.¹⁸⁷⁵

(b) Supply and Supply Pressures

According to the City of Albany, there are 10 caravan parks in the City’s jurisdiction providing 536 short-stay tourist sites, comprised of the following:

- 154 chalet sites
- 230 powered sites
- 52 unpowered sites¹⁸⁷⁶

Of all the caravan parks in the City (presumably including residential parks), four are ‘developed on Crown land under long term leases’ and nine are developed on freehold title.¹⁸⁷⁷ In addition, there are two ‘bush camps’ which provide ‘a limited number of camping sites, with rudimentary facilities provided’.¹⁸⁷⁸

The City also advises that around one third of caravan parks in the City are a part of national caravan park chains. This then affects the management of those parks and the infrastructure provided. For those parks within the national chain networks, ‘information provided to the City

¹⁸⁷² *ibid.*, p2.

¹⁸⁷³ *ibid.*

¹⁸⁷⁴ *ibid.*

¹⁸⁷⁵ City of Albany and Shire of Denmark, *Committee Briefing*, 22 July 2009.

¹⁸⁷⁶ Submission No. 81 from City of Albany, 25 May 2009, p1.

¹⁸⁷⁷ *ibid.*

¹⁸⁷⁸ *ibid.*

indicates that considerable capital is being invested in the maintenance and upgrading of those caravan parks operated within national chain networks, in order for those parks to remain franchises of the chain'.¹⁸⁷⁹ On the other hand, the smaller parks 'have generally invested considerably less in maintaining infrastructure for those tourists using a caravan or tent, and they have progressively increased the number of chalets and permanent occupants, particularly where the caravan parks are more remote from urban areas and major tourism destinations'.¹⁸⁸⁰

Due to the increasing difficulty in sustaining the viability of caravan parks in Albany, particularly the smaller parks which are further away from major tourism destinations, redevelopment to a higher value land use has become attractive for caravan park operators. The City of Albany advises that in the last five years 'two of the smaller parks ceased trading and were sold with th[is] intention'.¹⁸⁸¹ One is being 'converted into a National Lifestyle Village' (the Oyster Harbour Caravan Park) and the other (the Frenchman Bay Caravan Park) is proposed as a resort development.¹⁸⁸²

In spite of recent reductions in supply, for the purpose of meeting demand 'going forward' the City of Albany's *Draft Tourism Accommodation Planning Strategy* proposes that caravan parks in Albany 'are highly seasonal and the modelling does not suggest a shortfall in this type of accommodation in general terms'.¹⁸⁸³

(i) Conversion to More Viable Options: Chalets and Long-Stay Sites

As demonstrated Chapters 4 and 8, chalets and long-stay sites provide caravan park operators with a higher and/or more reliable income stream, which helps to keep the park viable, particularly during non-peak seasons. This is particularly true in Albany due to the seasonality of demand. Since the 'high capital costs of setting up caravan park infrastructure' prohibit the development of additional caravan and camping sites, or even new caravan parks, all of the development applications received by the City of Albany in the past decade are mostly for fixed accommodation units; none are for caravan or camping sites.¹⁸⁸⁴ This appears to be because the low occupancy rates and daily charge rates for these conventional sites 'do not provide adequate return on investment; [thus] the increased returns from chalets and on-site cabins has changed the mix of product over the past decade'.¹⁸⁸⁵

The City of Albany reports that this trend leads to a 'decision making dilemma' for local government.¹⁸⁸⁶ It becomes difficult for the City to 'support struggling local businesses without

¹⁸⁷⁹ ibid

¹⁸⁸⁰ ibid.

¹⁸⁸¹ ibid.

¹⁸⁸² ibid.

¹⁸⁸³ Submission No. 98 from City of Albany, 23 July 2009, p10.

¹⁸⁸⁴ Submission No. 81 from City of Albany, 25 May 2009, p2.

¹⁸⁸⁵ ibid.

¹⁸⁸⁶ ibid., p4.

converting vital tourism infrastructure into de-facto residential enclaves'.¹⁸⁸⁷ It further notes that this decision is hard to defend in the absence of relevant state government policy.¹⁸⁸⁸ Planning policy and strategy is discussed further below.

A significant pressure on tourist accommodation in the City of Albany includes the caravan sites that are used for alternative accommodation. Planning controls in the City are broadly based on a range of tourism accommodation and development opportunities. Even though such semi-permanent accommodation does exist, the notion of caravan parks as an alternative affordable housing option does not enter into the current planning focus; it is just a by-product.¹⁸⁸⁹

The supply of affordable and available housing by caravan parks is essential to the viability of many caravan parks in Albany. While parks on 'strategic' tourism sites may not need so many long-stay residents, others will certainly require this option to stay viable. For example, Middleton Beach Caravan Park is a strategic tourism site and, therefore, allowed no long-stay residents; however, the operator is reportedly happy to have a zero residential potential. On the other hand, Emu Point needs some long-stay sites to remain viable in the off season, and the Lower King caravan park struggles to obtain business and, therefore, the owners need the flexibility to change their mix according to demand, with maybe up to 50% of sites being used as long-stay sites.¹⁸⁹⁰

While the City of Albany has recognised these factors, they are still looking to maintain the provision of a number of short-stay sites and holiday chalets. However, caravan park operators have contended that they still require the option of providing affordable housing. The City also noted that not all long-stay demand in Albany is from the lowest socio-economic groups. As Albany does not have a substantial housing mix (that is, there are very few one bedroom units catering for the single person or couple), many people look to caravan parks for accommodation. The City advised that approximately seven to eight percent of Albany's population is comprised of one person households who currently have to rent a three bedroom home.¹⁸⁹¹ The City of Albany believes that this is the market that is being captured by the National Lifestyle Village Pty Ltd (NLV) model. NLV has purchased a former caravan park and three other freehold properties, and when these are developed it will have around 600 units in Albany.¹⁸⁹²

(c) Meeting the Challenge: Albany's Tourism Accommodation Planning Strategy

As outlined in Chapter 7, at Section 7.4(a), the preparation of local tourism planning strategies by LGAs was a part of the policy framework recommended by the Tourism Planning Taskforce (the Taskforce). A local tourism planning strategy will then become a component of the overall local

¹⁸⁸⁷ *ibid.*

¹⁸⁸⁸ *ibid.*

¹⁸⁸⁹ Submission No. 71 from Department of Local Government and Regional Development, 19 May 2009, p3.

¹⁸⁹⁰ City of Albany and Shire of Denmark, *Committee Briefing*, 22 July 2009.

¹⁸⁹¹ *ibid.*

¹⁸⁹² *ibid.*

planning strategy for a local area,¹⁸⁹³ and they will be used ‘as a framework for decision-making on tourism proposals’.¹⁸⁹⁴ Local tourism planning strategies should also ‘identify strategic tourism sites or locations that provide for the retention and future development of a range of tourist accommodation to meet projected demand in that locality’.¹⁸⁹⁵ Non-strategic tourism sites should also be identified and managed accordingly.¹⁸⁹⁶

The City of Albany has been at the forefront of the development of these strategies, and, in line with the Western Australian Planning Commission (WAPC) Planning Bulletin 83 (PB 83), has prepared a *Draft Tourism Accommodation Planning Strategy* (the Strategy). This will amend the Albany Local Planning Strategy accordingly.¹⁸⁹⁷

The Strategy identifies tourism sites along the lines of the recommendations of the Taskforce and PB 83. It evaluates these tourism sites with the view to identifying such factors as the level of threat from redevelopment, community benefit, and the local planning context. It then makes recommendations around these issues, with the objective of retaining sites for their identified tourism purpose. A summary of some of the findings and recommendations (those most relevant to the issues raised in this report) for caravan parks in the City of Albany is provided in the Table 10.6.

The Strategy labels these tourism sites according to the following assessment categories:

Local Strategic Tourism Locations or Sites

- these are ‘high value, accessible, unique sites that are primary contributors to the tourism market positioning of Albany’
- they should be given highest level of zoning protection from any alternative land uses that may diminish the tourism experience
- they should have a minimum residential component¹⁸⁹⁸

Prime Tourism Locations or Sites

¹⁸⁹³ Western Australia Planning Commission, *Planning Bulletin 83: Planning for Tourism*, June 2009, p2. Available at: <http://www.planning.wa.gov.au/Publications/1419.aspx>. Accessed on 21 July 2009.

¹⁸⁹⁴ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pviii.

¹⁸⁹⁵ *ibid.*

¹⁸⁹⁶ Western Australia Planning Commission, *Planning Bulletin 83: Planning for Tourism*, June 2009, p2. Available at: <http://www.planning.wa.gov.au/Publications/1419.aspx>. Accessed on 21 July 2009.

¹⁸⁹⁷ Submission No. 98 from City of Albany, 23 July 2009, p36.

¹⁸⁹⁸ Submission No. 98 from City of Albany, 23 July 2009, p12 and p34; and City of Albany and Shire of Denmark, *Committee Briefing*, 22 July 2009.

- these ‘support and contribute substantially to the overall tourism capacity of Albany and need a high order of protection from alternate land uses’
- they ‘are required to be dealt with on a site by site basis as it is not certain that preferred uses for a site or the precinct could be achieved’ and for this reason will be subject to further detailed planning assessment
- some permanency is envisaged¹⁸⁹⁹

Suitable Tourism Locations or Sites

- these ‘provide lower order tourism products to meet current demands or they are capable of providing future tourism product, provided site constraints can be addressed or overcome’
- they ‘have the potential to be altered over time as urban development pressures increase or the current site infrastructure reaches the end of its service life and financial re-investment is required’
- the Strategy ‘encourages the tourism outcome but does not promote immediate rezoning of the land’ particularly as it may have an adverse effect on the value for the owner
- these sites could afford to be lost to residential development, although this would still be detrimental to providing tourism accommodation¹⁹⁰⁰

Within the City of Albany’s proposed Town Planning Scheme 1, new zones which implement the Strategy will include a ‘Caravan and Camping’ zone, along the lines of the Taskforce recommendations. This zoning will protect caravan, camping and chalet sites from ‘competing land uses’ and place certain restrictions on the residential occupation of sites.¹⁹⁰¹

The Committee is of the view that the way in which the City of Albany has approached supply issues through its planning policy and Strategy constitutes a sound model. As argued elsewhere in this report, a ‘one size fits all’ approach does not appear to work in relation to caravan parks and camping grounds, due to the large regional variations in demand, supply and other mitigating factors. The City of Albany demonstrates a case by case approach to the determination of strategic and non-strategic tourism sites where each tourism site is evaluated according to a comprehensive methodology.

¹⁸⁹⁹ Submission No. 98 from City of Albany, 23 July 2009, p12 and p34; and City of Albany and Shire of Denmark, *Committee Briefing*, 22 July 2009.

¹⁹⁰⁰ Submission No. 98 from City of Albany, 23 July 2009, p12 and p34; and City of Albany and Shire of Denmark, *Committee Briefing*, 22 July 2009.

¹⁹⁰¹ Submission No. 98 from City of Albany, 23 July 2009, p115.

This is not to say that there was no opposition to the Strategy. The City of Albany advised that there was initial opposition from caravan park operators and industry representatives.¹⁹⁰² The City has held a workshop with Tourism WA, the CIAWA and other stakeholders to refine the Strategy. The City believes that zoning changes and the loss of value remains a concern for operators, but long-term relief from land tax in the form of an exemption would encourage acceptance of a new zone.¹⁹⁰³

While the Strategy will be altered to take into account information arising out of recently conducted stakeholder workshops (for example, controls relating to the number of long-stay sites),¹⁹⁰⁴ the above approach is a good example of the way in which local planning strategies can address the issues currently affecting caravan parks.

Finding 143

Albany is well advanced in addressing the pressures facing the caravanning and camping sector in terms of planning and balancing the short- and long- stay use of parks.

¹⁹⁰² Submission No. 81 from City of Albany, 25 May 2009, p4.

¹⁹⁰³ City of Albany and Shire of Denmark, *Committee Briefing*, 22 July 2009.

¹⁹⁰⁴ *ibid.*

Table 10.6: Albany Caravan Parks Site Evaluation Summary¹⁹⁰⁵

Caravan Park Site	Proposed Tourism Use	Appropriate Zoning and Planning Restrictions	Suggested Status
Middleton Beach Caravan Park	Caravan Park	The current zoning provides a reasonable level of protection from competing land uses (currently reserved for Parks and Recreation). However, it is suggested to incorporate the site into the 'caravan/camping' zone within the City's Community Town Planning Scheme and to introduce planning controls to restrict sites for chalets to 20% and disallow any permanent occupation in designated bays.	Local Strategic
Cape Riche	Caravan Park	The current zoning (Special Rural) will not guarantee its potential use. It is suggested to rezone to a 'caravan/camping' zone as the site has community value as a bush camp.	Suitable
Cheynes Beach	Caravan Park	The current zoning (Special Site Zone) will guarantee its use as a caravan park. However it is suggested to maintain the current zoning regime but to include the site within a 'caravan/camping' zone and introduce planning controls to restrict permanent occupation to 10% of total sites.	Prime
Cosy Corner / Torbay	Caravan Park / Resort Project	A change in zoning (from Rural and Reservation for Parks and Recreation Purposes) will be required to progress the potential use. The site has little potential as a caravan park, although, it retains value to the community as a bush camp. No suggested change to zoning.	Suitable
Emu Point Caravan Park Precinct (Emu Point Holiday Village and Rose Gardens Caravan Park)	Caravan Park	No change in zoning is required (currently Tourist Residential) but it is suggested to incorporate into the wider 'caravan/camping' zone within the City's Community Town Planning Scheme. Suggested introduction of planning controls which restrict the chalets to 20% and permanent occupancy to 10% of total sites. Permanent occupation of sites should be at the extremity, away from beach frontage, and these sites should be aggregated, clearly defined and separated from tourists by physical features.	Prime
Albany Holiday Village	Caravan Park	Potential use is guaranteed by current zoning (Special Use) but include in the wider 'caravan/camping' zone within the City's Community Town Planning Scheme. Suggested introduction of planning controls which restrict the chalets to 20% and permanent occupancy to 30% of total sites.	Suitable
Mt Melville Caravan Park	Caravan Park	Potential use is guaranteed by current zoning (Tourist Residential) but include in the wider 'caravan/camping' zone within the City's Community Town Planning Scheme. Suggested introduction of planning controls which restrict the chalets to 20% and permanent occupancy to 30% of total sites	Suitable
Kalgan / King River Caravan Parks	Caravan Park	Potential use is guaranteed by current zoning (Special Use) but include in the wider 'caravan/camping' zone within the City's Community Town Planning Scheme. Suggested introduction of planning controls which restrict the chalets to 20% and permanent occupancy to 30% of total sites.	Prime

¹⁹⁰⁵

Adapted from information provided in Submission No. 98 from City of Albany, 23 July 2009, p18, pp50-51, pp68-69, pp73-74, pp78-80, pp81-83, pp87-88, pp89-90 and pp91-92.

10.5 Busselton

The Shire of Busselton (the Shire) is located in the south west of Western Australia and incorporates the towns of Busselton, Dunsborough and Yallingup. The Town of Busselton is approximately 220 kms south of Perth.

(a) Caravan Parks in Busselton

The Shire's May 2007 *Local Tourism Planning Strategy – Demand Analysis* found that there were 18 tourist/caravan parks in the Shire – 12 in Busselton, 3 in Dunsborough and 3 in Yallingup.¹⁹⁰⁶ By the time Tourism WA had completed its pre-feasibility studies published in 2008, the number of caravan parks in the Busselton area had fallen to 11. As the Shire advised, there have been many parks lost to the area, 15 or 16 in total, with 5 or 6 of those being more recent closures.¹⁹⁰⁷ Adding to this obvious pressure on supply is the fact that no new caravan parks are being developed in the Busselton area.¹⁹⁰⁸ At the time the pre-feasibility study was undertaken, one of the 11 caravan parks, Amblin Caravan Park, was for sale and a further two parks had limited or no short-stay caravan sites.¹⁹⁰⁹ However, the Committee was informed that the decision to sell Amblin Caravan Park has been reversed and it continues to operate.¹⁹¹⁰ The existing parks in Busselton area offer 814 powered or ensuite sites for caravanners and approximately 170 onsite rooms, cabins or chalets for travellers and holidaymakers.¹⁹¹¹

(b) Pressures on Supply

Caravan parks in the Shire face many of the pressures generally felt by operators in the industry. Given the location of the Shire in the south west, caravan parks are particularly susceptible to those related to the seasonality of demand. According to Tourism WA, seasonality is a bigger issue in the south west than in the northern areas of the state.¹⁹¹² Busselton has several peak demand periods throughout the year. Friday to Sunday is popular, as are Easter and Christmas holidays, and school holidays that occur for two weeks in July and October.¹⁹¹³

Caravan parks also face competition from other types of accommodation in the region, including the increasing number of higher yielding and resort style tourism accommodation. Caravan parks have turned to cabins and chalets, and to providing ensuite facilities to attract customers. Some

¹⁹⁰⁶ Shire of Busselton, *Local Tourism Planning Strategy Demand Analysis May 2007*, report prepared by Sustainable Development Facilitation, Shire of Busselton, 2007, p17.

¹⁹⁰⁷ Shire of Busselton, *Committee Briefing*, 20 July 2009.

¹⁹⁰⁸ *ibid.*

¹⁹⁰⁹ Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p18.

¹⁹¹⁰ Amblin Caravan Park, Telephone Conversation, 24 September 2009.

¹⁹¹¹ Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p18.

¹⁹¹² Tourism Western Australia, Australia's South West, *Committee Briefing*, 20 July 2009.

¹⁹¹³ *ibid.*

such as Beachlands Caravan Park have installed modern facilities including plasma televisions, dishwashers, internet kiosks, games rooms, water parks and jumping pillows.¹⁹¹⁴ Busselton has attracted considerable investment in new 4-5 star establishments that provide higher tariffs and yields. According to a 2007 report, the average room rate for Busselton rose from \$95 in 1998 to \$136 in 2004.¹⁹¹⁵

(i) Holiday Home Rentals

A further concern to the industry is competition generated by holiday homes in the form of either private home rentals or the conversion of caravan parks into strata title.¹⁹¹⁶ The Shire's 2007 *Local Tourism Planning Strategy* notes that the holiday rental sector has been established in the south west for a considerable time and that it 'has become an increasingly sophisticated part of the short stay accommodation sector'.¹⁹¹⁷ Holiday rentals have evolved from the traditional beachside shacks through to, in some cases, quite high quality houses, with rentals exceeding \$4,000 per week in peak times.¹⁹¹⁸

The Busselton accommodation audit found that while the Australian Bureau of Statistics (ABS) put the tourism accommodation occupancy rate at 42.3%, formal operators estimated an overall occupancy rate of 26.3%. Tourism WA suggests that the difference 'is primarily due to the number of visitors who come to stay in the Shire, yet stay overnight with friends and relatives, or in the, as yet, unknown proportion of private holiday homes'.¹⁹¹⁹ Tourism WA suggests that 30% to 40% of the beds in the Shire are in holiday homes.¹⁹²⁰

The Shire acknowledges that there is little accurate data on the holiday rental sector, but provides the following estimates:

- the 3,400 non-resident ratepayers in the Shire represent 24% of the 10,600 total private dwellings

¹⁹¹⁴ ibid.; Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p18.

¹⁹¹⁵ Tourism Western Australia and the City of Bunbury, *Bunbury Accommodation Study*, September 2007, report prepared by Marke Trade, p14. Available at: <http://www.tourism.wa.gov.au/Publications%20Library/Polices%20Plans%20and%20Strategies/Bunbury%20Accomm%20Study%20Final%20Report.pdf>. Accessed on 24 September 2009.

¹⁹¹⁶ Tourism Western Australia, Australia's South West, *Committee Briefing*, 20 July 2009; South West Development Commission, *Committee Briefing*, 20 July 2009.

¹⁹¹⁷ Shire of Busselton, *Local Tourism Planning Strategy Demand Analysis May 2007*, report prepared by Sustainable Development Facilitation, Shire of Busselton, 2007, pp17-18.

¹⁹¹⁸ ibid.

¹⁹¹⁹ Shire of Busselton, *Accommodation Audit Report for the Shire of Busselton Local Tourism Planning Strategy*, March 2007, report prepared by Sustainable Development Facilitation, Shire of Busselton, 2007, p3.

¹⁹²⁰ Tourism Western Australia, Australia's South West, *Committee Briefing*, 20 July 2009.

- 600 of these are managed by property managers; others are directly managed by owners
- most of the holiday rentals are in the Dunsborough, Yallingup and Eagle Bay areas
- Busselton Visitor Centre has 40 private houses registered with them for short-stay tourism rental
- 305 properties are available through property management organisations in the Shire¹⁹²¹

Furthermore, the South West Development Commission advised that following the considerable volume of speculation in the holiday home market, there are currently a large number of holiday homes unoccupied at this time.¹⁹²²

(c) Future Supply of Caravan Parks

As noted above, the decreasing supply of caravan parks through their closure for redevelopment is compounded by the fact that there are no new parks being developed. As a result of recent closures the Shire agreed to ‘investigate the feasibility of an eco/caravan park’ and identified two potential sites, one at Bunker Bay, the other at Locke Estate.¹⁹²³ However, after Bunker Bay was determined to be an unsuitable caravan park site, a site at Ludlow was put forward as an alternative. Thus Busselton’s pre-feasibility study centred on options for the development of a caravan park at either Locke Estate or Ludlow.

(i) Locke Estate

The Locke Estate is Reserve No. 22674 and is currently comprised of 37.5 hectares of Crown land located along Geographe Bay, approximately 10 kms from Busselton.¹⁹²⁴ In the 1940s it was recognised that this area of land was in demand from campers, and Reserve 22674 was created for ‘Camping and Recreation’, with the vesting order held by the Shire.¹⁹²⁵ Between 1954 and 1978 the Shire issued leases to approximately 17 religious and community organisations and these were approved by the Minister for Lands.¹⁹²⁶ Following a 1985 request from the Shire, in 1986 the Department of Lands amended the purpose of the class A Reserve to ‘Recreational Camp Sites and Group Holiday Accommodation’, with a new vesting order issued to the Shire in March 1987

¹⁹²¹ Shire of Busselton, *Local Tourism Planning Strategy Demand Analysis May 2007*, report prepared by Sustainable Development Facilitation, Shire of Busselton, 2007, pp17-18.

¹⁹²² Tourism Western Australia, Australia’s South West, *Committee Briefing*, 20 July 2009; South West Development Commission, *Committee Briefing*, 20 July 2009.

¹⁹²³ Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p18.

¹⁹²⁴ Shire of Busselton, *Community and Stakeholder Consultation into the Future Use of the Lock Estate, Reference 26615, Report for Public Comment*, report prepared by Connell Wagner, nd, p1. Reserve No. 22674 was reduced from 53.2465 hectares to 37.57 hectares in 2002 on approval by the Minister for Lands.

¹⁹²⁵ Shire of Busselton, *Community and Stakeholder Consultation into the Future Use of the Lock Estate, Reference 26615, Report for Public Comment*, report prepared by Connell Wagner, nd, p13.

¹⁹²⁶ *ibid.*

‘granting power to lease for any term not exceeding 21 years’.¹⁹²⁷ The change was intended to ‘more correctly reflect [...] that the Locke Estate’s] current uses range from camping, caravan parking, self-contained chalets and units, dormitory accommodation, meeting halls to community kitchens’.¹⁹²⁸ In December 1990 the Shire issued 17 new uniform lease agreements which are due to terminate at 1 December 2011.¹⁹²⁹ Section 4.02 of the Standard Deed of Lease allows up to 20 caravans on the leased site at any one time provided that the Shire has granted a licence for that purpose.¹⁹³⁰ In briefing the Committee, the Shire advised that three or four of the 16 current lessees were considering not renewing their leases.¹⁹³¹

The Shire’s pre-feasibility study for a caravan park in the Locke Estate developed three development concepts, one of which was recommended by the study as the ‘best feasibility for the development of a caravan park in the Busselton region’.¹⁹³² Tourism WA sees the Locke Estate as a good example of a quality caravan park site, particularly as its beachfront location would makes it ‘conducive to a great holiday’.¹⁹³³ Ms Jennifer Duffecy advised that Tourism WA has been trying ‘to encourage the use of Locke Estate [...] for potential caravan park use [...] because it is a fantastic location: it is a north-facing site and it is on the beach side of the road et cetera’.¹⁹³⁴

However, recent media reports suggest the Busselton Shire Council has resolved not to include the development of a public caravan park/camping ground in the final development concept for the Locke Estate.¹⁹³⁵ The Shire confirmed that on the 23 September 2009 the Council resolved to continue the management of the Locke Estate in much the same way as it has been. However, there will be some refinement in the management strategy, the lease agreement and environmental management.¹⁹³⁶

(ii) Ludlow Forest

During its investigative travel in the south west, the Committee was advised by both the South West Development Commission and the Shire that consideration was being given to the development of caravanning and camping facilities at a site near the old State forest area at Ludlow. In briefing the Committee on 20 July 2009, the Shire advised that a study recommending

¹⁹²⁷ *ibid.*, p15.

¹⁹²⁸ *ibid.*, p14.

¹⁹²⁹ *ibid.*, p15.

¹⁹³⁰ *ibid.*, p16.

¹⁹³¹ Shire of Busselton, *Committee Briefing*, 20 July 2009.

¹⁹³² Submission No. 60 from Tourism Western Australia, Attachment 4, Closed Evidence, 8 May 2009, p30.

¹⁹³³ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p3.

¹⁹³⁴ *ibid.*

¹⁹³⁵ Mr Rob Bennett, “‘Holy Mile’ to Stay Whole”, *Busselton-Dunsborough Mail*, 9 September 2009, p1.

¹⁹³⁶ Shire of Busselton, Telephone Conversation, 24 September 2009.

a development at Ludlow Forest would be presented to Council in August 2009. The recommendation was for a development in three stages:

- Stage 1: Low-cost camping
- Stage 2: Caravan sites
- Stage 3: Conference and dormitory style camping¹⁹³⁷

The Committee understands that the Council has decided not to proceed with development at this site.

Finding 144

Retaining the supply of caravan parks in the Busselton area is essential to the provision of low-cost holidays that have been a significant feature of the Western Australian lifestyle.

If Busselton is to retain its place as a family tourism destination with a diversity of cost and type of facility it must plan for new caravan parks, preferably within close proximity of the beachfront, to compensate for the dramatic loss of existing sites.

The Locke Estate represents a prime example of land the government could consider for future caravan and camping facilities while accommodating current users.

¹⁹³⁷ Shire of Busselton, *Committee Briefing*, 20 July 2009.

10.6 Coral Bay

Coral Bay, situated along the Ningaloo Coast of Western Australia, is an extremely popular tourism destination for caravanning and camping holidays. The Committee visited Coral Bay as part of its investigative travel, and viewed two of three caravan parks in the Coral Bay settlement. In the absence of any other worker accommodation in the settlement, all three caravan parks are used to house workers. The two caravan parks visited by the Committee, Bayview Coral Bay Holiday Park (Bayview Coral Bay) and Peoples Park Caravan Village (Peoples Park) comprise a significant part of the township. The third caravan park is located at the Ningaloo Resort.

Peak time for tourism in Coral Bay is during the winter months, although more international guests visit during the summer.¹⁹³⁸ The owner of Bayview Coral Bay, Mr Alistair Brogan, advised the Committee that chalets generally have 100% occupancy with a lead booking time of 16 months, whereas caravan and camp sites are not usually filled to capacity. Mr Brogan indicated that May 2009 had been unusually busy after a very quiet February.¹⁹³⁹

The Peoples Park also advised that greatest demand is for self-contained onsite accommodation, which yields higher income than the other accommodation options. However, the operators of this park advised that they maintain the caravan and camping sites for the ambience and authenticity of the traditional caravan park experience. This park was in the process of building more on-site accommodation due to the large demand.¹⁹⁴⁰

Two major issues facing the Coral Bay settlement which impact directly upon the caravan parks were brought to the attention of the Committee. These are:

- water supply, which is the most expensive anywhere in the state, provided by the Birdrong Aquifer via deep artesian bores
- isolation and security, there being no resident police presence, which means that caravan parks owners must hire security guards and police local disturbances¹⁹⁴¹

As will be illustrated below, Coral Bay is an example of a popular tourist destination for which considerable effort and resources have been expended to ensure structured development appropriate for the area. The Committee recognises that there are ongoing difficulties in the implementation of the planning vision for Coral Bay. However, importantly for this Inquiry, it is clear that there are attempts being made to ensure the continued supply of affordable holiday options such as caravanning and camping in Coral Bay.

¹⁹³⁸ Mr Alistair Brogan, Park Owner, Bayview Coral Bay Holiday Park, *Committee Briefing*, 2 June 2009.

¹⁹³⁹ *ibid.*

¹⁹⁴⁰ Messrs Norm and Geoff Monck, Peoples Park Caravan Village, *Committee Briefing*, 2 June 2009.

¹⁹⁴¹ Mr Alistair Brogan, Park Owner, Bayview Coral Bay Holiday Park, *Committee Briefing*, 2 June 2009.

(a) Planning for Coral Bay

Over time Coral Bay has ‘developed as a tourism settlement in a relatively ad hoc manner’.¹⁹⁴² This has meant that the settlement ‘is under increasing environmental pressure from tourist visitation’.¹⁹⁴³ It was the view of the Ningaloo Coast Sustainable Development Office in 2004 that ‘good planning, strong development controls and improved infrastructure is required if Coral Bay is to continue to be an attractive destination for tourists seeking to experience the Ningaloo Reef in a remote holiday atmosphere’.¹⁹⁴⁴ As a result, the *Ningaloo Coast Regional Strategy Carnarvon to Exmouth* (the Ningaloo Coast Regional Strategy) enacted the following planning and development controls in Coral Bay:

- ‘a moratorium on development ... until appropriate public sewerage, water and power infrastructure has been provided’ and also ‘until an inventory of existing accommodation within Coral Bay has been completed and bed numbers comply with approved limits’
- ‘accommodation in Coral Bay be capped to cater for the ordinary peak of 4500 people’ comprised of ‘3600 overnight visitors, 400 workers (including partners and dependants) and 500 day visitors’
- ‘development and redevelopment within Coral Bay shall be controlled and staged in an orderly manner’¹⁹⁴⁵

The Strategy built upon previous planning policies and strategies for Coral Bay. These had all recognised the impact of visitors and residents upon the fragile ecosystem and also the lack of infrastructure to support both tourism and residential growth. In summary these are:

- in 1973 the Shire of Carnarvon ‘opposed residential land release in Coral Bay due to the absence of a town water supply’
- in 1992 the *Coral Bay Structure Plan* recognised that ‘the very environment that attracts visitors was at risk of deterioration through over use’
- in 1996 the *Coral Bay Taskforce – Report on Infrastructure Requirements for Coral Bay* ‘recommended a low scale of infrastructure for Coral Bay to service a small tourism settlement’

¹⁹⁴² Western Australian Planning Commission, *Ningaloo Coast Regional Strategy Carnarvon to Exmouth*, August 2004, pxi. Available at: <http://www.planning.wa.gov.au/Publications/277.aspx>. Accessed on 23 September 2009.

¹⁹⁴³ *ibid.*

¹⁹⁴⁴ *ibid.*

¹⁹⁴⁵ *ibid.*

- in 1998 ‘the Shire of Carnarvon amended its town planning scheme ... to prevent any further development in Coral Bay’ until certain infrastructure targets were met (i.e. a public water supply and effluent disposal facility)
- in 1998 the *Coral Bay Settlement Plan* was released which envisaged an ‘ultimate size’ for Coral Bay¹⁹⁴⁶

The *Coral Bay Settlement Plan* is intended to ‘guide land use and infrastructure co-ordination for the next 30 years’.¹⁹⁴⁷ Amongst the amendments to the plan enacted by the Ningaloo Coast Regional Strategy is one that provides for the retention of ‘a minimum of 50 per cent of tourist accommodation at Coral Bay for camping and caravanning’.¹⁹⁴⁸ At present, ‘70 per cent of accommodation offered at Coral Bay is for caravanning/camping’.¹⁹⁴⁹ The continuation of the provision of affordable tourism in Coral Bay and surrounds is seen as a significant public concern.¹⁹⁵⁰ However, Mr David Nunn from the DoP suggested that this may become difficult to sustain as Coral Bay ‘is a highly desirable location and eventually it will be market attractive not to have campers and caravanners there’.¹⁹⁵¹ Mr Nunn believes that locking in this use is a ‘slightly unusual approach’, but acknowledges that it was enacted to preserve the caravanning and camping experience in Coral Bay.¹⁹⁵²

(b) Worker Accommodation

Due to the moratorium on development, workers are currently being accommodated in the caravan parks in Coral Bay. On its visit to Coral Bay the Committee viewed the worker accommodation which is part of Bayview Coral Bay. The Committee was concerned about what it perceived to be health, safety and compliance issues within this section of the park. Due to those concerns, the Committee contacted the Shire of Carnarvon to inquire as to whether annual compliance audits were being carried out under the *Caravan Park and Camping Ground Act 1995 (WA)* (CPCG Act). The Shire advises that the worker accommodation site ‘does not fall within the jurisdiction’ of the CPCG Act, in spite of the fact that compliance with this Act had been a condition of the development approval.¹⁹⁵³ The worker accommodation site is situated on part of Lot 43 (owned freehold) which sits within a larger parcel of land comprised of three lots that appears to constitute Bayview Coral Bay.¹⁹⁵⁴ The other two lots comprising this parcel are Lot 52, leased from the Shire

¹⁹⁴⁶ *ibid.*, pp152-53.

¹⁹⁴⁷ *ibid.*

¹⁹⁴⁸ *ibid.*, p154.

¹⁹⁴⁹ *ibid.*, p162.

¹⁹⁵⁰ *ibid.*

¹⁹⁵¹ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p4.

¹⁹⁵² *ibid.*

¹⁹⁵³ Submission No. 104 from Shire of Carnarvon, 28 August 2009, p2.

¹⁹⁵⁴ The Shire of Carnarvon refers to the worker accommodation sites as being ‘within the park’ on more than one occasion. For example, see Submission No. 105 from Shire of Carnarvon, 4 September 2009, p1.

for the special purpose of a caravan park, and Lot 42 which, like Lot 43, is owned freehold and contains a mix of long- and short-stay accommodation.¹⁹⁵⁵ However, worker accommodation is not included in the annual licence for the caravan park, and is physically separate from the rest of the park.¹⁹⁵⁶ The long-stay sites on Lot 43 were originally approved for Lot 52, but were relocated to Lot 43 as ‘this would result in greater amenity and privacy for workers by separating them from the tourists residing in the caravan park’.¹⁹⁵⁷

However, while the worker accommodation area in Bayview Coral Bay is not licensed, the Shire of Carnarvon advises that health and safety compliance inspections are regularly carried out within this area with the full co-operation of the caravan park operator. This is also the practice for worker accommodation areas in the other caravan parks in Coral Bay, which similarly do not have these areas included in their licences.¹⁹⁵⁸

With regard to Bayview Coral Bay and the worker accommodation section of this park, currently there is only one outstanding item of compliance, that being some illegal building structures. The Shire advises that this issue is a ‘work in progress’ and that ‘significant progress has been made to addressing the matter’.¹⁹⁵⁹

The Minister for Lands has recently advised the Committee that an agreement has been reached between the State and the Baiyungu Aboriginal Corporation (BAC) which ‘provides for the provision of land tenures and the development of those tenures for workers accommodation and eco tourism’.¹⁹⁶⁰ The BAC ‘has the responsibility for the delivery of workers’ accommodation in Coral Bay as part of a bigger native title settlement’.¹⁹⁶¹ It is ‘expected that development will be able to commence in the near future on a number of major developments that will assist Coral Bay in becoming a significant tourist destination’.¹⁹⁶²

The workers village will be leasehold rather than freehold. The Committee was advised that the aim of this is to prevent investors buying up large numbers of titles which would limit the supply of worker accommodation and cause the town to grow beyond a sustainable level.¹⁹⁶³ Residential growth is not encouraged in Coral Bay, in line with the Ningaloo Coast Regional Strategy’s aim to

¹⁹⁵⁵ Submission No. 105 from Shire of Carnarvon, 4 September 2009, pp1-3.

¹⁹⁵⁶ *ibid.*, p1.

¹⁹⁵⁷ Submission No. 104 from Shire of Carnarvon, 28 August 2009, p1.

¹⁹⁵⁸ Submission No. 105 from Shire of Carnarvon, 4 September 2009, p1.

¹⁹⁵⁹ *ibid.*, p3 and p10.

¹⁹⁶⁰ Hon. Brendan Grylls, MLA, Minister for Lands, Letter, 21 September 2009.

¹⁹⁶¹ Mr David Nunn, Director, Department of Planning, *Transcript of Evidence*, 27 July 2009, p8.

¹⁹⁶² Hon. Brendan Grylls, MLA, Minister for Lands, Letter, 21 September 2009.

¹⁹⁶³ Mr Noel Bridge, First Acuity Management Enterprises, *Committee Briefing*, 2 June 2009.

prevent its rapid growth which is not sustainable due to 'environmental and infrastructure constraints'.¹⁹⁶⁴ Freehold residential land release would be counterproductive to this aim.

It is envisaged that when the proposed worker accommodation complex is built in Coral Bay the current worker accommodation in the caravan parks will be relocated and the caravan parks will be able to return to providing caravan and camp sites for tourism purposes.¹⁹⁶⁵

Finding 145

Coral Bay is a place of state significance, particularly for caravanning, camping and tourism, and experiences full-capacity for most of the year. This illustrates the need for, and difficulties involved in, planning for the long-term requirements for affordable tourism accommodation.

However, the Committee has concerns that Coral Bay will come under pressure for the development of higher yield tourism use, and supports the *Ningaloo Coast Regional Strategy* decision to maintain a minimum level of caravanning and camping accommodation.

Coral Bay has significant lessons for other developments along the Ningaloo coast, both in what needs to be done and what needs to be avoided.

The Committee believes the current arrangements for worker accommodation in Coral Bay are unsatisfactory.

¹⁹⁶⁴ Western Australian Planning Commission, *Ningaloo Coast Regional Strategy Carnarvon to Exmouth*, August 2004, pp159-160. Available at: <http://www.planning.wa.gov.au/Publications/277.aspx>. Accessed on 23 September 2009.

¹⁹⁶⁵ Submission No. 105 from Shire of Carnarvon, 4 September 2009, p10.

CHAPTER 11 TIME TO ACT

11.1 Caravan Parks and Camping Grounds - Off the Radar?

The introduction to this report, at Section 1.3(f), noted that concern in relation to the availability of caravan parks and camping grounds in this state has been expressed by industry bodies, caravan park owner/operators and government agencies. It was also noted that members of parliament have been voicing concern for some considerable time about the need to preserve caravan parks as a provider of affordable holidays for Australian families. The risk of closure of caravan parks for redevelopment is clearly not a recent phenomenon.

Furthermore, in September 2002 the Tourism Planning Taskforce (the Taskforce), a Ministerial Taskforce, was established 'to examine issues surrounding the trends of introducing residential components to tourism developments on tourism zoned land and the strata titling of tourism developments'.¹⁹⁶⁶ The *Tourism Planning Taskforce Report* was published in 2006; however, and as the Western Australian Local Government Association (WALGA) states, 'unfortunately, the vast majority of recommendations made by the Taskforce and supported by Local Government have not been implemented, or even begun by State Government Agencies'.¹⁹⁶⁷ In 2007 Tourism Western Australia (Tourism WA) published *Understanding the Caravan Park Industry in WA*, a report on a project with the broad objective of 'identify[ing] and measure[ing] the key factors that are likely to affect demand and supply of caravan park accommodation both now and in the future'.¹⁹⁶⁸ Tourism WA has also developed its Landbank initiative to assist in the development of tourism sites. However, the success of this in relation to the development of new caravan parks seems to be limited.

As noted elsewhere in this report, in line with the requirements of the *Caravan Parks and Camping Grounds Act 1995 (WA)* (CPCG Act),¹⁹⁶⁹ a review of the Act has been in train since 2005. A discussion paper was released, submissions received and drafting instructions were prepared and approved by Cabinet in 2007, which was nearly two years after submissions closed. The Department of Local Government advised that more pressing legislative priorities of the previous Minister meant a draft Bill reflecting the amendments arising from the review of the CPCG Act and Regulations was not developed.¹⁹⁷⁰ As Chapter 9.3 also notes, these amendments are once again with Parliamentary Counsel. As at October 2009, it is four years since submissions for the review closed – and the Act and Regulations remain unamended.

¹⁹⁶⁶ Department for Planning and Infrastructure, *Tourism Planning Taskforce Report*, Government of Western Australia, Perth, January 2006, pv.

¹⁹⁶⁷ Submission No. 58 from Western Australian Local Government Association, 6 May 2009, p1.

¹⁹⁶⁸ Tourism Western Australia and Tourism Research Australia, *Understanding the Caravan Park Industry in WA*, Tourism Western Australia, Perth, 2007, p1.

¹⁹⁶⁹ Section 32 *Caravan Parks and Camping Grounds Act 1995 (WA)*.

¹⁹⁷⁰ Submission No. 92 from Department of Local Government, 10 July 2009, p1.

The Committee is concerned that the recommendations of the *Tourism Planning Taskforce Report* have not been implemented and that the legislative review has stagnated. When combined with issues noted throughout the report in relation to planning and development for new parks, and the issues currently being faced by the industry, it is very clear that government generally does not accord the provision of caravan parks and camping grounds a high enough priority.

It is also clear that government agencies often operate as discrete entities rather than working together to develop a comprehensive strategy to tackle the issues associated with ensuring the supply of caravan parks and camping grounds meets current and future demands. Given the role that these sites play in the lives of Western Australians and interstate visitors, and their importance to the tourism industry generally, this situation needs to be remedied. It is imperative that government agencies work together to address the current situation and to ensure adequate future provision of caravan parks and camping grounds.

For a number of years parliamentarians and successive governments have recognised the problems associated with the caravan park and camping ground industry. In fact, previous government and industry reports have raised many of the issues identified by this Committee. However, governments have either been unwilling or unable to give the matters the priority they require. It is now time to act.

There are numerous government agencies that have carriage over this area. However, none of them have taken on the role of champion for this industry. Therefore, the Committee recommends Tourism WA be designated, and act, as the champion for this sector. Tourism WA should target caravanning and camping as part of its strategic priorities, with a budget allocation to carry this out.

Finding 146

Governments have been unable or unwilling to give the caravan and camping industry the priority it warrants.

Recommendation 52

Tourism Western Australia target caravanning and camping as part of its strategic priorities, with a budget allocation to carry this out.

11.2 Marketing Caravanning and Camping

During this Inquiry the Committee heard criticism of the performance of Tourism Western Australia (Tourism WA) in relation to its promotion of the state generally, and the promotion of

caravan parks and camping grounds as tourism accommodation, in particular. Such was the criticism that the Committee formed the impression that operators felt Tourism WA was promoting high-yield, high-end product and that caravan parks were not on the agency's marketing agenda.

For example, the City of Albany advised that the Great Southern was simply tagged onto the end of the marketing for the South West region. As a result, the City of Albany has taken over its visitors centre and does its own marketing, with events such as the Albany Classic, Vintage Blues Festival, and Wine and Food Expo aimed at extending the tourist season.¹⁹⁷¹ The Great Southern Development Commission believes that Tourism WA is not doing enough to develop holiday packages in the region and that the high cost of airfares deters tourism in the area.¹⁹⁷²

The CMCA submits that 'Tourism WA has helped support iconic tourism like Wave Rock, Broome, and so on, but has done little to ensure the real WA sales network of little visitor centres is supported, promoted and trained for tourism'.¹⁹⁷³ A caravan park operator suggests that 'caravan parks are slowly coming on their [Tourism WA's] screen'.¹⁹⁷⁴ For this operator, Tourism WA's focus is too narrow:

*caravan parks are all about regional tourism. Tourism in WA is all about Perth, Broome and Margaret River, and that is where it starts and stops. The marketing dollars are not going in the right spot or spread out enough, and not enough is being spent on regional tourism.*¹⁹⁷⁵

Tourism WA is responsible for 'promoting Western Australia as an attractive holiday, event, convention and incentive travel destination, nationally and overseas and enhancing the tourism industry, infrastructure and product base'.¹⁹⁷⁶ At hearing, Tourism WA advised that it has three outputs in relation to Western Australian tourism:

- destination marketing, that is, marketing Western Australia
- building the tourism industry base
- building and nurturing events through EventsCorp¹⁹⁷⁷

¹⁹⁷¹ City of Albany, *Committee Briefing*, 22 July 2009.

¹⁹⁷² Great Southern Development Commission, *Committee Briefing*, 22 July 2009.

¹⁹⁷³ Submission No. 27 from Campervan and Motorhome Club of Australia Ltd, 28 April 2009, p10.

¹⁹⁷⁴ Closed Evidence, *Transcript of Evidence*, 28 July 2009, p7.

¹⁹⁷⁵ *ibid.*

¹⁹⁷⁶ Tourism Western Australia, 'Welcome', nd. Available at: http://www.tourism.wa.gov.au/Pages/welcome_to_tourism_western_australia.aspx/. Accessed on 22 September 2009.

¹⁹⁷⁷ Mr Richard Muirhead, Chief Executive Officer, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p2.

Tourism WA acknowledges that the caravan park industry provides ‘a fundamental part of tourism infrastructure’.¹⁹⁷⁸ The agency considers affordable holidays to be ‘crucial to the future of tourism’.¹⁹⁷⁹ Furthermore, the agency suggests that ‘a lot of the tourism industry is a very marginal industry’.¹⁹⁸⁰ While the business case for caravan parks may not seem strong, and industry participants may not be ‘charging enough for access to all our tourism product – hotels, motels or caravan parks’, Mr Richard Muirhead, Chief Executive Officer, Tourism WA, suggests that ‘if we want to continue to have our own people holiday here rather than lose their expenditure to other destinations’, and if we want to attract interstate and international visitors, then Western Australia needs to have caravan parks as part of the accommodation mix.¹⁹⁸¹

Ms Jennifer Duffecy, Executive Director, Tourism WA advised the Committee that from a strategic perspective, the agency has three areas of intervention focus in relation to caravan parks:

- ‘access to land’
- ‘getting the planning system right’
- policy development, via making submissions about land tax and water rebates.¹⁹⁸²

In addition to these caravan-park related strategic initiatives, Tourism WA advised that the agency undertakes further activities ‘with the entire tourism industry’, which would also impact upon the caravan park industry, including ‘dealing with workforce issues, raising the quality, getting customer service right and making sure that every tourism operator has got an online distribution system so that they can get their product to market better’.¹⁹⁸³

In response to criticism that Tourism WA focuses too much on the higher yielding end of the tourism accommodation market, Mr Muirhead advised that it was ‘the two ends – almost two extremes’¹⁹⁸⁴ that needed government attention, not the middle range of tourism operations. Mr Muirhead explained that ‘the issue is that the industry does not generate enough revenue to compete with other industries like the mining industry, which is a tough gig’.¹⁹⁸⁵ Furthermore, Mr Muirhead advised that he did not think that Tourism WA:

¹⁹⁷⁸ *ibid.*, p7.

¹⁹⁷⁹ *ibid.*, p13.

¹⁹⁸⁰ *ibid.*, p12.

¹⁹⁸¹ *ibid.*, p7.

¹⁹⁸² Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p7.

¹⁹⁸³ *ibid.*

¹⁹⁸⁴ Mr Richard Muirhead, Chief Executive Officer, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p11.

¹⁹⁸⁵ *ibid.*

*will ever apologise for encouraging tourism operators to drive for profitability in everything they do because if we do not, frankly, we do not have an industry. There are many marginal operations in this state. There is a mix between high yield and caravan parks, if you take a microcosm of this.*¹⁹⁸⁶

Using El Questro as an example, Tourism WA argued that such high-yield facilities can provide a range of experiences and a range of price options from \$1,200 to \$30 per night. While El Questro only markets the homestead, its camp sites are at ‘pretty well full occupancy through the season’.¹⁹⁸⁷ It is apparent that Tourism WA sees El Questro as representative of possibilities available in Western Australian tourism as it is a:

*product that has a range of different levels of accommodation, and it is profitable, but it is at the high end and the low end. We see WA as a big version of that. That is why we push at the high end, and we know that international growth will come from that. We cannot compete internationally unless we have a competitive edge. That is what we are pushing for at the very high end, primarily based on international and interstate markets and for growth out of those markets.*¹⁹⁸⁸

Nevertheless, while acknowledging that the caravan industry is ‘critical to maintaining a strong tourism industry’,¹⁹⁸⁹ it is apparent to the Committee that Tourism WA is not pro-active in the promotion of caravanning and camping holidays in Western Australia. As Mr Muirhead explained, ‘in terms of going out and doing advertising and promotion and marketing to people, it is something that I had not really thought about’.¹⁹⁹⁰

At hearing, Tourism WA advised that the agency had made ‘a huge investment’ in placing maps and itineraries onto the website westernaustralia.com.au and that this would allow people to plan their caravanning holiday itinerary.¹⁹⁹¹ There is also work being undertaken on itinerary development that will provide people with ‘predetermined driving itineraries’.¹⁹⁹² Agreeing that people who had invested large sums in vehicles and equipment would, in fact, want to take a road-holiday in Australia, Tourism WA suggested that what these travellers need ‘is the information so that they will go for longer, go to the right places and spend their money when they get there’.¹⁹⁹³ Furthermore, while agreeing that visitor centres ‘have a really important role’, particularly as

¹⁹⁸⁶ *ibid.*

¹⁹⁸⁷ *ibid.*, p12.

¹⁹⁸⁸ *ibid.*, pp12-13.

¹⁹⁸⁹ *ibid.*, p13.

¹⁹⁹⁰ *ibid.*, p16.

¹⁹⁹¹ *ibid.*, p16.

¹⁹⁹² *ibid.*, p16.

¹⁹⁹³ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p16.

people who visit them are ‘making decisions on the ground’, Tourism WA suggests the centres do not fulfil a marketing function.¹⁹⁹⁴

Tourism WA acknowledged that it does not have a specific budget allocation for the promotion of caravan and camping tourism in Western Australia.¹⁹⁹⁵ Mr Muirhead confirmed that the agency’s ‘marketing tends to be around the brand of destination’.¹⁹⁹⁶ Furthermore, while Tourism WA does ‘undertake joint campaigns with some operators’ and has ‘done some work with Big4 Holiday Parks’, it had not been engaged in any joint marketing projects with motorhome companies.¹⁹⁹⁷ Ms Duffecy advised that:

*the responsibility for intrastate tourism is heavily focussed on our five regional tourism organisations. They do a lot of cooperative work because it is their focus, particularly Western Australia’s coral coast, which has done cooperative work with Britz.*¹⁹⁹⁸

Tourism WA further advised the Committee that their website advertised attractions at particular destinations and that this would cover both high-value and low-cost tourism options. For example, as Ms Duffecy stated:

*if you look for Broome, it will tell you about Cable Beach and the things that you can do. It will have caravan parks on the site as well as Cable Beach Club, Eco Beach retreat and the new Pinctada. It will have the product in there. We [Tourism WA] are promoting the destination and the attractions.*¹⁹⁹⁹

A visit to Tourism WA’s website certainly revealed information on travelling to Western Australia via the state’s highways.²⁰⁰⁰ It also provides information on driving holidays in Western Australia, pointing out that driving is ‘one of the best ways to experience the wide open spaces and unique landscapes of Western Australia’.²⁰⁰¹ This site also advises that ‘rental cars and motorhomes are readily available’.²⁰⁰² However, no mention of the possibility of caravanning holidays could be found. It seems that these are simply implicit in the notion of driving holidays. The Committee is of the view that if Tourism WA seriously believes that caravanning and camping holidays are

¹⁹⁹⁴ *ibid.*

¹⁹⁹⁵ Mr Richard Muirhead, Chief Executive Officer, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p4.

¹⁹⁹⁶ *ibid.*

¹⁹⁹⁷ *ibid.*, pp4-5.

¹⁹⁹⁸ Ms Jennifer Duffecy, Executive Director, Tourism Western Australia, *Transcript of Evidence*, 28 July 2009, p5.

¹⁹⁹⁹ *ibid.*, p12.

²⁰⁰⁰ Tourism Western Australia, ‘Travel Information’, nd. Available at: http://www.westernaustralia.com/au/Travel_Info/Travel_to_WA/Pages/Travel_to_WA.aspx#drive. Accessed 22 September 2009.

²⁰⁰¹ Tourism Western Australia, ‘Driving Holidays’, nd. Available at: http://www.westernaustralia.com/au/Travel_Info/Travel_Around_WA/Pages/Travel_Around_WA.aspx#drive. Accessed on 22 September 2009.

²⁰⁰² *ibid.*

important to Western Australia's tourism, it needs to be much more active in the promotion of such holidays.

Finding 147

Tourism Western Australia does not place sufficient priority on caravanning and camping holidays in Western Australia.

Recommendation 53

Tourism Western Australia becomes much more active in the development and promotion of caravanning and camping in the state.

The Committee heard a lot of evidence that caravanners now use the internet, including mobile internet and laptops enroute, to find information regarding accommodation and attractions. There is no site for Western Australia that provides all the information that these travellers require.

There is a need for Tourism WA to develop a dedicated 'caravanning and camping' pathway on their website. This comprehensive pathway would link all the information relevant to caravanning and camping in the state, including from other agencies (such as Main Roads WA and DEC), commercial operators and relevant service providers. This would provide a one-stop shop for those interested in a caravanning and camping experience in Western Australia.

Finding 148

There is no online 'one-stop shop' for those interested in a caravanning and camping experience in Western Australia.

Recommendation 54

Tourism WA develop a dedicated 'caravanning and camping' pathway on their website incorporating data from other agencies and sources.

11.3 Providing RV Friendly Locations

Evidence gathered throughout this Inquiry demonstrates that the caravan park and camping ground industry is evolving and that demand characteristics are changing, particularly with the increasing

popularity of the self-contained vehicle. At the same time there has been a shift in supply away from traditional short-term sites to higher yielding cabins and chalets or to park home parks. This has been largely in response to higher land values and increasing operating costs, which in some cases have led to the closure of caravan parks for redevelopment into resort style tourism accommodation or residential housing.

While there is still some demand for traditional caravan park sites, with the rise of the self-contained vehicle has come increased demand for transit parks and nature-based parks. As demonstrated throughout this report, the Committee was presented with considerable evidence of this increasing demand and the desire of self-contained travellers and holidaymakers to access non-traditional parks. During its investigative travel the Committee also observed the popularity of nature-based parks and camp sites such as those provided along the coast on pastoral leases.

One criticism that was strongly expressed by members of the caravanning and camping community, during committee site visits as well as in formal evidence, was the notion that Western Australia is not welcoming to these types of vehicles, particularly the larger RVs. The apparent non-welcoming nature of Western Australia takes the form of too few rest areas, with inadequate facilities in many of those provided, park sites that are too small to accommodate larger RVs and a lack of facilities such as RV parking areas close to shopping centres and access to potable water and dump points. Such criticism, together with the Committee's responses, is evident throughout this report and is not repeated here.

The Campervan and Motorhome Club of Australia Ltd (CMCA) advised the Committee that it has developed its 'RV Friendly Town' Scheme to provide what it sees as a viable solution to this problem.²⁰⁰³ This scheme has three categories, namely the RV Friendly Town, RV Friendly Location and RV Friendly Destination, each with particular criteria.²⁰⁰⁴ According to the CMCA, 'the principal thing' the organisation likes to ensure in an RV Friendly Town:

*is that medical facilities are available within the town—a doctor, chemist, hospital, first aid post—and that there are means of evacuation, because many RV owners are elderly. They need regular shopping facilities, parking for large vehicles within the shopping complexes, places within the town where they can park and have access to the supermarket like every other citizen, and an area for overnight parking—be it one, two or three night.*²⁰⁰⁵

In addition to these facilities, the CMCA website includes the following in the list of RV Friendly Town criteria:

- a 'service centre for basic vehicle repairs'

²⁰⁰³ Mr Philip Chadd, State Representative, Campervan and Motorhome Club of Australia Ltd, *Transcript of Evidence*, 2 July 2009, p2.

²⁰⁰⁴ Campervan and Motorhome Club of Australia Ltd, 'RV Friendly Town™ Scheme', nd. Available at: http://www.cmca.net.au/pages/motorhoming_information/cmca_schemes/index.php. Accessed on 21 September 2009.

²⁰⁰⁵ Mr Philip Chadd, State Representative, Campervan and Motorhome Club of Australia Ltd, *Transcript of Evidence*, 2 July 2009, p4.

- a Visitor Information Centre that provides a town map showing essential services
- access to potable water and a dump point
- the erection of RV Friendly Town signs within the town²⁰⁰⁶

Furthermore, the access to medical and pharmacy services should be 24-hour access.

The CMCA stated that people would pay a fee for using the overnight parking and that normally that fee is \$5 per vehicle. According to CMCA, ‘all we ask in return is that they have access to water’.²⁰⁰⁷ CMCA works with local government authorities (LGAs) to ‘install a sanitation dump point for the disposal of waste from the vehicles, and some wheelie bins’.²⁰⁰⁸ This organisation suggests that areas such as closed-down railway stations ‘provide an ideal location for fully self-contained vehicles’.²⁰⁰⁹

The Committee acknowledges that there is considerable merit in a scheme such as the RV Friendly Town Scheme and that such towns would be attractive to self-contained travellers. However, the Committee is concerned that while CMCA says that people would pay a fee for the provision of overnight rest areas, the fee that this organisation sees as reasonable is \$5 per vehicle. The Committee is not convinced that this fee would allow operators or providers to recover the costs incurred in providing these facilities, such as land tax, rates and wages.

As noted elsewhere in this report, there is also considerable evidence that self-contained travellers are not prepared to pay what it costs to provide RV friendly services and facilities. During its investigative travel the Committee heard that self-contained travellers, having made a considerable investment in their vehicles, do not want to pay for services and/or believe that the fees charged are too high. There seems to be an expectation that water, waste facilities and other services should be either free or provided at a nominal fee.

Where a town is on deep sewerage it would benefit the town to provide a free dump point facility as a means of attracting the RV user.

The Committee believes that the expectations of many self-contained travellers are not realistic, both in relation to the facilities expected, particularly in some of the more remote locations of the state, and in the fee that is required to cover the costs.

²⁰⁰⁶ Campervan and Motorhome Club of Australia Ltd, ‘RV Friendly Town™ Scheme’, nd. Available at: http://www.cmca.net.au/pages/motorhoming_information/cmca_schemes/index.php. Accessed on 21 September 2009.

²⁰⁰⁷ Mr Philip Chadd, State Representative, Campervan and Motorhome Club of Australia Ltd, *Transcript of Evidence*, 2 July 2009, p4.

²⁰⁰⁸ *ibid.*

²⁰⁰⁹ *ibid.*

Finding 149

The self-contained RV is a growing market sector that is changing the demand profile for the provision of caravanning services. It appears to offer significant potential to towns off the main tourist routes, particularly in the Wheatbelt, to expand tourism opportunities.

Finding 150

The development of a strategy such as 'RV Friendly Towns' would be of benefit to Western Australian tourism.

Finding 151

Unfortunately, the expectations of many self-contained travellers are not realistic, both in relation to the facilities expected and in the fee that is required to cover the costs of providing such facilities.

Recommendation 55

Local Government Authorities explore the opportunity for developing RV friendly towns.

11.4 Key Actions

This Inquiry has revealed that the caravan park and camping ground industry is operating in a complex framework, particularly as it is providing short-term accommodation for travellers and holidaymakers, and long-term accommodation for those who live in a caravan park either by choice or necessity. It is further complicated by the different conditions in which the industry operates throughout the state.

It is clear that demand for caravan parks and camping grounds remains strong, both for short- and long-stay sites. It is also clear that demand is shifting away from traditional caravan parks to nature-based parks that cater for the growing number of self-contained RVs travelling through the state. Furthermore, while demand appears to be increasing, yet changing, the supply of caravan parks is generally decreasing due to a range of pressures that largely arise from increased land values and redevelopment into alternative forms of accommodation.

Throughout the report the Committee has made findings and recommendations that it believes will improve the viability of caravan parks and thus improve supply. The Committee strongly believes that if Western Australia is to maintain its caravan parks and camping grounds, and provide facilities that are in demand by today's caravanners and campers, the following actions need to be taken:

- the state government should identify and zone land for caravan park and camping ground development
- the state government should identify and purchase caravan parks and camping grounds that are at risk, and vest these in the LGA to either operate or lease to private operators on a long-term basis
- in priority tourist regions, the government should consider purchasing the development rights of privately owned parks on strategic sites in order to ensure their continuing use as caravan parks and camping grounds
- the Department of Environment and Conservation should identify parcels of land on its estate that can be set aside for nature-based parks
- the state government needs to work with pastoral lessees and encourage them to develop and manage nature based parks on their leaseholdings
- LandCorp needs to integrate areas for caravan parks and camping grounds into its overall structural planning of land releases
- the state government should allow LGAs to develop overflow sites with minimum service levels for self-contained RVs within the 100 year + .9 metre storm surge setback
- the legislation which governs caravan parks and camping grounds should be amended with a view to significantly reducing design prescription to enable the market to have a greater role in determining the design of new caravan parks, and also to enable existing caravan parks to redevelop and/or expand according to the demand characteristics of that particular area
- consider Royalties for Regions programme as a source of funding for the purpose of implementing these and other initiatives to maintain the supply of appropriate caravan park and camping ground facilities in regional Western Australia

Recommendation 56

The state government should:

- identify and zone land for caravan park and camping ground development
- identify and purchase caravan parks and camping grounds that are at risk, and vest these in the LGA to either operate or lease to private operators on a long-term basis
- in priority tourist regions, consider purchasing the development rights of privately owned parks on strategic sites in order to ensure their continuing use as caravan parks and camping grounds
- identify parcels of land on the DEC estate that can be set aside for nature-based parks
- work with pastoral lessees and encourage them to develop and manage nature based parks on their leaseholdings
- ensure LandCorp integrates areas for caravan parks and camping grounds into its overall structural planning of land releases
- allow LGAs to develop overflow sites with minimum service levels for self-contained RVs within the 100 year + .9 metre storm surge setback
- amend the legislation which governs caravan parks and camping grounds with a view to significantly reducing design prescription to enable the market to have a greater role in determining the design of new caravan parks, and also to enable existing caravan parks to redevelop and/or expand according to the demand characteristics of that particular area
- consider Royalties for Regions programme as a source of funding for the purpose of implementing these and other initiatives to maintain the supply of appropriate caravan park and camping ground facilities in regional Western Australia.

Recommendation 57

The Minister for Tourism report to parliament in the first quarter of 2011 on the progress made toward the implementation of the recommendations in this report.

A handwritten signature in black ink that reads "Mike Nahan". The signature is written in a cursive, slightly slanted style.

Dr M.D. Nahan
Chair

APPENDIX ONE

SUBMISSIONS RECEIVED

List of Submissions received for the inquiry.

No.	Date Received	Name	Position	Organisation
1	1 April 2009	Mr R D Harris	Private Citizen	
2	2 April 2009	Mrs R and Mr G Haggett	Private Citizens	
3	6 April 2009	Mr D Eastwell	Manager Environmental Health	Town of Port Hedland
4	6 April 2009	Mr L and Mrs M Timmers	Private Citizens	
5	7 April 2009	Mrs G L Measey	Private Citizen	
6	7 April 2009	Mr G and Mrs S Jackson	Private Citizens	
7	14 April 2009	Mrs G R Moffitt	Private Citizen	
8	11 April 2009	Closed Submission		
9	15 April 2009	Mr S Cleaver	Director Community Services	Shire of Waroona
10	14 April 2009	Mr J Campbell	Private Citizen	
11	15 April 2009	Mrs S R Tucker	Private Citizen	
12	16 April 2009	Mr M Evans and Mr G Speed	Private Citizens	
13	16 April 2009	Mr G Cole	Proprietor	Pink Lake Tourist Park
14	16 April 2009	Mr T Craig	Private Citizen	
15	20 April 2009	Ms J A Maddams	Private Citizen	
16	20 April 2009	Mr B. Cresdee	Private Citizen	
17	20 April 2009	Mr I Winter	Private Citizen	
18	20 April 2009	Mrs L Elliss	Private Citizen	

ECONOMICS AND INDUSTRY STANDING COMMITTEE

No.	Date Received	Name	Position	Organisation
19	20 April 2009	Mr A Murray	Director	PRD Nationwide Project Marketing (WA)
20	21 April 2009	Mr K Hastie	Acting Chief Executive Officer	Shire of Carnamah
21	23 April 2009	Mr J Smith	Manager Health Service	Shire of Kalamunda
22	24 April 2009	Mr C and Mrs M Johnson	Owners	Mandalay Holiday Resort and Tourist Park
23	28 April 2009	Mr B Sargent	President	Park Home Owners Assoc. WA Inc.
24	28 April 2009	Mr F and Mrs M Armstrong	Private Citizen	
25	28 April 2009	Ms T Rudd	Private Citizen	
26	28 April 2009	Mrs J Goodfellow	Private Citizen	
27	30 April 2009	Mr P J Chadd	WA State Co-ordinator National Member Benefits Team	Campervan and Motorhome Club of Australia Limited
28	28 April 2009	Ms A Levens	Private Citizen	
29	28 April 2009	Mr E Nelson	Owner	Albany Holiday Park
30	29 April 2009	Mr J and Mrs M Teale	Owners	Lazy Days Caravan and Holiday Park
31	29 April 2009	Mr N Hampson and Ms M Sibly	Private Citizens	
32	29 April 2009	Mrs M Leavy	Private Citizen	
33	30 April 2009	Mr D Punch	Chief Executive Officer	South West Development Commission
34	1 May 2009	Mr P Carney, Mr R Flynn, Ms J Graham, Ms P and Mr R Hunt, Mrs P and Mr J Horan, Mr E Hutchison, Mrs Z and Mr H Hyams, Mr K Peberdy, Mr J Wishart, Ms E Twohig, Ms I Conway, Mr D Martin, Mrs P and Mr T Cambridge, Mrs S and Mr D Blackley and Mrs G and Mr C Nelson	Private Citizens	

ECONOMICS AND INDUSTRY STANDING COMMITTEE

No.	Date Received	Name	Position	Organisation
35	30 April 2009	Mrs C Connolly	Private Citizen	
36	30 April 2009	Mr S Cain	Chief Executive Officer	City of Cockburn
37	29 April 2009	Mr S and Mrs K Barnes	Owner/Operators	Horrocks Beach Caravan Park
38	6 May 2009	Mr M Howe	Proprietor/Director	Margaret River Tourist Park and Country Cottages
39	6 May 2009	Mrs J Sherwood	Private Citizen	
40	30 April 2009	Mr T Izzard	Private Citizen	
41	30 April 2009	Mr G Quirk	Private Citizen	
42	30 April 2009	Mr W Harris	Principal Environmental Health Officer	Shire of Gingin
43	30 April 2009	Mr E Walker	President	WA Association of Caravan Clubs Inc.
44	30 April 2009	Ms A Hill and Mr L Rance	Private Citizen	
45	1 May 2009	Mr P Haas	Principal Environmental Health Officer/Building Surveyor	Shire of Boddington
46	1 May 2009	Mr A Lamb	Chief Executive Officer	Shire of Boyup Brook
47	1 May 2009	Mr P Miles, MLA	Member for Wanneroo	Legislative Assembly, Western Australia
48	1 May 2009	Mr E Lumsden	Director General	Department for Planning and Infrastructure
49	1 May 2009	Mr G Harwood	Principal Environmental Health Officer	Shire of Denmark
50	1 May 2009	Mr C Higham	Director, Planning and Community Development	City of Joondalup
51	30 April 2009	Mr P Marr	President	Wedge Island Protection Association Inc.
52	1 May 2009	Mr B Bradley	Director General	Department of Commerce

ECONOMICS AND INDUSTRY STANDING COMMITTEE

No.	Date Received	Name	Position	Organisation
53	1 May 2009	Ms R Saffioti, MLA	Member for West Swan	Legislative Assembly, Western Australia
54	1 May 2009	Mr D Simms	Chief Executive Officer	City of Wanneroo
55	6 May 2009	Mr N Bancroft	Director, Lifestyle Planning Directorate	Shire of Busselton
56	4 May 2009	Mr C M Burwood	Director, Planning and Development Services	Shire of Capel
57	5 May 2009	Ms M De Lacey	Chief Executive Officer	Peel Development Commission
58	6 May 2009	Mr W Pearce	Community Policy Officer	Western Australian Local Government Association
59	6 May 2009	Mrs G L Measey and Mr R Barnes	Private Citizen	
60	8 May 2009	Mr R Muirhead	Chief Executive Officer	Tourism Western Australia
61	12 May 2009	Mr I N McDonald	President	Federation of Western Australian Bushwalkers (Inc)
62	12 May 2009	Ms L Daniels	Executive Director	Bibbulmun Track Foundation
63	14 May 2009	Ms E Sherwood	Proprietor	York Caravan Park
64	15 May 2009	Mr G Searle	Director General	Department of Housing
65	15 May 2009	Ms P Strahan	Chief Executive Officer	Caravan Industry Association Western Australia Inc
66	15 May 2009	Mr R M Jeans	Director, Planning and Development Services	City of Rockingham
67	15 May 2009	Mr L Brolese	Chief Executive Officer - Parks	Aspen Parks Property Management Ltd
68	18 May 2009	Mr E Ross	Manager Development Services	Shire of Nannup
69	19 May 2009	Mr K McNamara	Director General	Department of Environment and Conservation

ECONOMICS AND INDUSTRY STANDING COMMITTEE

No.	Date Received	Name	Position	Organisation
70	18 May 2009	Mr M R Newman	Chief Executive Officer	City of Mandurah
71	19 May 2009	Ms J Mathews	Director General	Department of Local Government and Regional Development
72	20 May 2009	Mr B Bradley Mr Peter Gow	Director General Executive Director	Building Industry Development, Department of Commerce
73	20 May 2009	Mr T Lovell Mr G Moss	Executive Director, Industry Policy Chief Executive Officer	Chamber of Commerce and Industry of WA Tourism Council of WA
74	21 May 2009	Ms J Riatti	Director, Programs and Services	Department of Sport and Recreation
75	21 May 2009	Mr P Walker	Director General	Department of Indigenous Affairs
76	21 May 2009	Mr C Green	Director Corporate and Community Services	Shire of Augusta-Margaret River
77	22 May 2009	Mr R Stewart		Albany's Emu Beach Holiday Park
78	22 May 2009	Mr R Manning	Executive Manager Health and Building	Shire of Exmouth
79	25 May 2009	Mr R Beacham	Owner	Cable Beach Caravan Park
80	22 May 2009	Mr G Campbell	Park Operator	Roebuck Bay Caravan Park
81	28 May 2009	Mr R Fenn	Executive Director Development Series	City of Albany
82	27 May 2009	Ms S Barrera	Director General	Department for Communities
83	28 May 2009	Mr M Bishop	Principal Environmental Health Officer	City of Swan
84	8 June 2009	Mr A Campbell	Director Statutory Services	Shire of Manjimup
85	5 June 2009	Mr A Kyron	Chief Executive Officer	Town of Claremont

ECONOMICS AND INDUSTRY STANDING COMMITTEE

No.	Date Received	Name	Position	Organisation
86	9 June 2009	Mr P Stubbs	Chief Executive Officer	Shire of Wyndham-East Kimberley
87	10 June 2009	Mr G Kerrigan	Private Citizen	
88	19 June 2009	Mr W Hansby	Private Citizen	
89	2 July 2009	Mr P J Chadd	WA State Co-ordinator National Member Benefits Team	Campervan and Motorhome Club of Australia Limited
90	2 July 2009	Mr E Walker	President	WA Association of Caravan Clubs Inc.
91	10 July 2009	Ms P Strahan	Chief Executive Officer	Caravan Industry Association Western Australia (Inc.)
92	10 July 2009	Ms J Mathews	Director General	Department of Local Government
93	13 July 2009	Mr E Walker	President	WA Association of Caravan Clubs Inc.
94	15 July 2009	Mr G Searle	Director General	Department of Housing
95	21 July 2009	Closed Submission		
96	23 July 2009	Mr R Fimister	Private Citizen	
97	23 July 2009	Mr Geoff Broad	Acting Chief Executive Officer	Shire of Augusta- Margaret River
98	23 July 2009	Mr Robert Fenn	Executive Director Development Services	City of Albany
99	28 July 2009	Mr David Hillyard	Director, Industry and Consumer Services	Department of Commerce
100	4 August 2009	Ms L McDiven	Pastoralist	Warroora Station
101	31 July 2009	Mr S D Fraser	Chief Executive Officer	Shire of Gingin
102	7 August 2009	Mr B Sargent	President	Park Home Owners Assoc. WA Inc.
103	10 August 2009	Closed Submission		
104	28 August 2009	Mr A Dowling	Town Planner, Strategic Development	Shire of Carvarvon

ECONOMICS AND INDUSTRY STANDING COMMITTEE

No.	Date Received	Name	Position	Organisation
105	4 September 2009	Mr G Wilks	Chief Executive Officer	Shire of Carvarvon
106	11 September 2009	Mr F Granger	Private Citizen	
107	14 September 2009	Mr A Waddell, MLA	Member for Forrestfield	Legislative Assembly, Western Australia
108	16 September 2009	Mr P Sharp	Director, Parks and Visitor Services	Department of Environment and Conservation
109	23 September 2009	Mr P Sharp	Director, Parks and Visitor Services	Department of Environment and Conservation

APPENDIX TWO

HEARINGS

List of hearings for the inquiry.

Date	Name	Position	Organisation
2 July 2009	Mr Phillip Chadd	State Representative	Campervan and Motorhome Club of Australia
2 July 2009	Mr Edward Walker	President	WA Association of Caravan Clubs Inc.
2 July 2009	Ms Donna Cocking	President	Caravan Industry Association Western Australia (Inc.)
	Ms Pat Strahan	Chief Executive Officer	Caravan Industry Association Western Australia (Inc.)
	Mr Simon Hall	Town Planner	Caravan Industry Association Western Australia (Inc.)
3 July 2009	Mr Shane Edmonds	Public Servant	Department of Housing
	Mr Marque Raymond	Principal Policy Officer	Department of Housing
3 July 2009	Ms Donna Cocking	Chairperson, Advisory Committee	Department of Local Government
	Mr Ross Earnshaw	Manager, Statutory Support	Department of Local Government
24 July 2009	Mr Peter Sharp	Director, Parks and Visitor Services	Department of Environment and Conservation
	Ms Tracy Shea	Acting Assistant Director, Policy and Planning	Department of Environment and Conservation
24 July 2009	Ms Anne Driscoll	Commissioner for Consumer Protection	Department of Commerce

ECONOMICS AND INDUSTRY STANDING COMMITTEE

	Mr David Hillyard	Director, Industry and Consumer Services	Department of Commerce
	Mr Anthony Zell	Policy Officer	Department of Commerce
27 July 2009	Mr Peter Crockenberg	Vice-President	Park Home Owners Association Western Australia Inc.
	Mr Brian Sargent	President	Park Home Owners Association Western Australia Inc.
	Mr Mervyn Archer	Committee Member	Park Home Owners Association Western Australia Inc.
27 July 2009	Mr Gregory Cole	Park Owner	Pink Lake Tourist Park
27 July 2009	Ms Anne Hill	Executive Director, Regional Planning and Strategy	Department of Planning
	Mr Denis Millan	Director, Strategic Projects	Department of Planning
	Mr David Nunn	Director	Department of Planning
28 July 2009	Professor David Wood	Chair, Ningaloo Sustainable Development Committee	Curtin University
	Dr Tod Jones	Research Fellow, Curtin Sustainable Tourism Centre	Curtin University
	Ms Anna Lewis	Doctoral Researcher	Curtin University
28 July 2009	Mr Pat Matthews	Plant Manager	Main Roads Western Australia
28 July 2009	Closed Hearing		
28 July 2009	Mr Richard Muirhead	Chief Executive Officer	Tourism Western Australia
	Ms Jennifer Duffecy	Executive Director	Tourism Western Australia

ECONOMICS AND INDUSTRY STANDING COMMITTEE

	Mr Steve Crawford	Director Strategic Policy	Tourism Western Australia
	Ms Vicki Suckling	Planning Manager	Tourism Western Australia

APPENDIX THREE

BRIEFINGS HELD

List of Briefings (witnesses where Hansard is not present).

Date	Name	Position	Organisation
2 June 2009	Ms Ronnie Fleay	President	Shire of Exmouth
	Ms Doreen Blum	Deputy President	Shire of Exmouth
	Mr Phil Anastasakis	Chief Executive Officer	Shire of Exmouth
	Mr Rob Manning	Executive Manager, Health and Building	Shire of Exmouth
2 June 2009	Mr Alistair Brogan	Director	Bayview Coral Bay
	Mr Avon Davey	Onsite Manager	Bayview Coral Bay
2 June 2009	Mr Norm Monck	Owners	Peoples Park Caravan Village
	Mr Geoff Monck	Owners	People Park Caravan Village
2 June 2009	Mr Noel Bridge	Managing Director	First Acuity - Management Enterprises
9 June 2009	Ms Vicki Suckling	Planning Manager	Tourism Western Australia
	Ms Rachel Telford	Experience Perth	Tourism Western Australia
	Ms Elizabeth Smith	Policy Manager	Tourism Western Australia
	Mr Campbell Fletcher	Policy Analyst	Tourism Western Australia
10 June 2009	Ms Loyla Whitworth	Member	Sunnywest Caravanners
	Ms Lyn Boyce	Member	Sunset Coast Caravan Club

ECONOMICS AND INDUSTRY STANDING COMMITTEE

	Mr Gerry Kerrigan	Member	International Caravanners Association
	Mr Trevor Cocks	Member	West Side Caravanners
	Mr Stan Perkins	Member	Southwest Caravan and Camping Club
	Mr Jack Sadler	Member	Sunset Coast and WA Caravan Club
12 June 2009	Mr Mark Newman	Chief Executive Officer	City of Mandurah
	Mr Tony Free	Director of Sustainable Development	City of Mandurah
	Mr Michael Willcock	Project Planner	City of Mandurah
	Ms Paddi Creevey	Mayor	City of Mandurah
	Ms Dianne Russel Taylor	Acting Chief Executive Officer	Peel Development Commission
12 June 2009	Mr Richard Rodgers	Manager Building Services	City of Rockingham
	Mr Michael Ross	Manager Statutory Planning	City of Rockingham
17 June 2009	Mr Barry Gardner	Proprietor	Swan City Caravans
19 June 2009	Mr Simon Fraser	Chief Executive Officer	Shire of Gingin
	Mr Wayne Harris	Principal Environmental Health Officer	Shire of Gingin
	Ms Lisa Edwards	Principal Planner	Shire of Gingin
	Mr Tony Monteleone	Principal Building Surveyor	Shire Gingin
	Mr Wayne Fewster	Shire President	Shire of Gingin
22 June 2009	Mr Darryal Eastwell	Manager, Environmental Health	Town of Port Hedland
22 June 2009	Mr Stephen Webster	Chief Executive Officer	Pilbara Development Commission
	Mr John Verbeek	Principal Project Officer	Pilbara Development Commission

ECONOMICS AND INDUSTRY STANDING COMMITTEE

23 June 2009	Mr Allan Moles	Chief Executive Officer	Shire of Roebourne
	Mr Bob Sharkey	Executive Manager Development	Shire of Roebourne
	Mr Craig Watts	Manager, Environmental Health Services	Shire of Roebourne
29 June 2009	Mr Glen Chidlow	Chief Executive Officer	North West Tourism
29 June 2009	Mr Graeme Campbell	Park Operator	Roebuck Bay Caravan Park
30 June 2009	Mr Darryl Butcher	Director Development	Shire of Broome
30 June 2009	Mr Vaughan Davies	Regional Manager	Australia's North West Region – Tourism Western Australia
20 July 2009	Mr Mark Exeter	Regional Manager	Australia's South West Region – Tourism Western Australia
20 July 2009	Mr Don Punch	Chief Executive Officer	South West Development Commission
	Ms Vanessa Lewis	Manager, Policy and Research	South West Development Commission
20 July 2009	Mr Nigel Bancroft	Director, Lifestyle Planning Directorate	Shire of Busselton
	Mr Glen Bishop	Senior Planning Officer, Planning and Development Services Division	Shire of Capel
21 July 2009	Mr Ross Fimister	Acting Secretary	Augusta Community Development Association
	Mr Eric James	President	Augusta Community Development Association
	Mr Peter Toy	Member Management Committee	Augusta Community Development Association

ECONOMICS AND INDUSTRY STANDING COMMITTEE

	Mr Cameron Gilmur	Vice President	Augusta Community Development Association
	Mrs Jan Innis	Member	Augusta Community Development Association
21 July 2009	Cr Michael Smart	Councillor	Shire of Augusta-Margaret
	Cr Ray Colyer	Councillor	Shire of Augusta-Margaret
	Mr Geoff Broad	Acting Chief Executive Officer	Shire of Augusta-Margaret River
	Mr Cary Green	Director Corporate and Community Services	Shire of Augusta-Margaret River
	Mr Paul Gravett	Manager Community Development	Shire of Augusta-Margaret River
21 July 2009	Mr Jeremy Hubble	Chief Executive Officer	Shire of Manjimup
	Mr Ewen Ross	Manager Development Services	Shire of Nannup
22 July 2009	Mr Russell Pritchard	Chief Executive Officer	Great Southern Development Commission
	Mr Dwayne Schouten	Senior Development Officer	Great Southern Development Commission
22 July 2009	Mr Robert Fenn	Executive Director Development Services	City of Albany
	Mr Greg Harwood	Principal Environmental Health Officer	Shire of Denmark
22 July 2009	Mr Ed Nelson	Proprietor	Albany Holiday Park
17 August 2009	Ms Leonie McDiven	Pastoralist	Warroora Station
	Mr Tim Meecham	Pastoralist	Quobba Station
	Mr Martin Horak	Pastoralist	Warroora Station

APPENDIX FOUR

LEGISLATION

List of Legislation (or other relevant information) used in the Inquiry.

Legislation	State (or Country)
Aboriginal Affairs Planning Authority Act 1972	Western Australia
Aboriginal Heritage Act 1972	Western Australia
Building Regulations 1989	Western Australia
Caravan Parks and Camping Grounds Act 1995	Western Australia
Caravan Parks and Camping Grounds Regulations 1997	Western Australia
Conservation and Land Management Act 1984	Western Australia
Conservation and Land Management Regulations 2002	Western Australia
Development Act 1993	South Australia
Electricity Corporations Act 2005	Western Australia
Electricity Industry Act 2004	Western Australia
Electricity Industry (Caravan Park Operators) Exemption Order 2005	Western Australia
Electricity Industry (Caravan Park Operators) Exemption Amendment Order 2009	Western Australia
Electricity Transmission and Distribution Systems (Access) Act 1994	Western Australia
Energy Operators (Powers) Act 1979	Western Australia
Environmental Protection Act 1986	Western Australia
Health Act 1911	Western Australia
Interpretation Act 1984	Western Australia
Land Administration Act 1997	Western Australia

Legislation	State (or Country)
Land Tax Assessment Act 2002	Western Australia
Local Government Act 1989	Victoria
Local Government Act 1993	Tasmania
Local Government Act 1999	South Australia
Local Government (General) Regulations 1999	South Australia
Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulations 2005	New South Wales
Local Government (Miscellaneous Provisions) Act 1960	Western Australia
National Parks and Wildlife Act 1972	South Australia
Planning and Development Act 2005	Western Australia
Rates and Charges (Rebates and Deferments) Act 1992	Western Australia
Residential Parks (Long-stay Tenants) Act 2006	Western Australia
Residential Parks (Long-stay Tenants) Regulations 2007	Western Australia
Residential Tenancy Act 1987	Western Australia
Retirement Villages Act 1992	Western Australia
Road Traffic Act 1974	Western Australia
Road Traffic (Vehicle Standards) Regulations 2002	Western Australia
Strata Titles Act 1985	Western Australia
Town Planning Regulations 1967	Western Australia
Town Planning Amendment Regulations 1999	Western Australia
Western Australian Planning Commission Act 1985	Western Australia
Valuation of Land Act 1978	Western Australia

APPENDIX FIVE

STATISTICAL DATA: TOURISM RESEARCH AUSTRALIA

Tourism Research Australia (TRA) data provided to the Committee during the course of this Inquiry are reproduced in various formats following. This data was referred to in Chapter 4. TRA data also informs the statistics published by Tourism Western Australia (Tourism WA) and Tourism Australia. Various statistical data published by, and obtained from, these two agencies are also used to compile the tables in this Appendix.

The Committee does not guarantee the validity of this data. Limitations regarding data used throughout this report are outlined in Chapter 1 at Section 1.4. However, it should be noted that TRA data is the most comprehensive data available showing demand for caravanning and camping accommodation.

The Three Major Uses of Tourism Accommodation in Western Australia Years Ending December 2006/07/08²⁰¹⁰

Intrastate Visitors	
Friends or relatives property	41%
Hotel, resort, motel or motor inn	27%
Caravan park or commercial camping ground	10%
Interstate Visitors	
Hotel, resort, motel or motor inn	56%
Friends or relatives' property	34%
Caravan park or commercial camping ground	7%
International Visitors	
Hotel, resort, motel, motor inn	49%
Home of friend or relative	37%
Backpacker / hostel	12%

²⁰¹⁰ Tourism Western Australia, *Western Australia Overnight Visitor Fact Sheet Years Ending December 2006/07/08*, p7. Available at: http://www.tourism.wa.gov.au/Research_and_Statistics/Documents/Western%20Australia%20Overnight%20Visitor%20Fact%20Sheet%20-%20Year%20Ending%20December%202008.pdf. Accessed on 6 July 2009.

Summary of Visitor Nights Spent in Caravan Parks and Camping Grounds 1999-2008^{*2011}

Visitor Type	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
International	798,000	1,200,000	836,000	962,000	1,071,000	757,000	811,000	785,000	857,000	830,000
Domestic	5,103,000	5,358,000	5,310,000	5,776,000	5,143,000	5,767,000	5,279,000	5,707,000	6,380,000	5,050,000
TOTAL	5,901,000	6,558,000	6,146,000	6,738,000	6,214,000	6,524,000	6,090,000	6,492,000	7,237,000	5,880,000

* Numerical figures are rounded to the nearest (000)

Comparative Data – Estimated Visitor Nights in Western Australia: Total Nights and Nights Spent in Caravan Parks and Camping Grounds

	Total Visitor Nights ²⁰¹²	Visitor Nights in Caravan Parks and Camping Grounds ²⁰¹³	Total Visitor Nights ²⁰¹⁴	Visitor Nights in Caravan Parks and Camping Grounds ²⁰¹⁵	Total Visitor Nights ²⁰¹⁶	Visitor Nights in Caravan Parks and Camping Grounds ²⁰¹⁷
Visitor Type	2006	2006	2007	2007	2008	2008
Domestic	29,671,000	5,707,000	32,683,000	6,380,000	26,914,000	5,050,000
International	16,039,300	785,000	17,908,000	857,000	19,534,300	830,000
Total	45,710,300	6,492,000	50,591,000	7,237,000	46,448,300	5,880,000

²⁰¹¹ Tourism Australia, *Tourism Research Australia 2007 (unpublished data)*, Tourism Research Australia, March 2009.

²⁰¹² Tourism Western Australia, *Western Australia Overnight Visitor Fact Sheet Years Ending December 2006/07/08*, p3. Available at: http://www.tourism.wa.gov.au/Research_and_Statistics/Documents/Western%20Australia%20Overnight%20Visitor%20Fact%20Sheet%20-%20Year%20Ending%20December%202008.pdf. Accessed on 6 July 2009

²⁰¹³ Tourism Australia, *Tourism Research Australia 2007 (unpublished data)*, Tourism Research Australia, March 2009.

²⁰¹⁴ Tourism Western Australia, *Western Australia Overnight Visitor Fact Sheet Years Ending December 2006/07/08*, p3. Available at: http://www.tourism.wa.gov.au/Research_and_Statistics/Documents/Western%20Australia%20Overnight%20Visitor%20Fact%20Sheet%20-%20Year%20Ending%20December%202008.pdf. Accessed on 6 July 2009.

²⁰¹⁵ Tourism Australia, *Tourism Research Australia 2007 (unpublished data)*, Tourism Research Australia, March 2009.

²⁰¹⁶ Tourism Western Australia, *Western Australia Overnight Visitor Fact Sheet Years Ending December 2006/07/08*, p3. Available at: http://www.tourism.wa.gov.au/Research_and_Statistics/Documents/Western%20Australia%20Overnight%20Visitor%20Fact%20Sheet%20-%20Year%20Ending%20December%202008.pdf. Accessed on 6 July 2009.

²⁰¹⁷ Tourism Australia, *Tourism Research Australia 2007 (unpublished data)*, Tourism Research Australia, March 2009.

Estimated Visitors, Nights and Average Length of Stay of Visitors Who Stayed at Least One Night in Formal Caravan Parks in Western Australia 2005–2009²⁰¹⁸

	Year Ending March 2004/2005	Year Ending March 2005/2006	Year Ending March 2006/2007	Year Ending March 2007/2008	Year Ending March 2008/2009
Estimated Visitors					
Intrastate	481,500	438,000	459,000	535,000	498,500
Interstate	70,000	63,000	72,000	82,000	74,000
International	51,200	42,600	39,900	46,900	49,000
Total	602,700	543,600	570,900	663,900	621,500
Estimated Visitor Nights					
Intrastate	2,745,000	2,634,000	2,767,500	3,420,000	3,081,000
Interstate	718,000	777,500	971,500	1,169,500	962,000
International	693,700	566,200	562,800	605,800	646,100
Total	4,156,700	3,977,700	4,301,800	5,195,300	4,689,100
Average Length of Stay (Estimated Nights)					
Intrastate	5.7	6.0	6.0	6.4	6.2
Interstate	10.3	12.3	13.5	14.3	13.0
International	13.5	13.3	14.1	12.9	13.2
Total	6.9	7.3	7.5	7.8	7.5

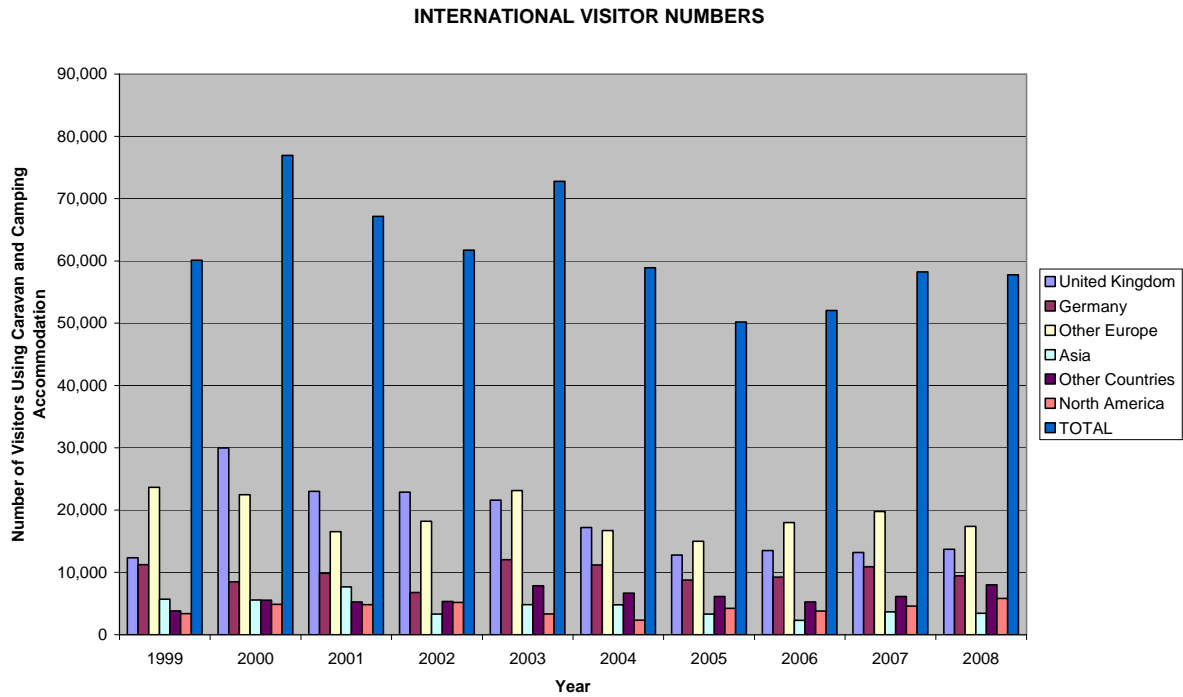
Estimated Visitors, Nights and Average Length of Stay of Visitors who Stayed at Least One Night in Informal Caravan/Camping in Western Australia 2005–2009²⁰¹⁹

	Year Ending March 2004/2005	Year Ending March 2005/2006	Year Ending March 2006/2007	Year Ending March 2007/2008	Year Ending March 2008/2009
Estimated Visitors					
Intrastate	398,000	371,500	320,000	282,500	296,000
Interstate	41,500	32,000	38,000	43,500	30,500
International	23,300	17,400	17,800	19,600	20,800
Total	462,800	420,900	375,800	345,600	347,300
Estimated Visitor Nights					
Intrastate	1,634,500	1,673,000	1,367,500	1,111,000	1,155,500
Interstate	314,500	225,500	254,000	443,000	484,000
International	204,600	196,200	228,000	195,500	186,200
Total	2,153,600	2,094,700	1,849,500	1,749,500	1,825,700
Average Length of Stay (Estimated Nights)					
Intrastate	4.1	4.5	4.3	3.9	3.9
Interstate	7.6	7.0	6.7	10.2	15.9
International	8.8	11.3	12.8	10.0	9.0
Total	4.7	5.0	4.9	5.1	5.3

²⁰¹⁸ Tourism Western Australia, *Tourism Inquiry Response: Ref: ENQ1639*, unpublished data, 22 July 2009.

²⁰¹⁹ *ibid.*

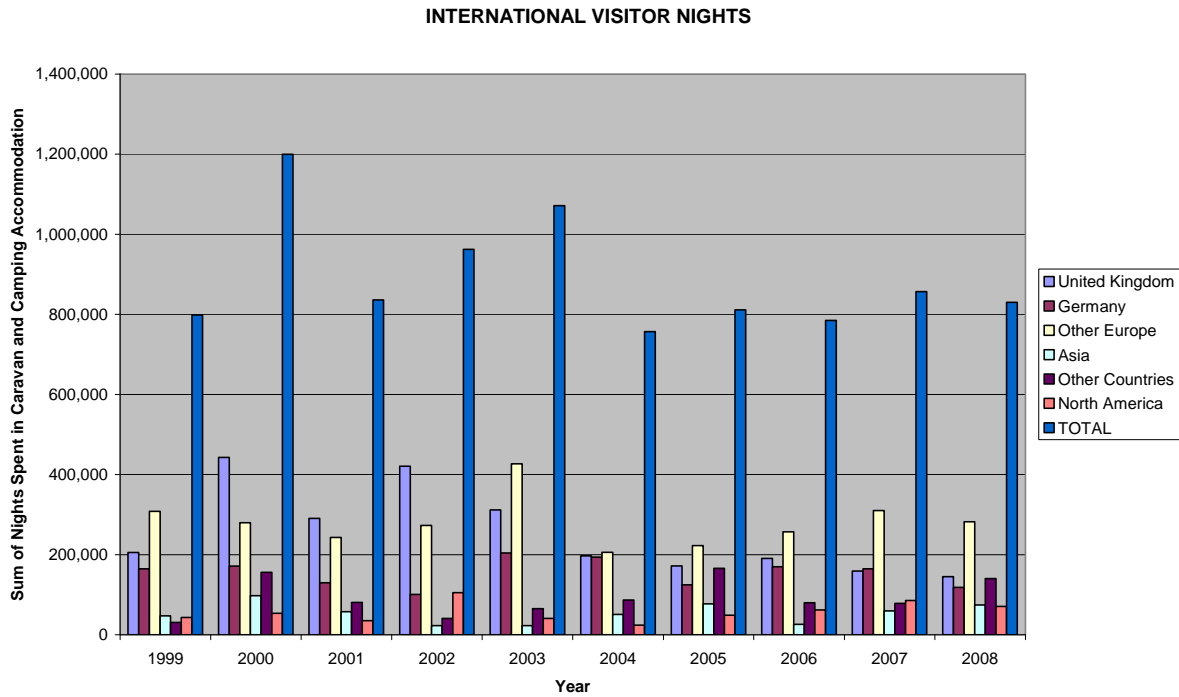
**International Visitors Using Caravan and Camping Accommodation in Western Australia
1999–2008²⁰²⁰**



²⁰²⁰

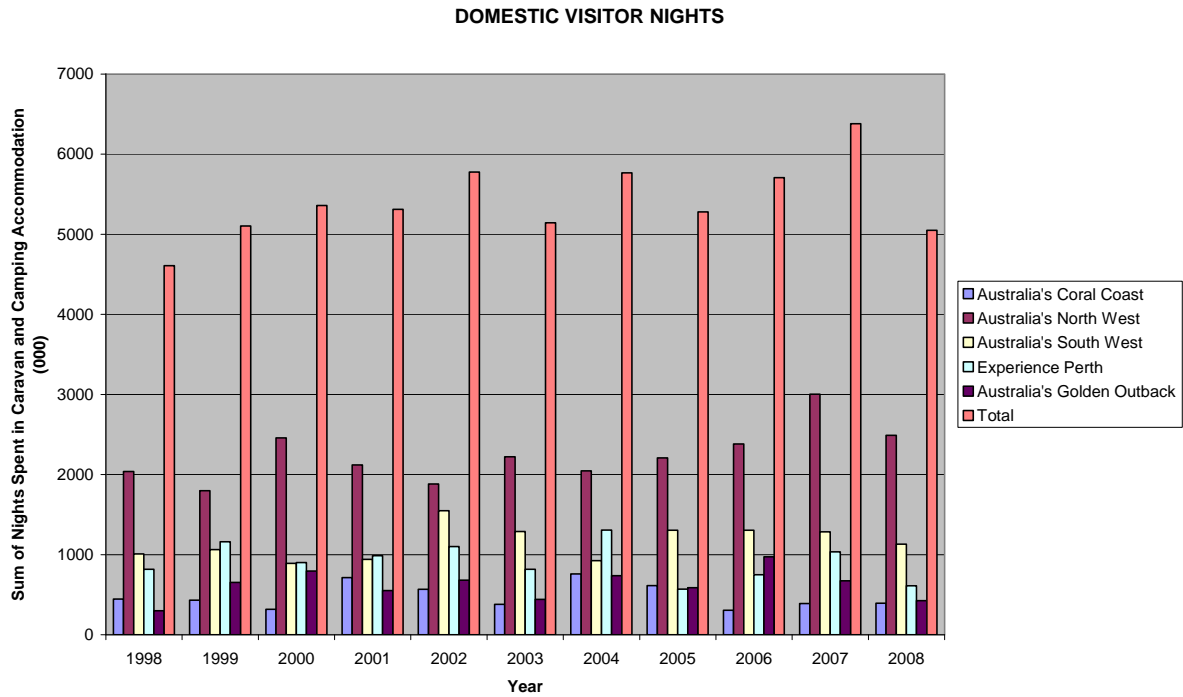
Tourism Australia, *Tourism Research Australia 2007 (unpublished data)*, Tourism Research Australia, March 2009.

International Visitor Nights Spent in Caravan and Camping Accommodation in Western Australia 1999–2008²⁰²¹



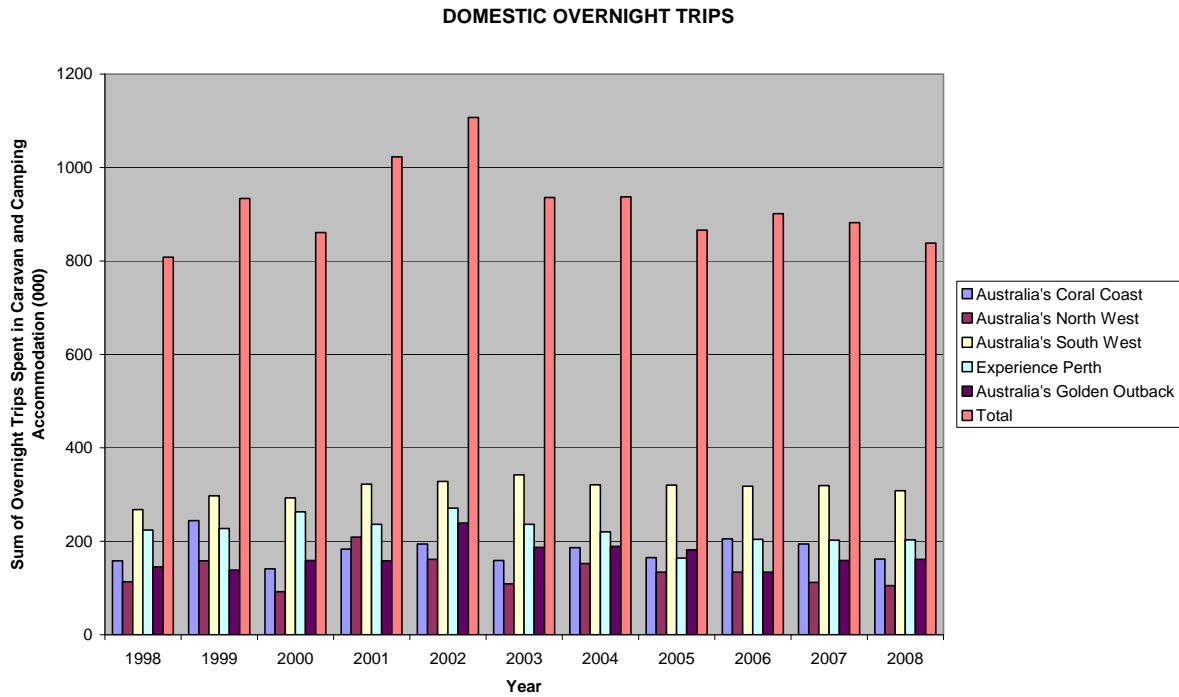
²⁰²¹ Tourism Australia, *Tourism Research Australia 2007 (unpublished data)*, Tourism Research Australia, March 2009.

Domestic Visitor Nights Spent in Caravan and Camping Accommodation in Western Australia 1998–2008²⁰²²



²⁰²² Tourism Australia, *Tourism Research Australia 2007 (unpublished data)*, Tourism Research Australia, March 2009.

Domestic Overnight Trips Spent in Caravan and Camping Accommodation in Western Australia 1998–2008²⁰²³



²⁰²³ Tourism Australia, *Tourism Research Australia 2007 (unpublished data)*, Tourism Research Australia, March 2009. Note: Overnight trips are those visits where at least one night is spent away from home (i.e. excludes day trips).

APPENDIX SIX

STATISTICAL DATA: AUSTRALIAN BUREAU OF STATISTICS

Australian Bureau of Statistics (ABS) data used in this Report are adapted from the *Tourist Accommodation, Small Area Data*. From the March Quarter of 2005, this data includes information and surveys from ‘caravan parks with 40 or more powered sites’ only.²⁰²⁴ As at the March Quarter of 2009, the ABS lists 198 caravan park establishments in Western Australia. The Committee estimates that there are around 400 caravan parks operating in Western Australia, which means that ABS data captures approximately half of caravan parks in the state, these being those larger parks with 40+ sites. Nevertheless, the following table showing site occupancy rates of caravan parks from 2005 to 2008 is useful for indicating demand trends.

Site Occupancy Rates of Caravan Parks in Western Australia²⁰²⁵

Month	2005	2006	2007	2008
January	49.10%	48.8%	51.6%	52.6%
February	43.00%	43.3%	48.0%	49.2%
March	46.00%	43.8%	48.1%	51.6%
April	47.20%	51.2%	54.1%	52.8%
May	45.30%	46.5%	50.3%	51.6%
June	48.90%	50.7%	53.3%	53.5%
July	52.90%	55.6%	58.7%	57.85
August	53.70%	56.6%	58.5%	57.0%
September	51.20%	54.4%	58.0%	56.4%
October	48.00%	50.2%	51.2%	51.4%
November	45.00%	45.4%	48.5%	47.3%
December	46.70%	48.2%	48.6%	49.5%
Annual Average	48.08%	49.6%	52.4%	52.6%

²⁰²⁴ Australian Bureau of Statistics, ‘8635.5.55.001 - Tourist Accommodation, Small Area Data, Western Australia, Dec 2008: Explanatory Notes’, December 2008. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/exnote/8635.5.55.001>. Accessed on 8 July 2009.

²⁰²⁵ Australian Bureau of Statistics, ‘Survey of Tourist Accommodation, Small Area Data, Western Australia. Catalogue number: 8635.5.55.001’, 2005-2008. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?ReadForm&prodno=8635.0&viewtitle=Tourist%20Accommodation,%20Australia~Dec%202008~Previous~26/03/2009&&tabname=Past%20Future%20Issues&prodno=8635.0&issue=Dec%202008&num=&view=&>. Accessed on 10 July 2009.