

**ECONOMICS AND INDUSTRY  
STANDING COMMITTEE**

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

**TRANSCRIPT OF EVIDENCE TAKEN  
AT PERTH  
FRIDAY, 3 JULY 2009**

**SESSION ONE**

**Members**

**Dr M.D. Nahan (Chairman)**  
**Mr W.J. Johnston (Deputy Chairman)**  
**Mr M.P. Murray**  
**Mrs L.M. Harvey**  
**Mr J.E. McGrath**

**Mr D.A. Templeman (Co-opted member)**

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**Hearing commenced at 9.33 am**

**EDMONDS, MR SHANE**  
**Public Servant, Department of Housing,**  
**examined:**

**RAYMOND, MR MARQUE**  
**Principal Policy Officer, Department of Housing,**  
**examined:**

**The CHAIRMAN:** On behalf of the Economics and Industry Committee I would like to thank you for your interest and for appearing today. The purpose of this hearing is to assist the committee in gathering evidence for its inquiry into caravanning and camping. Have you each been provided with a copy of the committee's specific terms of reference?

**Mr Edmonds:** Yes.

**Mr Raymond:** Yes.

**The CHAIRMAN:** At this stage I would like to introduce myself. I am the chairman, Mike Nahan, member for Riverton. On the far left is Bill Johnston, member for Cannington; John McGrath; and Liza Harvey. The committee is a committee of the Legislative Assembly of the Parliament of Western Australia. This hearing is a formal procedure of the Parliament and therefore commands the same respect that proceedings in the house itself demand. Even though the committee is not asking witnesses to provide evidence under oath or affirmation, it is important that you understand that any deliberate misleading of the committee will be a contempt of Parliament. This is a public hearing. Hansard, as you can see, is here. Please do not speak simultaneously. We had some troubles not only with the witnesses yesterday but with the people here. I am speaking to John this time! Also, if you cite something, give the full title so Hansard can pick it up.

Could you give your names and introduce yourselves.

**Mr Edmonds:** My name is Shane Edmonds. I work for the Department of Housing and Works. I am currently a project leader with the strategic policy branch of the department.

**Mr Raymond:** My name is Marque Raymond. I am also with the Department of Housing. I am currently a principal policy officer.

**The CHAIRMAN:** Have you each completed the "Details of Witness" form?

**Mr Edmonds:** Yes, I have.

**Mr Raymond:** Yes.

**The CHAIRMAN:** Do you understand the notes at the bottom of that form?

**Mr Edmonds:** I do.

**Mr Raymond:** Yes.

**The CHAIRMAN:** Did you receive and read the information for witnesses briefing sheet provided with the "Details of Witness" form?

**The Witnesses:** Yes.

**The CHAIRMAN:** Do you have any questions in relation to being a witness?

**Mr Edmonds:** Not at this point, no.

**The CHAIRMAN:** You have provided a submission. Is there any amendment that you would like to make to your submission?

**Mr Edmonds:** Not at this point.

**The CHAIRMAN:** We are about to go through a series of questions. If you want to provide any additional information, you can provide it subsequently.

**Mr Edmonds:** Thank you.

**The CHAIRMAN:** Do you want to make an opening statement or go direct to questions?

**Mr Edmonds:** I think go direct to questions.

**The CHAIRMAN:** One of the key issues when we started this public inquiry and the motivation for it—it also has been the subject of the majority of submissions—is the use of caravan parks for essentially low-cost housing. It has been an issue for a while but it is particularly an issue now around the metro-Peel area. It also relates to up north, where of course there are issues of workers—they are not low cost but they are workers—and some of the resort areas around the place. What is the government's policy in respect to affordable housing and how it relates to caravan parks?

**Mr Edmonds:** I cannot speak for whole of government but I can speak for our department. At this stage the department's position has been that it is acknowledged that it is a legitimate player in the low-cost housing market. We are certainly aware that there is a reducing number of available slots. That is the same for secondary dwellings, such as granny flats and other lots, and lodging houses. We are aware of the issues around it.

**The CHAIRMAN:** Just to clarify: your understanding is that the number of dwelling units in caravan parks used for long stay, low-cost housing is reducing?

**Mr Edmonds:** Because of development pressures, and on sales, the actual sites are diminishing. The other issue that we are very mindful of is the fact that not many new sites are being approved. That is a major issue. There are a range of reasons. The department has not actually intervened in the area in terms of actually wanting to take up direct management or direct acquisition or direct supply of caravan parks. Basically, the department has provided assistance to people who enter caravan parks, such as bonds, to help them access caravan parks. It works on providing more long-term housing for people in caravan parks. We also know that other agencies, such as not-for-profits and the Department for Child Protection, can provide emergency accommodation until either the department or this department, the Department of Housing, can accommodate these people or other arrangements can be made.

**The CHAIRMAN:** Is it the department's policy to use caravan sites as public housing?

**Mr Edmonds:** No.

**The CHAIRMAN:** Essentially, the policy is that you recognise there is an issue but you are not directly involved in it or are making a policy position that you are not using it as public housing per se?

**Mr Edmonds:** 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.

**The CHAIRMAN:** It is our perception so far that the parks are providing an important very low cost source of dwellings for people, of which there are very few alternatives.

**Mr Edmonds:** Correct.

**The CHAIRMAN:** I do not have the data but that is my impression. However, the reason the parks can do that is that the dwelling units in the park are regulated under the camping act rather than the building act, and therefore the standards are much lower.

**Mr Edmonds:** Correct.

**The CHAIRMAN:** There are other reasons too. I think I can speak for the committee when I say that there is some concern about that; and you would have it too. What is the alternative to deal with that, recognising that it does provide a low-cost need to people whose alternative—access to Homeswest housing—is very limited indeed?

**Mr Edmonds:** It is a very broad question. It is about planning to a large degree. The ability for the private sector, and for the department and community housing providers—which we are growing in this state—to access good sites where we can provide density housing is difficult. There are lots of planning barriers that we face in various suburbs or areas when we try and get a greater density of housing on a site so that we can get more value for money in terms of group dwellings. The other issues around other options—the numbers of lodging houses have reduced significantly in this state despite the state government's best efforts in the 1980s to move with the City of Perth and the City of Fremantle to provide more regulation and to take them over and give them to community housing providers. The fact is that it is very difficult for people who have secondary units of accommodation on existing lots, such as granny flats. There are lots of planning barriers in regard to that too. The other barrier in terms of providing caravan parks for the general community is that there is lots of, as I understand it, resistance from local government to have those facilities in and around their constituencies. In terms of social housing, the other option is for us to grow the community housing sector where they can leverage off other commonwealth arrangements. The national rental affordability scheme may have some opportunities. We have had discussions with a community housing organisation in regard to taking ownership of a caravan park to provide options, but there are some disincentives in terms of GST and other arrangements affecting not-for-profit status. It is a work in progress. We are still looking at ways regarding the whole affordable housing issue for the whole nation.

**The CHAIRMAN:** If the committee decides that we are concerned about the quality of long-stay housing and we decide that this is a loophole, that they are being regulated as if they were temporary campers, including wheels on the bottom, and we said, "You're going to have to go to higher standards and meet the building code", that would really increase the cost of it and you would get a large number of people out of housing. Will that have a very severe impact on the community? Would those people who live in parks be able to find alternatives? Where would they go?

**Mr Edmonds:** Basically, the other option is a private rental whilst the state is trying to accommodate them in either public or community housing. The state provides, through the department, some bond support and rental assistance. That is another option.

**The CHAIRMAN:** What is the average rental in houses, let's say, in Rockingham or Mandurah?

**Mr Edmonds:** For private rental?

**The CHAIRMAN:** Yes.

**Mr Edmonds:** I am not sure of the average rental.

**The CHAIRMAN:** Three hundred dollars to \$350.

**Mr Edmonds:** I would have thought, for a three-bedroom house, in the order of \$300 to \$350.

**The CHAIRMAN:** If you provide a subsidy to people, what would that be?

**Mr Edmonds:** The commonwealth provides private rental assistance. We do not provide direct subsidies in private rental apart from the bond. In terms of public housing, the rents are somewhere between 23.2 to 25 per cent of their household income. Community housing does charge a slightly higher rate, dependent on the form and dependent on how much rental assistance they can get and the ability of the person to pay. Community housing is able to cross-subsidise its subsidies by charging higher rents to people who can afford it in a mixed tenure type of arrangement. The department is currently looking at that aspect now in terms of providing accommodation that has mixed tenants, both to purchase and full-rent payers in a commercial sense, plus social housing tenants who are subsidised. That work is coming to fruition internally in the department now. We are looking at other options.

**Mr J.E. McGRATH:** I am interested in your comment about a community housing group taking over a caravan park. Can you give us some idea of where that caravan park is? Is it in the metropolitan area or the country? How would you envisage that caravan park being transformed? Would it be using existing chalets or whatever structures were there? How would you see it being used?

[9.45 am]

**Mr Edmonds:** The discussions that I was involved in were preliminary. Basically, as part of the interagency working group looking at potential sites for caravan parks in the metropolitan area, the discussions with Foundation Housing were along the lines of whether this would be a space that the organisation would potentially think about going into. Conceptually, yes, as I discussed, they were aware of the GST disincentives and the not-for-profit disincentives about running a caravan park. It is certainly a new business for them. They are prepared to look at it, but at the moment there are far easier options for them in terms of providing traditional built forms under the current arrangement, and with the current stimulus packages that the commonwealth and the state are providing for housing they can get on the ground and do this stuff now and get housing now, but the potential caravan park home option is still on their radar and is still being looked at.

**Mr W.J. JOHNSTON:** Can I just ask for a clarification? You talk about the GST disincentives. What are you referring to there?

**Mr Edmonds:** My understanding is that running a caravan park on a commercial basis—because you will have the tourism people coming in, and potentially, if you are running it correctly, it may be long-term, and you will have your short-term people coming in and out—it affects your not-for-profit status, and therefore there are some disincentives there. They will have to weigh in the potential \$8 000 per annum subsidy from NRAS per dwelling unit, and tied into commonwealth rent assistance, to make the model work. The Queensland government has bought a couple of caravan sites, as I am aware, in the Bowen Basin, basically to secure them and protect some of the tourism industry, and to address some of the key worker issues in those areas. I have not been able to touch base with my counterpart in Queensland in the area since I have been back at work, but there are some problems in that management because the issue is that, even though it is trying to be at arm's length and they have got separate people running it, government priorities and government pressures to house certain groups come into play, and then the mix in the caravan parks is disrupted and that causes some management issues.

Caravan parks, for some, have been a lifestyle choice in the past. What we are seeing now because of cost pressures and supply pressures is different cohorts going into these facilities. If it continues, that will require some very different management, and I do not believe that the existing tenure arrangements under the camping legislation provides for that. The department's preference is to look at more affordable housing options within the wider community and continue to spread social housing. Affordable housing is certainly a space we can get into, and we are having discussions with National Lifestyle Villages in relation to options in regard to both the mix of better affordable

housing options under NRAS and maybe a sprinkling of social housing being cross-subsidised through those facilities as well.

**The CHAIRMAN:** So you are looking at Lifestyle villages?

**Mr Edmonds:** Yes, we are.

**The CHAIRMAN:** We have seen one of those in our tour of Mandurah. They look like long-stay caravan parks with better standards.

**Mr Edmonds:** In some cases, much better standards. There are some issues in terms of those facilities. There is a large and growing recurrent cost in terms of the management arrangements and ongoing fees.

**The CHAIRMAN:** What would they be for?

**Mr Edmonds:** Facilities that are provided. For example, in the social housing context, facilities such as after-care, meal facilities, recreational facilities and personal care facilities are not provided. They are provided by other elements of government or local government or the community. In these facilities, there are ongoing costs to provide those, and it is a matter of getting the balance right, so that the affordable group can go in there and see that it is a good long-term option. But the issue of social or public housing tenants occupying the space still has to be thought through, bearing in mind that some of these people have life skill issues and some of them have profound complex needs issues—substance abuse et cetera. Public housing, as a result of the deinstitutionalisation process, became the de facto institution for a lot of these people, and it was not provided with the support that existed in those institutions. A lot of work has had to go into bringing joined-up government responses and joined-up agency responses to assist these people in social housing. Partly, that is why there is some of that stigma associated with our tenants. They do have issues, and they are housed in public housing accommodation; not, in some cases, in places where service and support might be provided in a better way. That is not saying that there have not been some great outcomes for people in the mental health area, with people moving out of institutions and into the wider community. With the right support, in public housing or in private rental, they function very well and actually grow. It is a really complex issue.

**The CHAIRMAN:** The cohort you mentioned going into lifestyle villages, is it the older cohort? What did you mean by that?

**Mr Edmonds:** Lifestyle villages cater generally for people over the age of 55, but now there are 45 and over arrangements being made.

**Mr W.J. JOHNSTON:** Young people.

**Mr Edmonds:** Younger people. Is 55 senior? I do not know; I am getting close to it. However, there is a gap. You have your park homes, caravans, short-stay, and arguably long-stay arrangements in caravan parks, which is subject to various vagaries and whims, and then you have lifestyle villages. There seems to be a gap in there for people who want that type of arrangement. Clearly, the private sector has not seen it as a viable option; otherwise it would be in that space now. Caravan parks and park homes and long stay have worked. They have filled a very viable area, but the pressure, prior to 1997, when the new act came into place, was whether people were informed that long stay could be a short stay of 180 days is a moot point. We met with the caravan and park owners association and we have had meetings with DOCEP, and anecdotally we are hearing from people in these facilities. People are very well informed post-1997 about the rights and responsibilities of both parties and the limitations, and what the potential for notice in certain circumstances could be. How that gets filtered by various messages of owners or other people is a hard one. I think people are aware of their obligations.

**Mr Raymond:** It might also be worth mentioning that the way the department views this—it was an important point for your inquiry that we had to consider this matter—we had to make a decision, as

we just said, that we consider caravan parks to be a viable form of affordable housing, because we had not really conceived of it in that fashion. The reason I make that point is that when we are talking about public housing and social housing, it is really only five per cent of tenure. The other 25 per cent of tenure is in the private market anyway, and that is where the caravan parks and so on are coming. The evidence from talking to people in the caravan parks is that in many cases they have provided their own dwelling. 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 that they actually want an affordable option. The issue seems to be the push and pull of how they can get some security of tenure longer than 180 days. It is important for the committee to recognise that, while you are quite right in saying that there will be some additional costs if you move to a structure that is compliant with the building code, there is the compensating effect that greater security of tenure will be afforded. One of the elements we have been discussing is that the nature of park tenancy and leasehold arrangements in other countries, which do not seem to operate so well in Australia, are such that you actually have some form of capital charge upfront and you pay for being able to secure that tenure for maybe a 10-year period. You then pay ground rent on top of that, which may be then paying for the amenities on a monthly basis. The point is that you were then tying up the park and the park owner and the park operator to make sure they cannot do anything with that site. In Western Australia we seem to have a bit of a gap in our legislation between a very short-stay approach, focused on camping grounds, and residential villages for people over 55. Between those two there is no regulation in the legal framework.

**Mr Edmonds:** A form of community title is possibly one solution, where people can actually either have a leasehold arrangement or buy into a percentage of a lot for a given period of time, and that they can trade in it for that given period of time.

**The CHAIRMAN:** In the 1990s they did away with division of caravan parks on a leasehold basis. There are a few that still exist. The park managers and the shires were against going back into that area. Have you thought about that?

**Mr Edmonds:** My personal experience is with Drummonds Cove in Geraldton. That was a leasehold arrangement for a lot of people for a long time. That was a very stable arrangement, and I lived there for a while. It was a very stable small community. Everyone knew what their commitments were under the leasehold. It certainly reduces the total cost in terms of buying the land and it reduces the cost of the whole package, and so makes it more affordable.

**The CHAIRMAN:** It also makes it more difficult to change the use of the land.

**Mr Edmonds:** It does, and that is the limitation of it. It is a limitation for the owner, but it is certainly a benefit in terms of affordability and security and planning for people in the long term. I think leasehold is something that needs to be looked at again in the Australian context.

**The CHAIRMAN:** One of the issues they raised is that it could be like a strata title arrangement, and could be a mess if it is not set up properly, but every strata title arrangement has that sort of thing.

**Mr Edmonds:** Landgate is looking at reviewing the Strata Titles Act and considering issues of community title and mixed-use models. If it is successful in getting that through, that will allow not only the industry but also local government, planners, community housing providers and other housing providers huge scope to be more flexible in the type of accommodation or housing arrangements, or mixed-use arrangement they can provide.

[10.00 am]

**The CHAIRMAN:** The resorts in Broome are selling individual units under lease-back arrangements. They seem to be very comfortable with it in a very volatile market.

**Mr Edmonds:** Whilst it is less costly, they are still pitching to the high end of the market.

**The CHAIRMAN:** Yes, of course.

**Mrs L.M. HARVEY:** They are pitching to tourism.

**The CHAIRMAN:** Yes, but the fact is that they are a high-end market to some extent, but it is still in the tourism market.

**Mr Edmonds:** Exactly. People are comfortable going into stratas, largely in the metropolitan area as a short term—for some it is more long term now—and they are quite happy in that type of arrangement. The issue with stratas is that people do not really understand the ongoing strata management costs. That is the same if we are talking about retirement villages. That is the real issue. Even 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.

**Mrs L.M. HARVEY:** Through the chair: I see a need for that as well. The disclosure documents that a lot of people get when they go into leasehold and strata arrangements or whatever end up being a sizeable booklet telling them of their rights and obligations. When we have, say, a 70 year old who has perhaps only been educated to year 9, it becomes quite difficult for them to interpret their rights. I agree that we need to have a complete paring back of legislative gobbledegook, if you like. It sounds as though that is what you are advocating.

**Mr Edmonds:** I do. Having worked at the coalface of signing people up on basic tenancy agreements for social housing, and even having a small investment property myself and dealing with my own tenants, 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. They should be simple, concise and cover the broad points and point people to other areas with deeper information should they need it. It is a huge legal issue. If it comes to a case, it is one person’s word against another about how much disclosure they have had. Simple is good; multilingual is good. I share that view, but it is complicated.

**The CHAIRMAN:** In summary, I go back to one of the key issues. This committee is primarily focusing on the recreational side of caravan parks. That is our explicit choice. However, we are recognising that long-stay residents are crowding out short-stay visitors, and that long-stay accommodation does provide an important gap for the low-cost housing sector. If the committee recommended that caravan parks really were meant for tourism, understanding the operators’ need for a mix, and we wanted to put some limit on the number of long-stay sites—there may be some issue about standards of accommodation, and some are very nice, but let us be honest, some are hovels, and if a storm went through we would really have a mess; people are hoping that the weather stays good—and that led to a reduction in the number of spots for long stays around the metro and Peel area, would those people find other accommodation of a comparable price?

**Mr Edmonds:** It would depend on their means. Our response has been, when there have been park closures such as Kingsway, Miami or Springvale, to go in and interview these people and assess their cases. We have found that a large number of them are eligible; some have the means to move to other areas, but generally the declared means for the majority are low, and arguably we would be their first point of call. In areas like Peel, where the demand for people, particularly over 55, is extremely high, there would be a significant wait and we would have to look at supporting them through private rental options or shared accommodation until we get housing.

**The CHAIRMAN:** In Peel is the rental vacancy rate high?

**Mr Edmonds:** Prior to the perfect economic storm that we are facing, the vacancy rate in Peel was negligible—well below the state average. I believe it has eased; however, the cost of renting is still

high. We have seen that throughout the state to some degree. There has been an easing in the vacancy rate, but the availability of rental properties has not changed that much. The price of houses has also tended to stay high. People are still pinning their hopes on there being a change for the positive in the economic cycle, sooner rather than later.

**Mr Raymond:** It may be worth noting that the figure for current wait for people who are income eligible—that is, on a low income—is hovering around 20 000. The measure the committee is discussing may increase that waiting list. The priority waiting list is 2 500. As Shane was saying, currently the department's policy—because these people have effectively been made homeless—is to consider them for priority housing. That 2 500 waiting list, which is what we are mainly focusing on, would probably increase as well.

**The CHAIRMAN:** If someone is on the priority housing list, how long is it taking to get accommodation?

**Mr Raymond:** It should take no longer than 60 days. It is currently taking a minimum of six months, but usually a year.

**Mr Edmonds:** That depends on the department's ability. The department has stock that turns over quickly in some areas. The issue comes when an applicant has a requirement or in some cases an expressed wish to remain in a certain geographical location. The greater the flexibility of the applicant to move to a wider geographical area, the better placed the department is to assist that person. There are people who do get houses quicker in that band. That is because they do not have certain health, psychological or personal requirements to be in a particular geographical location.

**Mr J.E. McGRATH:** Through the chair: you mentioned the Kingsway Village. I notice that your submission, on page 4, says that government requires a proactive and integrated response to assist permanent long-stay residents and prevent them from becoming homeless. What do you mean by this? How could such a response be developed? What needs to be done that is not being done currently? And what is the Department of Housing doing to develop such a response?

**Mr Edmonds:** The response is on a couple of levels. The first response is basically ensuring that when government is aware that one of these facilities faces imminent closure that all the relevant agencies that can assist those people are informed and, in a coordinated way, can give information about the various options available to them. That might be about Centrelink, or about their rights and responsibilities under the legislation that affects them, through the Caravan Parks and Camping Grounds Act 1995, or about alternative accommodation in public and community housing, or private rental assistance, or child support, if there are child support issues. Those agencies get together and a team of people—or people who have all the information operate as one and we go there in a coordinated way, and the key agencies are aware of the issues and we give the information at one point. That is subject to a memorandum of understanding that is being developed now. We are waiting for Centrelink to sign off on that, and that will describe how government agencies will provide that coordinated response.

In terms of the other issues, the Department of Planning is looking for alternative sites that could be provided by government to potential short-stay caravan park operators to run and to provide some extra capacity within the industry. They are the two ways that we are looking at it at the moment.

**Mr J.E. McGRATH:** Through you again, Mr Chair: would that be an expansion of the caravan park industry to cater for that surplus that would occur if someone closed down a park like Kingsway?

**Mr Edmonds:** When the issue of Kingsway's closing came to the fore under the previous government, clearly there was discussion whether this was a space government should go into. It was not particularly market failure; it was a developer taking an opportunity to rationalise the asset. Clearly, because of the planning issues and the reluctance of the majority of local authorities to have these facilities, government took the view that it had to look through its own asset portfolio to

see what sites it had that in the short term could provide some relief while the industry and the planning arrangements provided more relief. It should be noted that the federal government has also picked up on this through the Housing Ministers Advisory Council—that caravan and park home regulations differ widely throughout the nation. Through the Department of Families, Housing, Community Services and Indigenous Affairs the federal government is looking at a study around all the regimes to come up with some recommendations on the levels of rents. The federal government has picked up on it, and housing ministers through all jurisdictions see it as an issue for further study.

**Mr J.E. McGRATH:** Have all those residents from Kingsway Village been rehoused, and how far away from Kingsway have some of them ended up?

**Mr Edmonds:** The department has housed some. I do not have the exact numbers here, but I can, if the Chair requires, pass on the most up-to-date numbers the department has on that. As of about four weeks ago, in May, 14 residents had made an agreement with the Shire of Moora to relocate to its facilities; 25 are examining the option of moving to Kingsley to the Cherokee Village Mobile Home and Tourist Park facility; and 19 were placed on our waiting list at that point in time. We had housed one on a priority basis, and nine residents had secured private rental accommodation in locations. I am not privy to the exact locations where they had secured those rentals.

**Mr W.J. JOHNSTON:** On that related topic: in your submission under the discussion of the three caravan parks that are faced with imminent closure you list actions in response. I want to get a picture of how far away the draft memorandum of understanding from the working group is. You also talk about a draft protocol and I want to know where you are with that.

**Mr Edmonds:** It is currently in its final draft. We are just waiting for the Department of Commerce to finalise its part. That department has issues with some of the nomenclature in it, so we are finalising that. Centrelink is very supportive of being part of the protocol, but its procedures say it must be cleared through its internal legal branch; it is sitting with them at the moment. We expect that, hopefully, in two to three weeks, and then there will be a final meeting of the group to sign off and to send it through to our various CEOs for ratification. I would think that in a matter of probably four to six weeks we should have that locked in.

**Mr W.J. JOHNSTON:** Is it possible to get a copy of the draft?

**Mr Edmonds:** I can certainly make that available.

**Mrs L.M. HARVEY:** Do you have any idea of how many other situations like Kingsway may potentially arise in the future as part of this process?

[10.15 am]

**Mr Edmonds:** I do not have the exact number. The steering group collected a lot of information on potential sites in caravan parks. This perfect economic storm has given us a bit of breathing space on that. However, clearly, in the future there will be pressure—particularly in Peel—and we are aware of the particular pressure on Springvale, and there is one other in the metropolitan area.

I think, clearly, there are pressures on all of them. We cannot get into the minds of the developers what their opportunity costs are and when they are going to move on these things. This is a security-of-tenure issue for people and security in general. We need some way in which a developer can get relief by way of not realising the opportunity cost because the developer is getting better ground rents or has 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. For residents it is important. 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. Caravans and short-term

stays in the Australian context, really has been that. It has been key workers in rural areas, the metropolitan road gangs that used to go around—now privatised—but still using the same facility. We 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, residents have had very good access to affordable accommodation that has been well located and have been able to use their income to do other things such as travel. Not everyone is in that situation. There are some real hardship cases in that accommodation, but there has been some element of choice in that, and I think we need to bear that in mind.

It is the same for public housing. We are only 4.2 per cent of the market in terms of what we provide. Thousands of consumers are doing it tough—both aged and young people and people with mental health issues in the private sector. They have leases for only six or 12 months. A lot of people are facing similar issues. The issue with these caravan parks is the level of disclosure expectation around a tenure and the fact that there are a lot of them in one place. That creates very particular problems for government to respond to and the private sector to deal with the dislocations.

**Mr Raymond:** 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 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.

**Mr W.J. JOHNSTON:** Probably one of the issues is that if someone has paid \$100 000 for the dwelling, even though, really, they were paying effectively the right to occupy the land, the dwelling itself was never worth what they paid for it. The other issue being yes, they do own the dwelling but they do not own the land. If the land is being redeveloped they have the expense of moving elsewhere. It has been reported in the media that residents of Kingsway were asking for the cost of the relocation to be paid. One of the submissions we received suggested that a special purpose fund could be created for the purpose of relocating long-term residents’ dwellings and that it could be paid by the long-term residents as part of their lease agreement and perhaps by the caravan park operator. There might need to be a guarantee at the start. It would be effectively an insurance fund. The submission compares it to the home indemnity insurance scheme. Does the department have any reaction to that idea?

**Mr Edmonds:** 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

**The CHAIRMAN:** I have seen one with high-rises—upstairs.

**Mr Edmonds:** Certainly, in the United States context that is the way it is. It happens everywhere; I am not telling you anything. That is the issue. With that, there must be some way of making sure they can be relocated, and there is an inherent cost to the owner of the facility.

**Mr J.E. McGRATH:** You mentioned the United States. I was going to ask you that question. How does a great country like the US handle its housing affordability, and how does it use what we are told are called trailer parks. Do they have a lot of permanent residents? How do they handle this problem?

**Mr Edmonds:** It varies from state to state as I understand it. I was at a housing conference in the United Kingdom a couple of weeks ago and I was discussing this with someone from the United States. The housing system is different there in terms of affordable housing. In the United States there are huge issues with streets of housing sitting vacant at the moment, let alone a caravan park.

**The CHAIRMAN:** That is now; that is new.

**Mr Edmonds:** That is the problem. In terms of caravan parks, as I understand it, they are very large in scale. There are mixed tenures within that. People can go in and buy an existing park home or Winnebago or whatever. They can rent one and they can sublease it. The tenure arrangements are very flexible. I believe it is not regulated to the extent we would like to see in Australia. The park homeowners or managers have a substantial amount of flexibility in terms of the built form, the tenure, the lock-out, the rents and the general social management of the facility, if there is any in some of them. Some of them amount to just swathes of people living in very cheap accommodation—shantytowns. I do not want to use the term “ghetto” because it brings ethnicity and things like that into the terminology, but to my way of thinking, they are largely unsatisfactory.

**The CHAIRMAN:** Some of those things are like our temporary accommodation on the minesites, bolted together. They are of a pretty high standard. The range varies immensely across parks.

**Mr Edmonds:** In Florida, for example, there are excellent facilities through the quays, but if you go to Texas, the standard is extremely different.

**Mr Raymond:** There does seem to be a clear demarcation between wealthier parks and poorer parks. In those wealthier parks, there are greater set-backs, more landscaping and so on. People use them as a real option when they want to downgrade from being a homeowner and want to retire without the problems of having a large block or whatever. In the US, in Montana and Colorado, it is a real lifestyle choice for the 45s-plus.

**Mr W.J. JOHNSTON:** That is like the lifestyle villages here.

**Mr J.E. McGRATH:** Or, a place like Seabird, which we visited. That would be a lifestyle choice for those people; it is certainly a good facility.

**The CHAIRMAN:** That is mainly temporary. That is their holiday homes. Where is the committee you mentioned going from here?

**Mr Edmonds:** The interagency working group will complete the memorandum of understanding. It will reconvene in probably 12 months to review that. The sourcing of land for caravan parks is primarily within the purview of the Department for Planning and Infrastructure. It is moving ahead with that. We provided the department with a couple of sites. The Department of Commerce is currently reviewing the legislation and is watching what will come out of this committee.

**The CHAIRMAN:** Is the Department for Planning and Infrastructure looking at long stay or the whole uses of caravan parks?

**Mr Edmonds:** As I understand it, it is looking at not only sourcing the sites in the short to medium term, it is looking at zoning and planning issues around these facilities.

**The CHAIRMAN:** For the whole range of uses?

**Mr Edmonds:** That is my understanding, yes. I am not sure whether they will appear before us.

**The CHAIRMAN:** You have referred in your submission to some issues on tenure. Are you exploring tenure options further because that is a fundamental issue?

**Mr Edmonds:** That is an ongoing discussion with the Department of Commerce. It controls the Residential Tenancies Act to which we are subject. In our submission to Landgate and its changes to the strata titles act and community titles, we have been very supportive because we see that as being a great enabler for the private sector and other community housing organisations to provide more affordable housing. In terms of the tenure arrangements for short and long-term caravan parks, our discussions with the Department of Commerce have been around the fact that, if you are going to say it is long term, you need to have some form of security arrangement that guarantees that long term for people. That is under that department's bailiwick.

**The CHAIRMAN:** You can have an arrangement where you can lease it, just like a park, but this issue of providing the infrastructure—a house—without security of tenure over the land, is where the real problem comes in.

**Mr Edmonds:** In my view that is a problem and I am sure a lot of people share that. It is the same as land rights. If you have some ownership of land you have security and you can move forward and a whole lot of other benefits flow from that.

**The CHAIRMAN:** It is the inseparability between house and land.

**Mr Edmonds:** It needs to be done in such a way that it is not a disincentive for operators and developers to provide this facility. Notwithstanding the issues of local government and planning, unless there is a regulatory environment that is not too overwhelming and oppressive to these operators, future options might not be explored by them, even if the state is in a position to provide more sites for them to move into.

**Mrs L.M. HARVEY:** In your submission, you put the number of caravan parks and camping grounds in the state at 300. Can you advise how you came up with that figure. We are getting different figures from every department we speak to.

**Mr Raymond:** I think the source we quoted that from was the ABS.

**Mr Edmonds:** That would be the 2006 ABS.

**Mr Raymond:** I hasten to add that the ABS definition is very tight. We described it in a footnote, so it depends on your definition.

**The CHAIRMAN:** Do you have any data on how many people around the state are living in long-stay conditions in caravan parks?

**Mr Raymond:** Not apart from what is in the submission.

**Mr Edmonds:** We have been relying on people to inform us—the Department for Planning and Infrastructure, Tourism WA and the Department of Commerce—to provide us with the detailed information on that. It is an area where we know people live and come to us from and it is an affordable housing option, but we have not been intervening in that space or keeping a monitoring role.

**The CHAIRMAN:** Thank you very much for your evidence. Transcripts will be forwarded to you. If you want to make changes, do so within 10 days but do not change the formal nature of your remarks. Do not come out and say you are going to do something you are not or whatever. If you want to add new material, provide a supplementary submission.

**Mr Edmonds:** We will forward those documents through to Loraine. Thank you very much for the opportunity.

**Hearing concluded at 10.29 am**