

**ECONOMICS AND INDUSTRY  
STANDING COMMITTEE**

**HOUSE REFERRAL OF PERMANENT  
PARK HOME RESIDENTS MATTER**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
MONDAY, 29 AUGUST 2011**

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**SESSION THREE**

**Members**

**Dr M.D. Nahan (Chairman)  
Mr W.J. Johnston (Deputy Chairman)  
Mr I.C. Blayney  
Ms A.R. Mitchell  
Mr M.P. Murray**

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**Hearing commenced at 2.19 pm**

**SEARLE, MR GRAHAME JOHN,**  
**Director General, Department of Housing, examined:**

**CASH, MR GREGORY MARTIN**  
**Director, Affordable Housing Policy, Department of Housing, examined:**

**WHYTE, MR PAUL RONALD**  
**General Manager, Commercial and Business Operations, Department of Housing, examined:**

**The CHAIRMAN:** Thanks for your appearance before the committee today. This committee hearing is a proceeding of Parliament and warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament. Before we commence there are a number of procedural questions I need you to answer. Have you completed the “Details of Witness” form?

**The Witnesses:** Yes.

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

**The Witnesses:** Yes.

**The CHAIRMAN:** Did you receive and read the “Information for Witnesses” briefing sheet regarding giving evidence before a parliamentary committee?

**The Witnesses:** Yes.

**The CHAIRMAN:** Do you have any questions relating to your appearance before the committee today?

**The Witnesses:** No.

**The CHAIRMAN:** Today’s hearing has been called mainly to obtain information to respond to a request from the house that the committee consider the appropriateness of undertaking an investigation into all park homes that have been closed or have collectively evicted long-stay tenants since 2006 to ensure compliance with all aspects of appropriate legislation. The committee is also using this opportunity to obtain relevant follow-up information from its earlier inquiry into caravan parks and camping grounds. You have been provided with several questions in advance; you have not given us a response yet, so we will go through that today, amongst other questions.

Do you wish to make an opening statement that addresses the department’s responses before the committee pursues its lines of questions?

**Mr Searle:** Yes, I would like to, Mr Chairman.

**The CHAIRMAN:** Okay. Go ahead.

[2.20 pm]

**Mr Searle:** The department is of the view that caravan park closures have a detrimental impact on the wider community for a whole range of reasons, not only because of their financial disruption to residents but also the social disruption that is caused, and from our particular point of view the loss of affordable housing at the lower end of the housing system. This impact is further exacerbated by the fact that it increases competition for the limited amount of affordable housing that is available at that end of the continuum. Whilst the role of operating and developing the opportunities for

residential park living is largely within the private sector, we think the government does have a role but it should be limited to facilitating opportunities through land supply and planning and zoning; retaining control over land tenure in selected sites, particularly in key locations; ensuring appropriate regulation of operations; providing appropriate information to prospective residents; and of course providing information and assistance to those faced with park closures. We think there are a range of options that should be looked at and issues that need to be considered. The first is the removal of disincentives around land tax and rating treatments that almost compel park owners to redevelop parks when urbanisation closes in around the parks. Between land tax and rating at highest and best-use values, it makes it almost impossible for these parks to be much more than economically viable when there is a huge carrot in terms of residential redevelopment sitting in front of the potential current landowners. We think zoning provisions that specifically and exclusively restrict the use of the land for the residential park living with appropriate taxes and rate exemptions linked to those zonings would provide a financial benefit to all and ensure the ongoing use. We also think there is some ability to look at the nature of the parks themselves in terms of whether they are exclusively tourist, some percentage of tourist, permanent long stay or exclusively permanent stay, and dealing with them differently in each of those cases. There is the model in South Australia that we have been referred to that actually deals with that issue. So in that context we are particularly interested in the activities of the committee and more than interested in helping if we can.

**Mr D.A. TEMPLEMAN:** Director General, do you have any information on statistics on your department's waitlist of people seeking to go into public housing who actually list themselves as being caravan park tenants or living in caravan parks currently?

**Mr Cash:** Not at the moment, no.

**Mr D.A. TEMPLEMAN:** Is that able to be provided at all?

**Mr Cash:** We can pursue that and see if we can obtain that information.

**Mr D.A. TEMPLEMAN:** Through you, Mr Chair, if you are able to provide us with some figures as additional information, that would be useful.

**The CHAIRMAN:** Just before you answer that, how do you explore that? I mean, in Homeswest there would be emergencies, so people would get a warning that they have to leave their park home or maybe people in a park home thinking ahead want to be on the waiting list.

**Mr Searle:** Yes.

**The CHAIRMAN:** So, both the emergency or/and the longer term.

**Mr Searle:** We do ask people their current address, so that would identify them. We know, for instance, that when one of those two closed, there were 10 people on our waiting list who had already been on our waiting list for two years. So there is some carryover. I think it was the 2006 census said there was something like 6 000 long-stay residents in caravan parks in WA, so it is not an insignificant number.

**The CHAIRMAN:** No, and you would think many of them would be somewhere between public housing and long stays.

**Mr Searle:** Interestingly, some of the research we have done—we have done a little bit—indicates that for a lot of people it is actually a lifestyle choice. I mean, based on location and amenity, as distinct from it is the only accommodation they can get. It is a bit more than that in a lot of cases.

**Mr D.A. TEMPLEMAN:** Just to follow-up on that one, in regard to any statistics you have for people currently living in them, would you be able to provide the numbers. For example, there have been four caravan park closures since 2006, which is a reference to this current inquiry. It would be interesting to receive information on how many of those residents that were vacated due to the closures of those four actually went into public housing.

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**Mr Searle:** I have actually got figures for Kingsway, Springvale and Aqua.

**Mr Cash:** Do you need the earlier one?

**The CHAIRMAN:** No. We were been told today —

**Mr D.A. TEMPLEMAN:** I think Miami caravan park was the fourth.

**Mr Cash:** We have the three.

**The CHAIRMAN:** Yes, the three but not the fourth.

**Mr Cash:** No.

**Mr Searle:** So, for instance, out of Kingsway, we know that seven went into public housing and one went into community housing.

**The CHAIRMAN:** How many people altogether in there?

**Mr Searle:** We visited 70 people.

**The CHAIRMAN:** Seventy?

**Mr Searle:** We visited. I do not know how many were there but that is the number we visited. We also provided bond assistance for one person out of that particular relocation, and we made act of grace payments to 25 couples and 16 singles in that particular instance. In Springvale, we housed 28 people—families in inverted commas. Two went into community housing in addition to that, and we paid three lots of bond assistance. In Aqua, we paid five lots of bond assistance, we housed 10 and the community housing sector housed nine.

**Mr W.J. JOHNSTON:** What was the issue with the act of grace payments?

**Mr Cash:** That money was provided for help with relocation of park homes to alternative sites.

**Mr W.J. JOHNSTON:** Where was that funded?

**Mr Searle:** The department funded it, so it was \$3 000 per couple and \$1 500 per single that we paid.

**Mr D.A. TEMPLEMAN:** Mr Chair, with your forbearance, could we actually have that tabled?

**The CHAIRMAN:** Yes.

**Mr Searle:** Yes.

**The CHAIRMAN:** There are a couple of things I would like in that. When you gave assistance to this number of people, could you put it to your knowledge relative to the number who were in those homes, so we see the percentages?

**Mr Cash:** Yes. We have some numbers in terms of the number of people we visited, rather than the actual number of people that were there, but we will provide a table to the committee.

**The CHAIRMAN:** Just as a comment, you see that when these things arise—that is, the closure of these park homes—they impact on your waiting list very significantly and your cost structures.

**Mr Searle:** Absolutely.

**Mr Cash:** Yes.

**The CHAIRMAN:** So, it is a key issue of your department.

**Mr Cash:** Yes, and certainly the difference in the numbers are noticeable for Springvale where we housed 28 versus some of the smaller numbers that we housed in the other two related to the time frames. There was a long development time frame for Springvale. It was announced about 18 months to two years before the closure actually happened, so people were able to get ahead of the ball and get onto our list and maintain contact with us.

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**The CHAIRMAN:** Just one issue: what is your knowledge about the number of parks that have closed since 2006 and the ones that are at risk now? Do you have any information on that?

**Mr Searle:** We think there are a few at risk at the moment. In Belvedere Caravan Park in Mandurah, the residents have been notified of a redevelopment proposal and there are 148 long-stay sites on that caravan park to our knowledge. Timbertop Caravan Park in Mandurah, where there are 11 long-stay sites, has also indicated its redevelopment options, and Palm Beach Caravan Park in Rockingham has recently been put up for sale and there are 160 long-stay sites there. They are the ones we are aware of, but clearly caravan parks trade often.

[2.30 pm]

**The CHAIRMAN:** Do you have a comprehensive list of all the caravan sites in the state that have long stays?

**Mr Searle:** No.

**The CHAIRMAN:** Why not?

**Mr Searle:** It is not something we have had responsibility for. The running of caravan parks is administered out of the Department of Commerce and, as such, the operations are their concern, not ours.

**The CHAIRMAN:** There is not such a list, we know, but what department would be responsible for that?

**Mr Searle:** I do not know offhand. There is legislation —

**Mr Cash:** The challenge with this is that it cuts across so many different agencies—Commerce, Local Government; we are affected and Planning is affected as well; it would essentially sit, in my view, with Local Government, which would be the ideal location, with Commerce having a list of the operators because they regulate the operators and local government determines the usage, as I understand.

**The CHAIRMAN:** You are the lead department in the caravan parks—park homes interagency working group.

**Mr Cash:** Yes.

**The CHAIRMAN:** Is that a priority—trying to get a list and detail of your potential client base?

**Mr Cash:** It has not been that issue. The issue has been more focussed on trying to develop an interagency response and to make sure that the issues around some immediate land supply questions are dealt with, but not the list of all of them.

**The CHAIRMAN:** Will it be in the future?

**Mr Cash:** It could be something that is worthwhile exploring.

**Mr D.A. TEMPLEMAN:** In *Hansard* on 30 April this year the Minister for Housing highlighted—I think it was in a general debate from memory —

**The CHAIRMAN:** It was.

**Mr D.A. TEMPLEMAN:** — this issue of pressures on caravan parks, and he mentioned during that debate that he was having conversations with you. I will quote —

I have had discussions with the Director General of the Department of Housing about the department purchasing caravan parks; it is not something he sees as being an absolute priority. I had another discussion with him this afternoon—we will conclude that conversation on Monday—and I am pretty sure that the department will look to acquire some caravan parks. The caveat I put on that statement is that it has to represent reasonable value to the taxpayer;

Has there been any response or have you anything to add to that? They are positive comments from the minister in terms of his response there. Has there been any progress vis-a-vis that comment?

**Mr Searle:** We certainly had discussions with the one large caravan park that is currently for sale. Our understanding —

**The CHAIRMAN:** What one is that?

**Mr Searle:** Palm Beach Caravan Park in Rockingham. Our advice is as an operating caravan park it is worth somewhere between \$4 million and \$5 million. The current asking price is \$11.8 million. We did not proceed with that discussion very far, as you could imagine. We have, however, been having discussions with the Department of Planning around a couple of sites they have that they think might be appropriate for development as new caravan parks and have somebody investigating the cost of setting them up. The intention would be for us to buy the sites off the Department of Planning and to lease them long term to somebody to operate as a caravan park. One of the really good things that was done by a previous government was to stop the conversion of crown leases into freehold where there was a caravan park operating, particularly on foreshores, and that has tended to keep those caravan parks not only in public ownership but also operating as caravan parks. There is an argument between government about either owning the underlying tenure or restricting the zone, so in that way you can keep these things as caravan parks, if that is the will of government, rather than operating them or developing them necessarily. Private industry is very good at that.

**Mr D.A. TEMPLEMAN:** Just to clarify: so the department will continue to have discussions with the Department of Planning about specifically acquiring planning land or land currently owned by WAPC for caravan park usage?

**Mr Searle:** Correct. Those discussions have been ongoing for about three months and work is now being done on costing up the infrastructure costs to deliver those caravan parks.

**Mr D.A. TEMPLEMAN:** Have any sites been identified specifically?

**Mr Searle:** Yes.

**Mr D.A. TEMPLEMAN:** Are you able to give us any indication of those at this stage?

**Mr Searle:** The person who is doing the negotiations is unfortunately not here today. One of them is out towards Whiteman Park—in that part of the world.

**Mr D.A. TEMPLEMAN:** It could be the same —

**Mr Searle:** They will be the same parcels.

**The CHAIRMAN:** Do you think you are looking for additional sites beyond that? That was a total of 150 sites maximum.

**Mr Searle:** Yes. What the minister said at the time is true: if we think there is a caravan park that comes on the market that is reasonable value for money, we will buy it and then lease it to somebody to operate so that we keep that, but at double market price; we are not into that.

**Mr D.A. TEMPLEMAN:** You were not wearing your Department of Housing hat when you went in there? I am sorry! As soon as they see government coming, the price tends to double.

**Mr Searle:** It might, but this particular part of this government is not interested in doing those sorts of deals.

**Mr W.J. JOHNSTON:** Is the reason that your valuation is \$4 million and theirs is \$11 million or whatever because they have zoning rights that go beyond caravan parks?

**Mr Searle:** It is exactly the issue.

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**Mr Cash:** And also the infrastructure costing. Over time the infrastructure in those caravan parks tends to deteriorate. To us, if we are going to operate it as a park, we would need to have the infrastructure upgraded so that gets factored in.

**The CHAIRMAN:** Into that \$5 million price.

**Mr Whyte:** Yes, but I think fundamentally the issue is around an alternative use, and as Grahame mentioned before the tax relief or the rating relief can be tied to the valuation. If the use to which the land can be put is restricted to that particular use, then there will be an appropriate adjustment to the value. By having the land value adjusted, that will adjust the land tax burden. Having the gross rental value adjusted will affect water rates and shire rates, so there will be some quid pro quo in that but it probably would not compensate fully for the reduction in value that would be affected by taking it from a caravan park use to a highest and best use.

**The CHAIRMAN:** In response to recommendation 43 of the committee's 2009 report, it was confirmed that the Department of Housing was working with Department of Commerce to ensure that displaced tenants are properly informed of their rights and future housing obligations. Can you tell me how that is going and what the process is and what the level of demand is?

**Mr Cash:** We have an assistance protocol with the Department of Commerce which specifies the roles and relationships and the actions that will occur when a closure is announced. I am happy to have that tabled or submitted.

**The CHAIRMAN:** We have that.

**Mr Cash:** You have already got that from Commerce; that is good. That was just recently updated, too, as part of our recent work. In terms of demand, it is really a reactive response and only comes into force—we have been really clear the protocol only comes into force when a closure is announced and not in the scenario of Palm Beach, where the park is up for sale and closure may result down the track. This is about when residents are issued with a 180-day notice. So that specifies the process that we go through, the roles of our agency, the roles of commerce and anyone that wants to help us participate and coordinate a response.

**The CHAIRMAN:** What kind of services do you provide? You have identified some —

**Mr Cash:** Then we go out. As soon as we are notified, we get the staff to go out and visit the park community and set up contact with all of the residents to make sure those that are eligible for our assistance get a response and get offered information and passed information about their available housing options. Where they are eligible and their circumstances dictate, we have committed in the past to housing them on a priority basis—that is how the other people have been treated in the past—and we will offer bond assistance and put them in contact with our other partners, our community housing partners, to enable people to get access to accommodation.

**The CHAIRMAN:** Do they get priority in terms of Homeswest's waiting lists.

**Mr Cash:** Yes, if they are eligible.

**The CHAIRMAN:** What do you mean "eligible"?

**Mr Cash:** Income eligible and asset eligible.

**The CHAIRMAN:** Their eligibility is not determined by their residency —

**Mr Cash:** Their residency at the park, no. It is determined by their housing circumstances and their available housing options.

**Mr Searle:** Their priority is though.

**Mr Cash:** That is right.

**Mr D.A. TEMPLEMAN:** Has the department previously assisted people to physically relocate any dwelling?

**Mr Cash:** Not physically. The act of grace payment was provided to help them fund that move.

**Mr D.A. TEMPLEMAN:** That is the \$1 500 per single.

**Mr Searle:** And the \$3 000 per couple.

**Mr Cash:** That was a one-off payment. It was also offered to some residents in Springvale but they were unable to take it up. One of the issues there is having somewhere to go to, and for the residents to be able to be relocated

**The CHAIRMAN:** One of the issues that the Minister for Housing—this is off memory; not a quote from *Hansard*—when we were discussing these lifestyle villages—type things, and I know it is a brand name but the concept is longstanding, these permanent lease factory homes, if you wish, and many of the caravan parks need these, at least a portion, to make them viable. But it seemed to be, if you could build some more lifestyle villages, you could take pressure off the caravan parks and not only provide low-cost homes for people but also create space for caravans, which was the major focus of our inquiry. But these lifestyle villages prey on the zoning for caravan parks to make themselves viable. One of our recommendations is that you should be able to locate on any land—maybe in the south west, not too far from villages or urban areas. What are your views on that? Your minister said it was a good thing to look at, by the way.

**Mr Searle:** We have been in discussions with one of the bigger operators of those sorts of establishments with the intention to jointly purchase a caravan park that had room for expansion so that they could co-locate one of their villages on a similar site. We support the model. One of the major issues with housing in Western Australia is the fact that we do not have enough diversity in terms of housing. It has been a problem for 30 years—the concentration of four-by-twos being the answer to everything; the reality is they are not—and trying to get that broader acceptance into the industry is a challenge that we are up for at the moment.

**The CHAIRMAN:** Rather than taking an existing caravan park, either partially or fully, but what about going out and acquiring ag land down the south west and jointly getting involved with a lifestyle village, one of the objectives of which is to get a homogenous variety of people in it in the older 45 or 55-plus.

**Mr Searle:** In the south west, we have bought into one of those as a way of providing, particularly seniors, accommodation. We are more than open to those sorts of things that add diversity into the market. As I said, we have already had some discussions with them. Admittedly in the first instance it was around buying something existing but we would also be open to doing something on a new site. We are particularly interested in the concept of a land-rent model rather than freehold model. It seems one of the costs that is embedded in all of these is the cost of the freehold land. If we could embed that as a land rent, rather than an up-front capital cost, we might find we can reduce the cost of providing housing in those sorts of places. In other parts of the world there are things like community lands trusts and those sorts of things that provide access to land for people at an annualised fee rather than a huge capital cost. We think there is a range of those things that need to be addressed, and some of them are in the state affordable housing strategy.

**Mr Whyte:** We also recently put out an expression of interest over one of our four hectare sites in the northern suburbs. The primary purpose there was to develop, I guess, a public housing retirement village concept. That will be a pilot for us. We are progressing with negotiations from one proponent, and that will see us in a position where we are actually having people living in more of a group or communal-type atmosphere. In particular, we will take people out of our, what we call, “under-occupiers”. We might have one person, an elderly person, living in a four-bedroom house. The logical extension of that is to go into other areas in the market—once we have proved it up and we believe there are operators who can manage the property. In addition to that, we are looking at a site in Broome north where exactly what Graham has mentioned before about having a different form of tenure over the land, and we are working with LandCorp on that.

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**Mr D.A. TEMPLEMAN:** Could I just explore what triggers, in terms of a caravan park, the department's prioritising? Obviously in a closure or when people are served notice, what about those that you deem as vulnerable as in Belvedere, Timbertop, where they could close within—depending upon the circumstances?

[2:45 pm]

**Mr Cash:** Belvedere, we have gone in and spoken to all residents. There have been regular briefings and the offer of support and assistance and a number of applicants have gone onto our waiting list from there. The development window for Belvedere is about two years at this stage and given the financial market conditions at the moment, it may be longer. But we are involved in that process and we will continue to be. Where we are notified of the likelihood of a closure, we will be proactive in trying to get the message out there. However, the reactive response about committing to housing individual people on a priority basis does not happen until the formal notices are issued.

**Mr D.A. TEMPLEMAN:** Would you be able to provide us as additional information the number of people in those at-risk caravan parks who are actually on the list now?

**Mr Searle:** We should be able to, but we will have to go away.

**The CHAIRMAN:** When you go to, let us say, one of the at-risks and you get called in, and let us say they have been issued with a 180-day notice, are you able to assist them within that 180 days?

**Mr Searle:** The example we have got is around—Kingsway, Springvale and Aqua are the ones where we have done work. The average wait time for those we have dealt with has been 2.4 months. Those waiting times exclude the 10 residents from Springvale who applied prior to park closure, but about two and a half months. That does come at a cost to people who are on our priority waiting list for other reasons who cannot be housed.

**Mr Cash:** It all depends on turnover and what stock is available at the time.

**Mr Searle:** And where they want to go to and the number of people in the family and all of those sorts of things.

Just in terms of numbers, direct costs in terms of active gross payments and bonds and those sorts of things, on those three closures, we spent \$107 549. In terms of the 45 residents we have housed, the annual cost to the department for that is \$148 950, which is the difference between the rent they pay and the market rent. The actual cost of the capital tied up is something in the order of \$17 million to house those 45 families.

**Mr D.A. TEMPLEMAN:** So it is bailed by the caravan park after all.

**Mr W.J. JOHNSTON:** Yes; \$11 million is an achievement.

**Mr Searle:** It may well be, but, I mean, those are the sorts of numbers that we are talking about.

**The CHAIRMAN:** I would like to go back to the Lifestyle Villages issue. You are looking at it, experimenting and you need diversity. Do you have a problem with the Lifestyle Village or its equivalent being put out in ag land not contiguous with urban development?

**Mr Searle:** We would have a problem with that depending on the facilities that were put within the enterprise. The reality is that the last thing we want to do is to create slums of any—I am not saying these people do, but the reality is if you have not got access to shops and doctors and dentists and pharmacists and all of those other facilities, and a range of others in terms of social outlets, you could be putting people in a very unhealthy social environment, and that would be the last thing the department would want to see happen. We have worked very hard to try to deal with some of those places that we created a generation and a half ago and work through those issues, and I think the department has been very good at that. We would be very conscious of not re-establishing some of those facilities.

**The CHAIRMAN:** But you could locate them on ag land not too far from a country town.

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**Mr Searle:** There is absolutely no reason they could not be on the fringe of a country town, but, again, provided the amenity was such to support the extra people et cetera, which we would be very focused on

**Mr D.A. TEMPLEMAN:** You mentioned earlier that you have been looking at a model in South Australia. Have you got any elaboration on that?

**Mr Searle:** Unfortunately, the member of our team who is the expert on caravan parks is up north today. One of our current staff members, actually, his family has a background in caravan parks, so he knows this stuff pretty well. He said there's a model in South Australia where the operators of the caravan parks can identify the nature of their caravan park in terms of the mix between short term and tourist and whatever. On the basis of that, they get various rating concessions that link into that. So they pre-commit to say, "This is what we are going to do", and on the basis of that, they get a rating model that reflects their operational method. That is third hand and I cannot swear to it, but, as I said, I thought the person who knows about all this was going to be here.

**Mr Whyte:** My understanding is that that is the case and the operator is held to that—the owner is held to that.

**The CHAIRMAN:** You would have to enforce it.

**Mr Searle:** But they make the choice as to what business they want to be in.

**The CHAIRMAN:** Our report made a recommendation that a tourism plan be developed by the shires that basically did that, but that would be augmented, reinforced, by the South Australia model. One of the issues that keeps coming up—since you are in the housing market and know it—is that without government ownership of land, if you are going to pay either the rates or buy the land that could be used otherwise, the cost is just prohibitive, particularly where people want caravan parks. The view generally is that the state has to come in and acquire the land and zone it and maybe subcontract it like you did. Is that your view?

**Mr Whyte:** In terms of the valuation, based on highest and best use, that is the case. Based on the fact that the valuation approach for rating and taxing purposes assumes highest and best use, that is the key. If there is a restriction on the use, the valuation could then take that into account and that would potentially significantly reduce the operating costs.

In terms of the one-off hit to the value of the property from, say, \$11 million down to \$5 million, that is a key issue for the person who currently owns that asset. How compensation may be paid for that or how other arrangements be made for that, as I said, some will be offset over the life of that asset by a reduction of rates and taxes. But certainly if you purchased a caravan park and it has got residential or commercial rezoning opportunities, then there will be a diminution in value if you take it down to its lower use.

**Mr W.J. JOHNSTON:** We recommended that the government consider buying the development rights. The government did not accept that recommendation for understandable reasons.

**Mr Whyte:** There are many different ways that that can be affected and there are many different ways that the restriction in use can be made either at local, state or in fact on the title itself.

**Mr Searle:** Local councils refusing subdivision of blocks would do the job as well.

**Mr W.J. JOHNSTON:** We recommended and the government accepted that they take the 50 per cent land tax concession to 100 per cent and extend the clawback from five years to 10 years, which of course has been enacted. We also recommended that councils rate caravan parks as caravan parks and not as other use. The response from government was that each individual council has to make up its own mind. Councils come and complain to committees like ours. This is an opportunity for them to take that and have a look at it. We also recommended that they have their tourism strategies complete by 2010. I wonder how many have complied with that suggestion. All these things would help in maintaining values. It was our findings in the report that it is hard to

operate a caravan park without having some level of long stay in your business mix, so all these things were to help.

**Mr Searle:** The WAPC does own a fair bit of land in the developable parts of Perth.

**The CHAIRMAN:** There have been a large a number of closures of parks, not just the ones there has been discussion over, and whether they are for short-term stay or tourism stay, there does not seem to be too many developed. Are you satisfied that the development plans, the long-term strategic plans, have identified land for caravan parks or are giving caravan parks a high enough priority into rezoning and planning for developments, particularly in the South West, Peel, Cockburn and others?

**Mr Cash:** I think there has been a predominance of identification of tourism requirements for caravan parks. In a more urbanised environment I would question whether there has been enough consideration probably up until your report. I think certainly that Regional Development and Lands have been giving some strong consideration in the last few months last 12 months or so in relation to making sure land is available for their purposes and also with Planning. I think there has been a shift back, but I think that there was probably a vacuum for 10 or 15 years in terms of that urban caravan park scenario rather than the tourist caravan park.

**The CHAIRMAN:** There is such a long delay in getting it through the planning process—five-plus years.

**Mr Cash:** I think there is also local governments that are a little concerned about what caravan parks mean and that creation of ghettos or trailer parks or whatever, and I think that there is a question about everybody needing to be on the same page about what it means and what it can look like and what the outcomes are going to be.

**Mr Searle:** Because they can be highly successful and places people want to be. We are not in any way talking it down, but there has been a perception of something that is not the current reality.

**Mr D.A. TEMPLEMAN:** So with that, one of the strategic planning discussions earlier with one of our earlier attendees was, for example, the Cockburn coastal strategy. First of all, if and when the Department of Housing might be consulted in a strategy of that nature vis-a-vis provision of affordable housing and/or community or public housing, when you go in to bat for the housing mix, where do caravan parks come in your list of possible uses?

**Mr Searle:** The Department of Housing developed a state affordable housing strategy that was released earlier this year. I suppose the issue for me would be the line between caravan parks and Lifestyle Villages is becoming more and more blurred, and retirement villages even for that matter. So, consequently, I would find it very hard to talk about caravan parks in isolation to the others. In terms of a community-based living arrangement, however we want to define that, we would be extremely supportive. We would be supportive of caravan parks and lifestyle villages as alternates to the standard model of housing provision.

**Mr D.A. TEMPLEMAN:** Can I just elaborate? However, in the last three, five years where the Department of Housing has been called upon within a strategy to provide—whether it is joint venture and/or standalone housing stock, the reality would be that you have probably provided more high-density-type stock than a caravan park proposal or a park home proposal; would that be correct—as we define a park home? When was the last time the Department of Housing, if you like, said, “No, I reckon park home use is what should go here from our perspective as the agency overseeing housing policy recommendations”?

**Mr Searle:** Look, I think it would be fair to say that the last 12 to 18 months has seen a significant change in the department’s view of the world. We have come to the conclusion that public housing can never be the answer to every problem. It just economically does not work. No government can afford the investment that is necessary. We are very, very focused on what we are now calling the housing continuum, which we think is everything from homelessness to home ownership. Along

that path there are things like lifestyle villages and retirement villages and caravan parks. It is about trying to help people find the best place for them along the continuum at that point in their lives. It will change for individuals from time to time depending on whether they are employed or whether they are not or whether they have kids or whether they have not. For us it is about ensuring that there is an adequate diversity of stock, rather than everything being the same. We are struggling with that a bit in terms of coming to terms with what it actually means and how you live it out in terms of the reality. The fact that we are looking at buying caravan parks, the fact we are looking to enter into JVs with lifestyle village-type operations—I went to the opening last week, the week before, of a new facility that Bethanie opened down in Peel where there are 136 people off our waitlist moved into that facility on the basis that we funded the capital component of it. There is a range of different sets of arrangements we are looking at in order to get a better outcome for people. It is trying to focus on the needs of individuals at the particular time in their lives that we think is more important. It is not the commitment to public housing being the be-all and end-all. Keystart is a very important part of our operation in terms of helping people get into home ownership. It has grown dramatically in the last three years. It is this broader perspective rather than the public housing perspective that we are trying to promote.

[3.00 pm]

**Mr Whyte:** In terms of what is actually built on the land, the Department of Housing does not have a significant influence right now. The influence over what is built on the land is quite often the private developer or the local government and/or planning. Quite often you will find that developers have certain development requirements—that is, you must build three bedrooms, two bathrooms et cetera; you must build to a certain size or to a certain style in the development. As a consequence, there is not a lot of, for instance, one and two-bedroom product in the market. Where we are getting involved, with our own land in particular, is trying to get those built-form outcomes, so get back into building one-bedroom units.

Predominantly a lot of people who live in caravan parks perhaps are singles and they require single accommodation. Now if you do not have the single accommodation available because you have not built single accommodation for the last 20 years, it just becomes a self-fulfilling prophecy. As to whether we would want a caravan park somewhere or whether we would want a block of units, I guess it would be a case-by-case basis. The issue is for us to get back in and start influencing the market in terms of building appropriate one and two-bedroom product.

**The CHAIRMAN:** Let us go back to the caravan parking, from your perspective. When the Department of Planning goes out and talks to the shires and whatnot about their region—let us say, the Peel region area—and you have now come to the realisation that park homes fit a necessary segment. When would you have input into the Department of Planning view as to, “Hey, there are no caravan parks in this plan” or “It is not a very high priority”?

**Mr Searle:** I am not aware of when the Department of Planning consults us in that process normally. Having said that, though, I am a member of the WA Planning Commission, so the department does have the opportunity and has recently expressed its view on the provision of affordable housing in that forum.

**The CHAIRMAN:** My perception is that the Department of Planning is quite rigid in its views on the world. In particular, particularly on this lifestyle village stuff, they have made it quite clear to us, both in terms of response to our recommendation and evidence, that they are very much against them being built on low-cost land, whether that be agricultural land or whatever it is. They do not work without that, unless they come out and buy caravan parks. You either find an alternative to take the pressure off caravan parks, you get low-cost land for these things as well, or else they take over caravan parks and we have exits. There is this really ideological issue. Your department seems to be more amenable to that, and Planning seems to be quite rigidly against it. How do we bridge that?

**Mr Cash:** The challenge that we have got in that respect is something like what we are trying to do now. The two sites that are on the table, near Whiteman and the one in Ascot, where they have approached us for some advice on how they might take that next step of getting that out into the marketplace, and we are trying to come up with some advice around how a business model would be structured and what it would look like and how government can retain control of the underlying land but not retain the operational delivery of it. As we start to progress the proposal in a bit more detail, I would hope that we would be able to show and demonstrate that the model of that sort can work and that in future further opportunities might exist for us to work together to make those sorts of things a reality in other locations.

**The CHAIRMAN:** My perception of the Department of Planning—and I have not explored it—is not so much the economic stuff. It is about their planning communities, diversified communities where people try to work and travel and get access to the myriad community needs—hospitals and whatnot. If you plonk a lifestyle village out here, far away from the other things, and unless you build schools, hospitals and whatnot, it does not matter. I can understand their argument. However, there is a trade-off here. These lifestyle villages are often for over-45s, 55s, 65s, so they are quite homogeneous. They do not need schools, they do not need a whole range of things that diverse communities need. Is there a debate going on about this?

**Mr Searle:** There is from time to time within the Department of Housing. We certainly have those discussions amongst ourselves.

**The CHAIRMAN:** It is a difficult one. I am not arguing against this.

**Mr Searle:** Absolutely. One of the things we have tried to do historically is work with local governments around the provision of, particularly, accommodation for retirees. I think we have got about 55 JVs around the state with local governments, where they have provided the land, we have provided the money to build the units and then they have operated them. There is a range of models we have looked at. Again, as you say, there are a lot of older people who have farmed land around some of these country towns. They do not want to leave the district, but they are not at a stage to build a house so the provision of unit-based accommodation within some of these country towns has been a really good outcome for everybody. As I said, we are trying to look at a broader range of options that give people choice that is appropriate for them.

**The CHAIRMAN:** Is your department involved in the senior strategy that the Department of Commerce is developing? They are developing, I think, a —

**Mr W.J. JOHNSTON:** Seniors housing strategy.

**The CHAIRMAN:** A seniors housing strategy, yes. And the document is going to come out in the not-too-distant future.

**Mr Cash:** Is that the senior's phone line?

**The CHAIRMAN:** That is probably an aspect of it.

**Mr W.J. JOHNSTON:** Specifically a fact of things regarding —

**The CHAIRMAN:** Housing options.

**Mr D.A. TEMPLEMAN:** For seniors into the future.

**Mr Cash:** I think we have given some information, but I think that is more of an information pursuit.

**The CHAIRMAN:** Good. Thanks for your evidence before the committee today; it has been enlightening. A transcript of this hearing will be forwarded to you for correction of minor errors. Please make these corrections and return the transcript within 10 working days of the date of the covering letter. If the transcript is not returned within this period it will be deemed to be correct. New material cannot be introduced by these corrections and the sense of your evidence cannot be altered.

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Should you wish to provide additional information or elaborate a particular point, please include this as additional correspondence for the committee's consideration when you return your transcripts. Thank you very much.

**Hearing concluded at 3.08 pm**

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