

CCI sub 70

**Abernethie, Loraine**

---

**From:** Tim Bateman [Tim.Bateman@mandurah.wa.gov.au]  
**Sent:** Monday, 18 May 2009 5:38 PM  
**To:** Committee, Economics & Industry Standing  
**Cc:** Mark Newman; Ian Hill; Graeme Davies; Tony Free  
**Subject:** Inquiry into the provision, use and regulation of caravan parks in WA  
**Attachments:** Provision of Caravan Parks submission.docx

Please find attached the City of Mandurah's submission into the Economics and Industry Standing Committee Inquiry into the provision, use and regulation of caravan parks (and camping grounds) in Western Australia. A print copy of this report shall also be posted to the Committee, as requested.

I apologise for the late submission of the City of Mandurah's submission. I would be grateful if you could acknowledge receipt of this submission.

Regards

Tim Bateman  
Executive Research Officer  
Executive Services



p: +61 (8) 9550 3728  
f: +61 (8) 9550 3888  
e: [tim.bateman@mandurah.wa.gov.au](mailto:tim.bateman@mandurah.wa.gov.au)

visit: 3 Peel Street MANDURAH  
post: PO Box 210 MANDURAH WA 6210  
web: [www.mandurah.wa.gov.au](http://www.mandurah.wa.gov.au)

A Vibrant City - Creative, Innovative and Diverse



*Economics and Industry Standing Committee*

Inquiry into the provision, use  
and regulation of caravan  
parks (and camping grounds)  
in Western Australia

---

City of Mandurah submission

**May 2009**

## Foreword

The City of Mandurah appreciates the opportunity to provide a submission into the Economics and Industry Standing Committee's Inquiry into the provision, use and regulation of caravan parks (and camping grounds) in Western Australia.

It is understood that the Inquiry is investigating issues relating to the structure and activities of the caravan park industry, current occupancy trends, and the impact of existing legislation on the industry.

## Mandurah's Demographic Profile

The City of Mandurah is currently Western Australia's sixth fastest growing Local Government Area, and over the longer term, one of the fastest growing regional areas in Australia. Mandurah is currently experiencing 5-year (2003-2008) average annual growth of 4.5%, compared with the WA average of 2.1%, and national average of 1.5%.<sup>1</sup>

Over the 30-year period 1978-2007, Mandurah's growth has averaged approximately 6.5% per annum. During this period, Mandurah's population has grown more than sixfold, from a town of about 10,000 in 1978, to a city with a population in excess of 61,000 in 2007. Mandurah's current population exceeds 64,000.

Despite recent fluctuations in Mandurah's growth, primarily due to the recent housing 'boom and bust', Mandurah's population is forecast to continue growing at a steady rate, to reach 100,000 by 2022, and to nearly double its 2007 population by 2031.

Mandurah is also one of Western Australia's most rapidly ageing communities. At the 1991 Census, the median age of Mandurah residents was 35 years; by the time of the 2006 Census it had increased to 43 years. Currently, 20.9% of Mandurah's residents are aged 65 years and over, compared with the Australian average of 13.3%.<sup>2</sup>

In previous decades, Mandurah consistently experienced very high levels of unemployment, although this has improved significantly in recent years. At the 1991 Census, Mandurah's unemployment rate was 19.1%, whereas its current unemployment rate stands at 4.9%. However, this is still high when compared with the WA average of 3.0% and the Australian average of 4.2%.<sup>3</sup>

Mandurah also has a comparatively low percentage of residents with Year 12 completions and tertiary-qualifications, low employment levels in professional services industries, low income levels, and an over-reliance on retail sector and construction industry employment.

---

<sup>1</sup> Australian Bureau of Statistics – *Regional Population Growth Australia*; 23 April 2009

<sup>2</sup> Australian Bureau of Statistics – *2006 Census QuickStats*

<sup>3</sup> Australian Government Department of Education, Employment and Workplace Relations – *Small Area Labour Markets*; December Quarter 2008

The Australian Bureau of Statistics' Socio-Economic Index for Areas (SEIFA) data, collected at each Census, is used to compare the overall 'wellbeing' of Local Government Areas, based on a collection of variables such as household income, unemployment, health and education.

At the 2006 Census, Mandurah obtained a SEIFA *Index of Relative Socio-economic Advantage and Disadvantage* score of 973, which is a considerable improvement on its 2001 Census SEIFA score of 929.7 (the higher the SEIFA score, the higher the level of relative advantage). Nonetheless, Mandurah's index remains low when compared with other regional and metropolitan WA Local Government Areas.

The 2006 Census SEIFA index indicated that Mandurah ranked 95<sup>th</sup> in Western Australia out of 142 WA Local Governments, and 466<sup>th</sup> in Australia out of 667 LGAs [Note: the higher the ranking number, the higher the level of relative advantage. The Shire of Halls Creek received WA's lowest SEIFA ranking in 2006 (1), whilst the Shire of Peppermint Grove received the highest (142)]<sup>4</sup>.

## Housing Affordability

These demographic indicators point to a high degree of vulnerability within sectors of Mandurah's community, and also denote a relatively high dependence on affordable housing, including caravan park accommodation. Whilst Mandurah's public housing waiting lists are generally comparable to metropolitan WA averages, waiting lists for seniors housing in Mandurah are relatively long, mainly due to Mandurah's large seniors population<sup>5</sup>.

Within the DoH Peel Zone (Mandurah, Meadow Springs, Coodanup, Dawesville, Lakelands, Dudley Park, Greenfields, Erskine, Falcon, Halls Head, Pinjarra), approximately 700 applicants are currently on the public housing waiting list. Of these, 79 are currently listed for 'priority assistance' i.e. they are considered to have an urgent need for public housing. Current normal waiting times for non-priority assistance public housing are as follows:

- Pensioner 1 bedroom – almost 5 years
- Pensioner 2 bedroom – almost 6 years
- Singles (no children) – approx. 5 ½ years
- Family 2/3 bedroom – approx. 4 ½ years
- Family 4/5 bedroom – approx. 4 years.

Like many sea change areas, Mandurah has a housing affordability problem, so much so, that in December 2006, the WA Government endorsed the formation of the *Peel Region Affordable Housing Steering Group*, to investigate the link between housing affordability and a range of issues including law and order, employment opportunities, skill shortages, and tourist accommodation.

---

<sup>4</sup> Australian Bureau of Statistics; *Socio-economic Indexes for Areas*; 26 March 2008

<sup>5</sup> Department of Housing & Works; *How long will it take? Applications, Allocations and Housing Stock*; November 2008

The Steering Group was tasked to develop an *Affordable Housing Plan* for the Peel Region, to guide all levels of government, commerce, industry and the general community on ways to meet housing demand in the short, medium and long term. This included an examination of opportunities to increase the supply of affordable housing arising from developments associated with the new Southern Suburbs Railway and other large-scale developments.

In particular, the Plan noted in relation to caravan parks that:

There are 17 parks in the Peel Region, with six either closed or earmarked for closure, and there is a trend towards the gradual withdrawal of permanent accommodation to long-term tenants by caravan park owners to make way for seasonal holiday makers who pay a higher overnight rental rate, especially during the peak season. This has put a further squeeze on the availability of low-cost housing in the region, as caravan parks have also provided an interim accommodation 'safety valve' for displaced low-income families<sup>6</sup>.

The City is currently endeavouring to facilitate the provision of affordable housing in Mandurah, primarily by assisting private developers with funding applications to State and Federal housing infrastructure programs such as the *Public and Community Housing Package*, the *Housing Stimulus Package*, and the *Housing Affordability Fund*. Unfortunately, the City was recently advised by the Australian Government that Mandurah's sole *Housing Affordability Fund* application was unsuccessful.

Whilst it is not known exactly what proportion of Mandurah's residents currently reside in caravan parks, the City's population forecast suggests that the percentage of Mandurah's population living in non-private dwellings is likely to remain fairly constant at approximately 2% between 2008 (approx. 1300 persons) and 2031<sup>7</sup> (approx. 2300 persons). However, it should be noted that this figure also includes residents in aged care facilities, of which there are currently no less than five in Mandurah.

### **Mandurah's Caravan Park Industry**

Currently, seven caravan parks exist within the City of Mandurah Local Government Area. These parks primarily cater for long-stay residential occupancy, with only minimal short-stay occupancy. An additional park, Mandurah Ocean Marina Chalets, is used exclusively for short-stay occupancy, and does not contain caravans. Mandurah recently lost its eighth caravan park – Yalgorup Eco Park – to residential development.

---

<sup>6</sup> Peel Region Affordable Housing Steering Group; *Peel Region Affordable Housing Plan*; 2008; p.32.

<sup>7</sup> Informed decisions; *City of Mandurah Population Forecast 2006-2031*; March 2009

<b>Park Name</b>	<b>Address</b>	<b>Accommodation Type</b>	<b>Total Sites</b>	<b>Tourism Sites</b>
Miami Caravan Park	Lot 53 Olive Road, Falcon	Caravan Park, Camping Grounds	140	22
Waters Edge Caravan Park	Lot 21 Old Coast Road, Bouvard	Chalet, Caravan Park, Camping Grounds	79	9
Estuary Hideaway Holiday Cabins*	Lot 10 Old Coast Road, Bouvard	Chalet, Caravan Park, Camping Grounds	-	-
Lucky Caravan Park	Lot 11, No 20 Henson Street, Silver Sands	Chalet, Caravan Park,	27	7
Belvedere Caravan Park	Lot 100, 153 Mandurah Terrace, Mandurah	Chalets, Cabins, Onsite Vans, Caravan Park, Camping	192	12
Timbertop Caravan Park	Lot 2, 6 Peel Street, Mandurah	Chalets, Cabins, Onsite Vans, Caravan Park	100	30
Dawesville Caravan Park & Holiday Village	1149 Old Coast Road, Dawesville	Chalet, Caravan Park, Camping Grounds	97	14

\* Closed for proposed redevelopment

From the above data, and given that Mandurah's average household size is currently 2.4, it could be assumed that approximately 1200 to 1300 Mandurah residents currently reside in local caravan parks.

Mandurah, like many 'sea-change' coastal areas, is experiencing a shift in the caravan park industry, as parks located on prime waterfront land are closed and redeveloped as either resort-style accommodation or upmarket residential complexes. Whilst this boosts the availability of high-end accommodation in Mandurah, it negatively impacts on the availability of budget tourist accommodation, and also displaces a large number of permanent park residents. Two relatively recent local examples of caravan parks being displaced for high-end accommodation include the Peninsula Caravan Park and the Yalgorup Eco Park.

There are currently no plans to replace the closed and closing caravan parks in and around Mandurah, leaving a serious and significant gap, both tourism-wise and in housing opportunities. With this diminution in caravan park sites, there are also lost opportunities to accommodate visitors and backpackers within tent sites and associated facilities.

## Research Report – Understanding the Caravan Industry in WA

In May 2007, Tourism Western Australia and Tourism Research Australia released a report by TNS Social Research - *Understanding the Caravan Industry in WA*. The report sought to identify and measure the key factors likely to affect the current and future demand and supply of caravan park accommodation in Western Australia.

Whilst the report primarily analysed caravan park visitor characteristics, travel patterns, expectations, seasonal demand, pricing and overall demand, it also analysed the supply of caravan park accommodation. It noted ABS statistics, which indicated a significant reduction in the number of caravan parks available in WA since 1997, with very few caravan parks established since. However, it also noted that the total capacity of caravan parks in WA had been largely maintained, due to an increase in the average number of sites per caravan park (from 81 sites in Sept Quarter 1985 to 130 sites in Sept Quarter 2006)<sup>8</sup>.

The report noted that the overall value of land in many areas has increased substantially, which has created pressure to use caravan parks for other purposes:

- For a greater return (i.e. residential/higher order tourism), particularly on the coastal strip between Busselton and Dunsborough, Perth, Coral Bay and Cable Beach
- Encourage people to look at caravan parks as an option for low cost permanent accommodation – such as the high proportion of permanent residents in Mandurah<sup>9</sup>.

The report listed two of Mandurah's existing caravan parks – Belvedere and Timbertop – as 'possible' pending closures. Both of these parks currently have high proportions of permanent residents.

### New Caravan Park Options - Mandurah

In response to the ongoing loss of caravan parks to residential and resort development, the City of Mandurah is canvassing options for the establishment of new parks in strategic locations within the Mandurah Local Government Area. The City has recently identified eight potential caravan sites, and is currently assessing each site against a range of factors, including distance from city centre, road access, proximity to airport, access to public transport, and pedestrian access to activities. Five of the eight potential sites are located on privately owned land, whilst three are on Crown land.

---

<sup>8</sup> TNS Social Research; *Understanding the Caravan Industry in WA*; May 2007; p.10.

<sup>9</sup> TNS Social Research; *Understanding the Caravan Industry in WA*; May 2007; p.13.

Once the site assessment has been completed, the City will liaise further with the Caravan Industry of Australia on caravan park site options, and subsequently plans to seek land allocations from Tourism Western Australia's Landbank, which was created to ensure an adequate supply of tourism development sites to meet the future needs of the WA tourism industry.

This response is, however, unlikely to result in either adequate or appropriate caravan, camping and backpacker facilities. Our view is that, due to the cost of developing the facilities and infrastructure which is a legislative/regulatory requirement in new caravan parks, there is little prospect of the development of these parks occurring. The only likelihood seems to be if potential developers are able to access government land, or to reserve sites on a moderate rental, long-term lease basis.

### **Local Tourism Planning Strategy**

The City of Mandurah is seeking to implement a Local Tourism Planning Strategy, with the aim of presenting a broader focus for tourism development within Mandurah, and to identify strategic tourism sites.

The Strategy examines tourism planning and land use implications in regard to state, regional and local contexts, and seeks to provide strategic recommendations on preferred tourism land use. It also seeks to rationalise and streamline the existing tourism zoning framework, to provide more clarity regarding permissible tourism uses.

The Strategy designates each of Mandurah's major tourism accommodation sites e.g. hotels, resorts, caravan parks into categories, including 'District Strategic Tourism Sites', 'Local Strategic Tourism Sites', 'Strategic Tourism Locations', and 'Current Tourist Zoned Sites Suitable for Rezoning'.

With regard to caravan parks, in addition to determining the most appropriate sites for future caravan parks, the Strategy also seeks to provide clarity about the required short stay/permanent residency mix where a redevelopment occurs.

The Local Tourism Planning Strategy is due to be re-submitted to Council for approval in May/June, following deferment of approval in February in response to a request by Council for an Elected Members' Briefing on the Strategy.

### **Mandurah's *Southern City Strategy***

The *Southern City Strategy* concept is designed to reverse Mandurah's historically high unemployment levels, primarily by diversifying its employment base and improving its education outcomes. The strategy aims to ensure the creation of 'high-end' jobs and ongoing employment in professional and other sectors, and to retain Mandurah's local youth base through increased education and employment opportunities. It broadly involves the following actions:



- Increase scale in City Centre zone (mandatory commercial with residential)
- Increase level of CBD activity (as opposed to suburban 'box' shopping centres)
- Improve local and regional public transport linkages
- Upgrade University and TAFE infrastructure, and expand course availability
- Identify and attract knowledge / IT / innovation / industrial & professional sectors
- Create an adequate ratio of primary and secondary schools, and additional private schools
- Plan regionally (e.g. Nambelup Industrial Estate, Keralup Residential Estate, Boddington Gold Mine).

The *Southern City Strategy* is designed to ensure that Mandurah residents can continue to live *and* work locally. It seeks to create an expanded employment base, with an additional 40,000 'high-end' local jobs created in Mandurah and the broader Peel Region. The *Southern City Strategy* aims to position Mandurah as the economic anchor to the southern Perth metropolitan area, and enhance its reputation as a great place to live, work and visit.

As well as its employment creation role, the *Southern City Strategy* also seeks to determine appropriate land uses throughout the Mandurah Local Government Area. Land uses to be assessed include commercial, residential, retail, cultural/arts, civic, parking and tourism. This will inevitably include an assessment of tourism accommodation land uses.

## **Conclusion**

As a popular and long-standing 'sea change' destination experiencing a mix of rising property prices, rapid population growth, high unemployment and an ageing population, Mandurah finds itself facing numerous challenges, not least with the supply of affordable accommodation for both permanent residents and short-stay visitors.

It is of particular interest that one of the 'great hopes' in a declining tourism sector is the holiday-close-to-home and caravanning markets. However, unless, there is an urgent and sustained response by government regarding the ongoing closure and conversion of caravan parks, many localities like Mandurah will lose out on visitors.

With the very high multiplier effect of tourist dollars, this can have a significant and detrimental impact on local economies, as well as denying many of the State's families the opportunity of that low-to-moderate cost holiday break.

Notwithstanding the recent state-wide property downturn, which is yet to see an end, Mandurah has in recent years experienced spectacular property price increases, particularly with its waterfront land. The resulting sale of land previously used for caravan parks has had a detrimental impact on both permanent park residents and budget travellers. The latter is further exacerbated by the fact that Mandurah currently has no dedicated backpacker facilities, for much the same reason.

Given that private landowners and developers are highly unlikely to create new caravan parks on their properties (partially due to the high infrastructure costs involved), it appears that the only alternative is for the State Government to allocate Crown land specifically for tourism purposes. This should be done from a regional perspective, with each of the Peel Region's five Councils working collaboratively with each other, the Caravan Industry of Australia and Tourism Western Australia to determine the most appropriate caravan park sites.

We applaud the Committee's decision to undertake this important inquiry, and would welcome the opportunity to attend a hearing so that we and other concerned stakeholders could present and discuss these and other viewpoints with the Committee.

### **Recommendation**

**Tourism Western Australia's Landbank to collaborate with caravan industry peak bodies and City of Mandurah and other Peel Region Councils, to prioritise and allocate Crown land to be set aside for caravan parks within the Peel Region.**

Mark R Newman  
**Chief Executive Officer**