

CCI SUB 84

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From: Andrew Campbell [andrewc@manjimup.wa.gov.au]
Sent: Tuesday, 2 June 2009 4:36 PM
To: Committee, Economics & Industry Standing
Subject: Submission to Parliamentary Inquiry - Provision, Use and Regulation of Caravan PARKs (and Camping Grounds) in Western Australia
Attachments: Shire of Manjimup submission.pdf

Lorraine

Please find the Shire of Manjimup submission attached as per our recent discussions.

I sincerely thank you for your patience and understanding over the circumstances behind the lateness of this submission.

I will send the original by mail and any queries please let me know.

Regards

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Shire of Manjimup

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Shire of Manjimup

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2nd June 2009

Dr Loraine Abernethie
Principal Research Officer
Economics and Industry Standing Committee
Level 1, 11 Harvest Terrace
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Dear Loraine,

SUBMISSION OF THE SHIRE OF MANJIMUP TO THE PARLIAMENTARY INQUIRY – PROVISION, USE AND REGULATION OF CARAVAN PARKS (AND CAMPING GROUNDS) IN WESTERN AUSTRALIA

On behalf of the Shire of Manjimup, please accept this submission to the current Parliamentary Enquiry.

1. Structure, conduct and performance of the caravan park industry

In general terms it is considered that the structural trend of the caravan park and camping ground industry across Western Australia has evolved into something much greater than the previous short stay caravan or camping opportunity that was the original strong focus of the industry. It is readily observable throughout Western Australia that the caravan and camping experience has changed significantly from what it previously was and this possibly has been to the detriment of visitors to communities who are now provided with diminishing accommodation options. In some circumstances where caravan parks have moved toward long stay sites or strata titled sites, the caravan or camping opportunity is all but extinct. It does appear that caravan park operators are attempting to maximise financial returns and if this industry is left unchecked the viability of short stay caravan and camping opportunities in the medium to long term future is under significant pressure.

From a compliance perspective generally the caravan park industry has performed at a reasonable standard within the Shire of Manjimup district. Whilst there has been some compliance based issues which will be expanded upon later in this submission, where possible, proprietors of caravan parks and camping grounds endeavour to meet statutory requirements.

2. Demand, supply and costs, and trends thereof, of caravan park sites related to services

The Shire of Manjimup operates the Windy Harbour Camping Ground located on Reserve 38881 (Nelson Locations 12439 and 13304) Windy Harbour. This camping ground has been deemed a "Nature Based" camping ground on the basis of no reticulated electricity supply, limited facilities and the environment focussed setting. Recent trends suggest an increasing demand to stay at this facility with income and occupancy statistics increasing over the past three years. The use of the facility is trending toward of longer duration stays during peak times and increased use during the "shoulder" and off peak periods. As costs to operate the camping ground at Windy Harbour have increased, costs for site accommodation have also risen. The most significant limiting factor on increasing occupancy at the Windy Harbour Camping Ground is undoubtedly licence occupancy restrictions resulting from the available camping area, drainage issues and the limited facilities available. To increase the capacity of this facility, the Shire of Manjimup would be required to expend considerable financial resources to upgrade and this is considered to be an unviable and unsustainable strategic approach.

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

Wastewater disposal dump points are required to be installed in caravan parks in accordance with the Caravan Parks and Camping Grounds Act 1995. Increasing pressure from the Motor Homes Association of Australia and individuals to install publicly accessible dump points outside of caravan parks has resulted in the Shire of Manjimup investigating the matter further. The rationale behind the push to have publicly available dump points is that "campervan" style mobile accommodation does not always use caravan parks with dump points, the cost of discharging into dump points in caravan parks is claimed to be excessive, providing a dump point will encourage greater use by "campervan" style mobile accommodation in the district, occupants will be less likely to discharge wastewater illegally, and the provision of dump points other than in Western Australia is commonplace. After investigating the feasibility of providing a dump point in Manjimup it has been revealed that the estimated cost to comply with the Water Corporation's standard requirements is approximately \$150,000. Ongoing licensing and discharge costs would also be applicable which ultimately makes the provision of a dump point by the Shire of Manjimup unviable. It is understood that in other the States and Territories of Australia, the requirements are much less expensive, simple to construct and operate, and are supported by State and Territory agencies.

Rate increases have averaged approximately 7% per annum across licensed caravan parks and camping grounds throughout the Shire of Manjimup. Rates are calculated based on valuations obtained through Valuer General and occasionally when a caravan park or camping ground has been re-valued, rates applied to a particular property have increased markedly.

Rubbish charges in the Shire of Manjimup follow a cost recovery principle and as such as costs increase for the Shire of Manjimup to provide a rubbish service so does the cost to the

consumer of the service. Only two of eight caravan parks and camping grounds in the district have a rubbish service provided by the Shire of Manjimup, however the remainder are still subject to increasing costs as they are required to dispose of their rubbish at either a refuse transfer station or the landfill site.

3. Supply and demand for long and short stay sites including camping sites

In the Shire of Manjimup there is recent evidence from existing caravan park and camping ground proprietors that a greater number of long stay sites will be an avenue pursued into the future. Three of the eight caravan park and camping grounds within the district have commenced discussions with the Shire of Manjimup to potentially establish a greater proportion of long stay sites at their facilities. Whilst the demand for long stay and strata titled sites witnessed at several beachside locations such as Bunbury and Busselton during the last few years has increased dramatically, that level of demand does not currently exist in the Shire of Manjimup. However, all indications are that as local housing becomes more unaffordable in lower socioeconomic regional areas such as found in the Shire of Manjimup, greater community demand for long stay or strata titled sites will undoubtedly eventuate. Added to this are caravan park and camping ground owners or proprietors seeking to maximise their return on investment or simply just to survive by structuring toward the potentially more lucrative and stable long stay site and strata titled markets.

Currently the Shire of Manjimup lets market forces prevail over this matter however it is considered that the provision of a statutory mechanism that prescribes the short and long stay site mix could be a functional and enforceable method that could be used to add a desirable balance to the structure of caravan park and camping ground facilities. It would be expected, without appropriate controls, that if significant investment returns were realised by structuring a caravan park toward a long stay or strata titled venture within the district, a reduction in short stay sites would prevail.

Anecdotally the demand for short stay sites within caravan parks and camping grounds in the Shire of Manjimup is increasing steadily. Council officers undertaking enforcement activities have indicated subjectively that caravan park and camping ground occupancy is increasing as an increase in facility licence compliance monitoring has to occur by the Shire of Manjimup during busier periods. The Shire of Manjimup is able to make direct comment on the supply for short stay camping sites from the operation of our Windy Harbour Camping Ground. A three year average equates to approximate additional increases of 1000 people per year using the facility. During the peak times such as the Christmas/New Year period and at Easter, demand has been so strong that the Shire of Manjimup has had to turn away people from the facility due to overcrowding.

It is considered that seasonal variations and caravan park and camping ground location have historically had a considerable bearing on both the supply and demand for long and short stay sites within Western Australia. It is fair to say that short duration peak seasons in the Shire of Manjimup could not be compared to significantly long peak seasons in the Shire of Broome thus creating an inequity or opportunity cost in the potential for short stay site occupation. Similarly, it is understood that a more significant number of consumers desire a south west of Western Australia beachside location rather than an inland destination for both long stay and short stay site caravan park occupancy. However, in recent times these factors have been diminished to an extent with anecdotal evidence suggesting greater numbers of caravan owners and campers using facilities in the district over the past few years. Whether this

occurrence is a direct result of increasing demand, a shortage of supply in the more frequented locations, ageing population, rising costs, moderating climates, attraction to the area or a combination of these or many other factors is unknown.

4. Impact of existing legislation, and state and local government policies regulating caravan park sites particularly relating to:

- **maintaining a viable caravan park industry,**
- **protecting the rights of operators and users, and**
- **providing an adequate mix of long and short stay facilities and sites.**

Impact of the Crown

The Department of Environment and Conservation have a management authority exceeding 80% of the total land area of the Shire of Manjimup. This equates to in excess of 5500km² of land area comprising a predominant mixture of National Park and State Forest. The consequence of this predomination of land area managed by the Crown is that opportunities abound for formal and informal caravan and camping activities on Crown land and this has a direct impact on both caravan park proprietors and the Shire of Manjimup.

The Crown is not bound by the requirements of the Caravan Parks and Camping Grounds Act 1995 and is essentially free to create caravan and camping facilities as they see fit whilst in direct competition with licensed caravan parks and camping grounds within the district. Caravan parks and camping grounds that are bound by the legislation have to provide a facility that meets statutory standards for licensing and operation purposes whereas the Crown facilities have no such requirement and therefore can be provided on a clearly inequitable basis. The Shire of Manjimup has previously raised this as a matter of concern with the State as an anticompetitive situation that is understood to be operating contrary to the principles contained within the National Competition Policy. An example of the inequity is the comparison between every licensed camping ground in the Shire of Manjimup and the Shannon Camping Ground operated by the Department of Environment and Conservation on Crown land.

The final point to be raised about the impact of the Crown is the direct effect on resources of the Shire of Manjimup. The current Department of Environment and Conservation Policy of "take your rubbish home" consistently ends up in public bins provided by the Shire of Manjimup. Similarly, inadequate or substandard facilities provided by the Department of Environment and Conservation results in increasing pressure and cost on public facilities such as ablution blocks and this presents a real direct cost to the Shire of Manjimup.

Camping other than at a caravan park or camping ground

The provisions of the Caravan Parks and Camping Grounds Regulations 1997 permit people to camp for three nights in any twenty eight day period on land that they own or have a legal right to occupy. The provision does not restrict the number of people permitted to camp (being the owner of the land or people camping with the direct or implied approval of the owner) on land within the jurisdiction of the Shire of Manjimup. Please note that whilst the Crown is not bound to the legislative requirements of the Caravan Parks and Camping Grounds Act 1995, occupiers of the Crown, not being the Crown itself, are. The Shire of Manjimup has a policy to not enforce provisions of the Caravan Parks and Camping Grounds Act 1995 amongst other statutes against occupiers on Crown Land due to the scale of issues and the significant resource constraints.

Issues related to camping arise on private property where people use the legislative requirements to justify a decision to camp. Where large numbers of people engage in this camping practice collaboratively it has a direct impact on the customer base for licensed caravan parks and camping grounds. For example, during the old growth forest protests a few years ago up to five hundred people rotated through a makeshift camp site on a rural property in Northcliffe over a period of a few months. Council was powerless to intervene as the logistics of identifying campers being in breach of the three nights in any twenty eight day camping period made it improbable to enforce any legislative provisions. The resulting public health and environmental consequence that resulted from the camping made this unacceptable and an outcome that would not have occurred if those campers were located in a licensed facility. Similarly, the occupation by small groups on numerous private properties throughout the Shire of Manjimup during peak periods continues to decrease the licensed caravan park and camping ground customer base. For example, anecdotal evidence during the 2009 Easter period in the Walpole area suggested at least twenty groups of people legally camping on properties under the provisions of the Caravan Parks and Camping Grounds Regulations 1997 within the town site or close proximity to the town site. Other examples of camping on private property would include the establishment of camps for casual farm labour.

Several readily observable critical issues have arisen during the application of the Caravan Parks and Camping Grounds Act 1995 for camping on private property within the Shire of Manjimup that are also applicable across Western Australia. Firstly, the ability for a person to camp for three nights in any twenty eight day period on land that they own or have a legal right to occupy does not come with a restriction on the number of persons permitted to undertake that activity nor does it address the land area, location or applicable Local Planning Scheme zoning. The numbers of persons issue has specifically been addressed in the above example however the ability for a person to camp on any type of private property land often results in people camping on residential lots inside of town sites. Camping of this nature comes with many problems given proximity to neighbouring dwellings, limited amenities, nuisance complaints and fires for example. To give this matter some relevance and to take an extreme example, a person who was the owner of or had the legal right to occupy a piece of land could set up a camp for a significant number of people on a piece of vacant land on St Georges Terrace in Perth and legally camp on the land for three nights in any twenty eight day period! The other significant anomaly specific to camping under the Caravan Parks and Camping Grounds Act 1995 is that the Department of Local Government and Regional Development acting on legal advice has previously advised that the primitive occupation of a shed on private property does not constitute a camp because it is occurring in a permanent structure and therefore the Caravan Parks and Camping Grounds Act 1995 does not apply although it is essentially the same. Often to overcome this restriction people will simply pitch a tent and legally camp in front of the shed and this is enough to bypass the anomaly in the legislation. The legal ability permitting uncontrolled camping on private property is having an influence on the viability of caravan parks and camping grounds within the Shire of Manjimup district. The camping provisions contained within the Caravan Parks and Camping Grounds Regulations 1997 are unreasonable in that they provide a degree of flexibility that not only impacts on licensed caravan park and camping ground facilities but also can give rise to health and amenity issues within the community.

The other considerable influence on the viability of licensed caravan park and camping ground facilities is the provision under the Caravan Parks and Camping Grounds Regulations 1997 that permits twenty four hour camping in designated road side rest areas and twenty four hour emergency stopping on road reserves. Particularly with the significant proliferation of self contained "campervan" style mobile accommodation within the Shire of Manjimup and

presumably right across Western Australia, the increase in use and subsequent abuse of the legislative permission is not only creating health, litter, amenity and enforcement issues but it is also having a severe impact on the occupancy at caravan parks and camping grounds.

"Campervan" style mobile accommodation is predominantly self contained giving the ability of occupants to simply stop whenever and wherever they like. The Shire of Manjimup has a road network exceeding 3000km and the logistics of ensuring someone is camping for no longer than twenty four hours is simply impractical. Impacts of this type of camping on the immediate area vary dependent on the occupants however over time the accumulation of litter, vegetation removal for camp fires, significant evidence of illegal wastewater disposal and general site deterioration is quite obvious and is on the increase. Feedback provided by Shire officers conclusively demonstrates that the "campervan" style mobile accommodation trend to camp on the roadside has reached crisis point and unless something is done to change the provisions within the legislation, significant environmental consequence will result. The impact on licensed caravan parks and camping grounds for the "campervan" style mobile accommodation trend to camp on roadsides should not be underestimated and the Shire of Manjimup considers this to be significant.

Previously the caravan park and camping ground legislation had provisions whereby a person could not camp anywhere within a twenty five kilometre radius of a town site unless it was in a licensed caravan park or camping ground. This provision was a very efficient and clear way to reduce the impacts of uncontrolled camping through enforcement however it was assessed as anticompetitive under the National Competition Policy several years ago and subsequently removed from the legislation. The "twenty five kilometre" provision provided adequate reason to move campers on throughout the south west of Western Australia with most ending up in licensed caravan parks and camping grounds. It also had negligible effect where large distances existed between town sites such as in the north of Western Australia by allowing uncontrolled camping on roadsides and rest areas as long as it was conducted outside of the twenty five kilometre range.

Ongoing Legislative Demands

In accordance with legislative provisions, the standards between caravan parks and camping grounds can and do vary considerably. It is considered that the community has a general misunderstanding that caravan parks and camping grounds can have significantly different standards and this creates considerable confusion and results in numerous complaints to the Shire of Manjimup. For example, a "Nature Based" caravan park can have significantly less numbers of ablution facilities than a standard licensed caravan park. If the occupants have higher expectations determined from their previous experiences than what is provided in the caravan park or camping ground, it will often result in a complaint to the Shire of Manjimup that the facility is substandard.

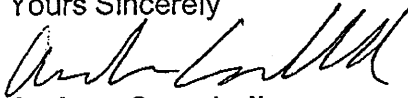
Maintenance of standards in accordance with existing legislative provisions is becoming increasingly burdensome for the majority of caravan parks and camping grounds in the Shire of Manjimup. Escalating costs and diminishing returns on investment are considered to be major factors of non completion for proprietors faced with compliance issues identified by the Shire of Manjimup. Some significant examples of non compliance have been experienced by the Shire of Manjimup and this has resulted in the commencement of legal action against proprietors on occasion.

Land use planning

The Shire of Manjimup is currently in the process of adopting a new Local Planning Scheme. In accordance with the previous direction of the Department of Planning and Infrastructure under Planning Bulletin No:83, the Shire of Manjimup has identified the retention of existing caravan parks and camping grounds across the district. However, the provision for new caravan park and camping ground facilities has not been provided for on the basis of there being little or no demand to establish new caravan park or camping ground facilities. If the Local Planning Scheme is adopted as proposed, anyone wishing to establish a new caravan park or camping ground would be required to undertake a Scheme Amendment at a considerable cost and effort for the proponent and this would be likely to be an additional deterrent to any prospective developer.

Please accept the submission of the Shire of Manjimup to the Parliamentary Inquiry – Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia and if you have any queries please feel free to contact me by email at andrew.campbell@manjimup.wa.gov.au or by telephone on 9771 7777.

Yours Sincerely



Andrew Campbell

DIRECTOR STATUTORY SERVICES