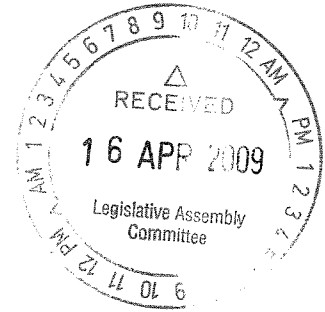


# Pink Lake Tourist Park

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CCI Sub 13



Principal Research Officer  
Parliamentary Inquiry Provision, Use and Regulation of Caravan Parks and Camping Grounds in  
Western Australia

Dear Dr Abernethie

I refer to the letter of April 6 inviting submissions to the above inquiry.

I am pleased to offer the following

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

Caravan and tourist parks operate throughout Western Australia and are able to be members of State and National umbrella bodies as well as National Chains. Parks can also elect to be accredited. Where there is accreditation and membership of a chain certain standards are required and therefore there is a degree of regulation beyond the statutes.

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

Caravan and Tourist parks have and continue to be an affordable holiday destination for families and in recent times the range of accommodation has become extensive as have the facilities.

There are large variations between parks as to customers with those ranging from complete tourism to complete permanent occupancy. This variation is driven by location and demand.

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

The demand for caravan park sites is not diminishing and indeed there is a steady growth in the number of caravans and campers being acquired by the travelling public.

Whilst the numbers of the travelling public are not decreasing there is a decreasing number of caravan parks due to closure and change of emphasis to permanent accommodation for workers villages.

There are also parks which are replacing powered and camp sites with onsite accommodation due to higher yields.

I am not aware of new parks being developed due in part to the establishment cost and the subsequent return which I have been advised would require a powered site to be charged at \$60.00 per night to justify the outlay.

The costs of operating a caravan park are increasing with many fixed and variable costs being Government related charges including water, electricity, rates etc and these cost increases are passed on through increased tariffs.

There is a need to balance costs, affordability and return.

The facilities provided by parks are changing and improving to meet customer demand in areas such as recreation facilities, communication and accommodation standards.

The issue of free camping has emerged over the last couple of years and free camping has different meanings. For the traveller it means no cost for being accommodated whereas for the Shire where the traveller stays it means a cost borne by the ratepayers. Travellers should be required to stay in regulated areas whether that be a National or Tourist where facilities are provided at a cost.

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

As I have already advised the demand for short stay sites is not decreasing but at the same time there is an increasing demand for long stay accommodation as caravan parks are an affordable living option.

There are a number of caravan parks which have provided sites for long term accommodation where the site is leased and the occupant owns their park home. There are a large range of leases ranging from short [5 years] to substantial [50 years]. Leases for up to 20 years need no approval and leases beyond 20 years require WAPC approval.

If caravan park living is viewed as an affordable option and the standard and size of a park home enables this the only downside to entry for an occupant is that because the park is owned there is no capacity for title to a site and thus no capacity to borrow.

The Government if it sees fit could provide a pool of funds for those who cannot afford traditional home and land packages to borrow from for the purchase of a park home and a lease in a caravan park.

An obvious extension to this is the first home buyers grant which would again require redefinition for the purposes of qualifying for this benefit as many people who come into a park have never owned a property.

Residing in a park home in a caravan park is ideally suited to mature age citizens who do not want to worry about a large yard to maintain.

There is also the opportunity for the Government to use long term sites and park homes as a means to reducing the public housing waiting time. Under such an arrangement the Government provides the park home to the tenant who pays rent.

### 4. Impact of existing legislation.

There are a number Acts which apply to caravan parks and to a lesser extent the residents of the parks. In the main these Acts are administered by the various local shires.

To ensure consistency of approach it would be better for control and regulation of caravan parks to be under the control of a Government agency which would be a cross between tourism and housing.

For the caravan park industry to be viable it should be the owner who determines the type of park they operate with some provisos.

Regard for location is important and those parks which are on the ocean front should be primarily tourist and as you move away from the seafront or other strategic tourist attractions there should be the ability to have a different mix.

It is always hard to put strict percentages in place but I believe the following type of mix is reflective of the demands of tourists and long stay residents:

1. Predominantly tourist where the park is situated so as have high tourist appeal due to natural environment;
2. Mixture of tourist and long stay where there is a demand for both; and
3. Predominantly long term to suit the specific needs of a town or region.

It should be the operator who determines the mix of client based on the market demands and past performance.

There should be total discretion for a park operator where the operations of the park are expanding and it is not an adjustment between sites and onsite cabins where the total sites does not change.



Greg Cole