



***ECONOMICS AND INDUSTRY
STANDING COMMITTEE***

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

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in the 38th Parliament**

Part 1

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Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia

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Report No. 2

Part 1

Presented by:
Dr M.D. Nahan, MLA
Laid on the Table of the Legislative Assembly
on 15 October 2009

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COMMITTEE'S FUNCTIONS AND POWERS

The functions of the Committee are to review and report to the Assembly on: -

- (a) the outcomes and administration of the departments within the Committee's portfolio responsibilities;
- (b) annual reports of government departments laid on the Table of the House;
- (c) the adequacy of legislation and regulations within its jurisdiction; and
- (d) any matters referred to it by the Assembly including a bill, motion, petition, vote or expenditure, other financial matter, report or paper.

At the commencement of each Parliament and as often thereafter as the Speaker considers necessary, the Speaker will determine and table a schedule showing the portfolio responsibilities for each committee. Annual reports of government departments and authorities tabled in the Assembly will stand referred to the relevant committee for any inquiry the committee may make.

Whenever a committee receives or determines for itself fresh or amended terms of reference, the committee will forward them to each standing and select committee of the Assembly and Joint Committee of the Assembly and Council. The Speaker will announce them to the Assembly at the next opportunity and arrange for them to be placed on the notice boards of the Assembly.

INQUIRY TERMS OF REFERENCE

On 9 March 2009 the Economics and Industry Standing Committee resolved to inquire into and report on the Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia.

In particular, the Committee will investigate the:

1. Structure, conduct and performance of the caravan park industry;
2. Demand, supply and costs, and trends thereof, of caravan park sites and related services;
3. Supply and demand for long- and short-stay sites including camping sites;
4. Impact of existing legislation, and state and local government policies regulating caravan parks, 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.

CHAIR'S FOREWORD

Caravanning and camping have long been a central part of the Western Australian way of life. Whether it be family sojourns by the sea during school holidays; exploring the great Western Australian coast line and outback; or undertaking the grand tour to the north and beyond.

Our main concern in undertaking this Inquiry was that this way of life was under threat. That is, that caravan parks are disappearing and not being replaced, and that many of the remaining parks are being filled with long-stay residents with a consequent reduction in spaces for tourist.

These concerns proved to be valid, serious, and in need of urgent and concerted action.

There are also allied concerns regarding the eviction or potential eviction of long-stay residents as parks close or are under risk of closure, and the otherwise precarious situation of long-stay residents in many caravan parks.


While this is a pressing concern, particularly in the metropolitan area, and has been considered in this inquiry, it has not been thoroughly addressed in this Inquiry. The primary focus of the Inquiry has been the need to ensure adequate supply of space and facilities for caravan and camping for tourism. The issues of tenure, and access to land and housing for long-stay residents of caravan parks need to be considered more thoroughly in the context of a wider review of planning and the availability of affordable housing. We urge the government to do so.

The subject of caravanning and camping proved to be very complex with great variation in circumstance by region, seasons, location, and approach of local governments and park providers. According solutions are necessarily complex and varied. Nonetheless, there are a number of central recommendations that apply across the board including the need for Tourism Western Australia and the Department of Environment and Conservation to accord the provision of low cost caravan and camping services high priority together with the need to protect current parks from closure and identify additional land for caravan parks and camping grounds.

I would like to thank the members of the Committee for their interest, effort and cooperation. This has been a productive bi-partisan effort throughout.

I would also like to thank Dr Loraine Abernethie, Principal Research Officer, and Ms Vanessa Beckingham, Research Officer, for their professionalism, commitment and good cheer.

Of course, this report will be judged by the effectiveness with which the government responds, and I urge the Government of Western Australia to accord it due consideration with high priority.



DR M.D. NAHAN, MLA
CHAIR

ABBREVIATIONS AND ACRONYMS

ABS	Australian Bureau of Statistics
Advisory Committee	Caravan Parks and Camping Grounds Advisory Committee
AHURI	Australian Housing and Urban Research Institute
ALT	Aboriginal Lands Trust
Aspen Parks	Aspen Parks Property Management Ltd
BAC	Baiyungu Aboriginal Corporation
Bayview Coral Bay	Bayview Coral Bay Holiday Park
BCA	Building Code of Australia
CALM	Department of Conservation and Land Management (now Department of Environment and Conservation)
CALM Act	<i>Conservation and Land Management Act 1984 (WA)</i>
CALM Regulations	<i>Conservation and Land Management Regulations 2002 (WA)</i>
CCI	Chamber of Commerce and Industry
CEO	Chief Executive Officer
CIAWA	Caravan Industry Association Western Australia Inc.
CMCA	Campervan and Motorhome Club of Australia Ltd
CPCG Act	<i>Caravan Parks and Camping Grounds Act 1995 (WA)</i>
CPCG Regulations	<i>Caravan Parks and Camping Grounds Regulations 1995 (WA)</i>
CRVA	Caravan, RV and Accommodation Industry of Australia
DoC	Department of Commerce
DEC	Department of Environment and Conservation
DoH	Department of Housing

DIA	Department of Indigenous Affairs
DLG	Department of Local Government
DLGRD	Department of Local Government and Regional Development (now Department of Local Government)
DOCEP	Department of Consumer and Employment Protection (now Department of Commerce)
DPA	Development Plan Amendment
DPI	Department for Planning and Infrastructure
DRDL	Department of Regional Development and Lands
DSR	Department of Sport and Recreation
EI Act	<i>Electricity Industry Act 2004 (WA)</i>
ERA	Economic Regulation Authority
GEMS	Global Environment Modelling Systems
GPS	Global Positioning System
GRV	Gross Rental Value
GST	Goods and Services Tax
GVA	Gross Value Added
HSD	Horizontal Setback Datum
Inc.	Incorporated
IVS	International Visitor Surveys
LA Act	<i>Land Administration Act 1997 (WA)</i>
LGA	Local Government Authority
LTA Act	<i>Land Tax Assessment Act 2002 (WA)</i>
Ltd	Limited
Main Roads WA	Main Roads Western Australia

MLA	Member of the Legislative Assembly, Parliament of Western Australia
MLC	Member of the Legislative Council, Parliament of Western Australia
MoU	Memorandum of Understanding
MRS	Metropolitan Region Scheme
NCP	National Competition Policy
NLV	National Lifestyle Villages Pty Ltd
NRMA	National Roads and Motorists' Association
NVS	National Visitor Surveys
OE	Office of Energy
PB 49	<i>Planning Bulletin 49: Caravan Parks</i>
PB 71	<i>Planning Bulletin 71: Residential Leasehold Estates and Development</i>
PB 83	<i>Planning Bulletin 83: Planning for Tourism</i>
Peoples Park	Peoples Park Caravan Village
PHOA	Park Home Owners Association WA Inc.
PRD	
Nationwide	PRD Nationwide Project Marketing (WA)
Pty	Proprietary
RMVAA	Recreational Vehicle Manufacturers Association of Australia
RPLT Act	<i>Residential Parks (Long-stay Tenants) Act 2006 (WA)</i>
RPLT	
Regulations	<i>Residential Parks (Long-stay Tenants) Regulations 2006 (WA)</i>
RT Act	<i>Residential Tenancy Act 1987 (WA)</i>
RV	Recreational Vehicle
RV Act	<i>Retirement Villages Act 1992 (WA)</i>
SAT	State Administrative Tribunal
SPP	Statement of Planning Policy or State Planning Policy

ST Act	<i>Strata Titles Act 1985 (WA)</i>
STA	Survey of Tourist Accommodation
STCRC	Sustainable Tourism Cooperative Research Centre
Strategy	<i>Draft Tourism Accommodation Planning Strategy</i>
SWIS	South West Interconnected System
Taskforce	Tourism Planning Taskforce – a Ministerial Taskforce
TCWA	Tourism Council of Western Australia
Tourism WA	Tourism Western Australia
TPS	Town Planning Scheme
TRA	Tourism Research Australia
UV	Unimproved Value
VIC	Victoria
VL Act	<i>Valuation of Land Act 1978 (WA)</i>
WA	Western Australia
WAACCI	Western Australian Association of Caravan Clubs Inc.
WALGA	Western Australian Local Government Association
WAPC	Western Australian Planning Commission

GLOSSARY

Annual	caravans used for holiday purposes which are left on-site all year round and for which the owner pays an annual fee
Caravan	a vehicle that is fitted or designed for habitation, and may include an annexe
Caravan Park	an area of land on which caravans, camps and/or park homes are situated for habitation, including transit parks, nature-based parks, and park home parks
Camping Ground	an area of land which traditionally provides for camps, but not caravans, to be situated for habitation
Facility	a caravan park or camping ground
Lifestyle Village	a 'park home park' marketed to a particular demographic (retirees) which offers long-term leases and where an ongoing levy is paid by residents for facilities and services provided by the park
Long-stay Site	a site at a caravan park which is to be occupied consecutively by the one person or group for any period of time (usually longer than three months)
Nature-based Park	a facility which is usually located in a more remote or naturalistic setting (i.e. not in a town or city) where an occupier may legally stay no longer than three consecutive months, and where there are minimal facilities provided
Park Home	a vehicle which is fitted or designed for habitation, but which has the characteristics of a building, and does not require a vehicle licence because it could not be drawn by another vehicle on a road due to its size
Park Home Park	a caravan park at which park homes, but not caravans or camps, are situated for habitation
Permanent Resident	a person for whom the caravan park, at the present time, is his/her principal place of residence
Recreational Vehicle	large motor vehicles with facilities for sleeping and eating, which are used for recreational activities such as

	camping (while this term was originally used to describe a vehicle which does not require towing by another vehicle, this term is now often used to describe all types of vehicles fitted for habitation, either towed or self-propelled)
Resident	a medium- to long-stay caravan park patron who resides in the caravan park for longer than three months, where the caravan park is their principal place of residence
Residential Park	a caravan park in which there are predominately long-stay sites (either caravan sites or park home sites) and which include residential parks referred to as ‘park home parks’ and ‘lifestyle villages’
Short-stay Site	a site at a caravan park which is to be occupied consecutively by one person or group for no longer than three months
Site	an area in a facility marked, or intended, for the use of one caravan, camp or park home
Tourism Region	segregated tourism areas within Australia which are defined by the relevant state or territory tourism organisations. Regions in Western Australia include the South West, Coral Coast, Experience Perth, Golden Outback and North West. These are different from the designated land regions in the state.
Transit Park	a facility where an occupier may stay no longer than three consecutive nights and which are used as overflow facilities when all other facilities in the area are full
Vehicle	a conveyance (other than a train, vessel or aircraft) capable of being propelled or drawn on wheels
Visitor	short- to medium-stay caravan park patrons who visit a caravan park or camping ground either as the holiday destination (holidaymakers) or as part of a longer road trip (travellers/tourists)

EXECUTIVE SUMMARY



The Experience People Passionately Want To Preserve

The importance of caravanning and camping to tourism in Western Australia is well recognised, as is their role in providing affordable holiday accommodation for families, and economic and social benefits to local communities and the state as a whole. For some time, however, concern has been expressed by government agencies, members of the Western Australian Parliament, caravan park operators, and users of caravan parks and camping grounds that caravan parks and camping grounds have been, and continue to be, subject to a number of pressures that result in the reduction of sites available. The Committee's initial concern was that Western Australian families should continue to have access to affordable holiday accommodation and continue to take the traditional Australian caravanning and camping holiday. Therefore, the Committee determined to investigate changes in demand for caravan parks and camping grounds, their facilities, issues affecting the supply of caravan parks and camping grounds, and the regulatory regime to which these parks and grounds are subject. As background information to the Inquiry, **Chapter 1** provides a brief outline of the importance of caravanning and camping to tourism, local communities and families, and notes that the economic flow-on effect may not be as large as some estimates suggest. It also highlights the main pressures being experienced by the caravan and camping industry, namely: urban development; rising land values, particularly along the coast; the redevelopment of parks with cabins, chalets and other higher-yield accommodation; and the use of caravan parks as a supply of affordable housing and of worker accommodation. It is important to note that the focus of this Inquiry is the provision of tourist and holiday accommodation in caravan parks and camping grounds, and while it is acknowledged that there are many people who live in caravan parks this Inquiry does not focus on the issues of affordable housing or long-term residency of caravan parks. Chapter 1 also provides details of the methodology employed and notes the Committee's concerns in relation to the data available.

Chapter 2 provides a brief overview of the structure of the caravan park and camping ground industry. While recognising the importance of the manufacture, supply and sale of caravanning and camping equipment, the industry structure outlined in Chapter 2 provides details of only those involved in the demand and supply of caravan and camping sites. To this end, it divides industry participants into regulators, industry providers, and caravanners and campers. As many of the characteristics of caravan parks and camping grounds are discussed throughout the report, Chapter 2 simply notes that caravan parks and camping grounds vary in terms of the type of park, tenure arrangements, location, management arrangements, standards maintained, services provided etc. Traditionally caravan parks generally have been operated as family businesses. Some have been provided by local governments as a community service, and the Department of Environment and Conservation (DEC) also leases sites on its estate to private operators. While there are still family operated, and local and state government provided caravan parks, there is increasing interest being shown by the corporate sector, with corporations buying several parks and operating them under management arrangements.

Noting that caravan parks and camping grounds were, until recently, regulated largely through local government by-laws and the provisions of the *Health Act 1911* (WA), Chapter 2 also provides a basic outline of the legislative framework that currently regulates caravanning and camping in Western Australia. This regulatory regime can be separated into two main areas. First is that which regulates the operation of caravan parks and camping grounds themselves, which is largely the responsibility of local governments. This encompasses the *Caravan Parks and Camping Ground Act 1995* (WA) (CPCG Act) and the *Caravan Parks and Camping Ground Regulations 1997* (WA) (CPCG Regulations). These are administered by the Minister for Local Government and the Department of Local Government (DLG), and provide for the regulation and control of caravan parks and camping grounds, as well as the acts of caravanning and camping. In addition to this state government regulation, there are also local government by-laws that provide regulation at a specific local level. Second is the legislation that regulates tenancy issues, that is, the respective rights and responsibilities of long-stay tenants and park operators. This is the responsibility of the state government and takes effect through the *Residential Parks (Long-stay Tenants) Act 2006* (WA) (RPLT Act) and the *Residential Parks (Long-stay Tenants) Regulations 2007* (WA) (RPLT Regulations).

Before discussing the segments of the caravanning and camping market, **Chapter 3** summarises the various categories of users of tourism accommodation, namely short-stay, short/medium-stay and seasonal/long-stay users, all of which can be accommodated in caravan parks. Noting that camping grounds generally do not accommodate long-stay users, Chapter 3 also discusses the two distinguishable caravan park user groups, namely visitors (tourists/travellers and holidaymakers) and residents who live in parks as a lifestyle choice or due to a lack of other options or a crisis situation. Travellers and holidaymakers are further classified into grey nomads, freedom seekers, families, winter drifters, intrastate holidaymakers, international visitors and self-contained travellers, and Chapter 3 contains a brief discussion of each classification.



Modern, Self-Contained Camping At Cleaverville, North Of Karratha

Visitors to camping grounds, that is, those areas that exist outside of caravan parks, are discussed in terms of the clear evidence that with the rise of the self-contained traveller, many people in campervans, caravans, motorhomes and recreational vehicles (RVs) are, in fact, camping in camping grounds. While some travellers prefer to stay in caravan parks with all the facilities they provide, it seems that an increasing number of travellers prefer more secluded camping grounds with fewer amenities where they are also free of long-stay residents. It is also noted that bushwalkers and backpackers commonly use camping grounds. Furthermore, as Chapter 3 also shows, as camping grounds often provide only minimal facilities, camping is generally a short- to medium-stay activity. However, in some areas visitors such as winter drifters do stay in camping grounds for extended periods of time.

There is also evidence to suggest that each type of visitor has different demands and that the primary reason for their travel will determine the type of amenities and facilities they demand as well as the price range they are prepared to pay. The different types of approaches to holiday planning and accommodation selection first determine whether visitors will opt to stay in a caravan park or camping ground. Once this decision is made, further factors such as the type of accommodation provided (caravan, camping, chalet or cabin), the facilities available, the location of the park, the time of year, affordability and prevailing economic conditions all impact upon a traveller's choice. These demand-related factors are discussed in Chapter 3.

The trends in demand for caravanning and camping accommodation are the subject of **Chapter 4**. While this chapter focuses on the measurement of demand for tourism accommodation within caravan parks and camping grounds, it notes that such demand is often difficult to separate from demand for caravan park accommodation as affordable and available housing. This chapter also notes conflicting evidence as to whether or not demand is increasing and notes, for example, that camping on pastoral leases does not appear to be captured in the data. Sales of caravans, campers and other recreational vehicles, together with licensing data provide indications of steadily

increasing demand until 2007. While some sources still report strong demand for caravans and RVs in Perth, more recent data provides some evidence of slowing sales and declining vehicle registrations. At the same time, there appears to be continuing strong demand for tenting equipment. Together, this evidence suggests that caravanning and camping are still very attractive holiday options for many people and that demand is increasing over the long-term.

It is clear that the caravan and camping industry has evolved at a very fast pace and has undergone considerable change. This rapid and dramatic change has been driven by increased customer expectations and external market forces. It is likely that such forces will continue to effect change in demand. Furthermore, the structural changes occurring in the industry are yet to be reflected in either the regulatory framework or caravan park infrastructure. There are several emerging, and sometimes diverging, major trends in demand, and these are discussed in detail in Chapter 4. First is the change in customer expectations in relation to facilities provided, with some demanding improved facilities and others arguing that travellers no longer want all the facilities provided in caravan parks. The demand for different facilities appears to depend on the type of traveller and their preparedness to pay for services provided. Second, while the demand for annuals is not necessarily increasing, they remain an important and recognised market segment. Third is the trend toward the supply of higher-yielding, fixed, on-site accommodation such as chalets and cabins alongside the decreasing supply of powered sites. Evidence suggests that this is in response to increased demand for self-contained accommodation and helps to provide greater security of cash-flow for operators. Fourth, there is an increasing demand for caravan parks as long-stay, available and affordable housing. The number of sites occupied by long-term guests has increased, although the demand is stronger in some regions than others. There is also substantial and rapidly increasing demand for accommodation in residential parks. Fifth is the rise in demand for alternatives to traditional caravan and camping sites. This demand for sites that provide a freer, more nature-based experience arises primarily from the advent of the self-contained vehicle.



Nature-Based Camping At Barn Hill, South Of Broome

The increasing demand for nature-based sites has proven problematic in some regions where it is difficult to cater for large numbers of people, mainly due to environmental, safety, logistical and cultural issues. Nevertheless, nature-based camping could soon be the largest segment of the caravanning and camping market in Western Australia. Camping on pastoral leases is a particularly important segment of this market, with evidence suggesting that not only is demand for this kind of experience increasing, but that the peak seasons are lengthening. A further demand for sites outside of caravan parks or commercial camping grounds is for campsites to be used by Indigenous Western Australians for family community events and other traditional purposes. When demands for alternative caravan and camp sites are not met, large groups of people engage in illegal camping practices. Illegal camping is also discussed in Chapter 4.

Chapter 5 discusses the supply of caravan parks and camping grounds in Western Australia. It notes that it is very difficult to determine the precise number of caravan parks in the state. There is no definitive list of caravan parks and camping grounds in Western Australia, and different databases suggest different numbers, with the Australia Bureau of Statistics data including only parks with 40 or more powered sites. In addition to caravan parks, overflow areas are often made available in peak tourist seasons, and these areas play a vital role in the supply of sites when demand is highest. The provision of overflow sites is discussed in Chapter 5. Chapter 5 also briefly outlines the types of accommodation that can be supplied in caravan parks. Considerable concern was expressed throughout the Inquiry in relation to the decreasing number of caravan parks and the lack of development of new caravan parks. While the number of parks has certainly decreased in recent years, it is not clear whether existing parks are large or small parks, what mix of long- and short-stay sites they provide, and what impact this has on caravan parks' overall capacity to meet changing market demand. It seems that while total capacity has remained relatively steady, there has been considerable variation in the accommodation mix provided. The most significant changes between 1997 and 2009 are the marked fall in supply of unpowered sites and the significant growth in supply of cabins, chalets etc. Furthermore, as Chapter 5 shows, the total capacity of long-term caravan parks has declined significantly, while the total capacity of short-term caravan parks has increased. From the available data, and for larger caravan parks, it is only possible to say that while the total number of parks has fallen, caravan park operators have increased the capacity of their parks by increasing the average number of sites per park, while also changing the accommodation mix provided. This change in supply largely reflects the changes in demand. It is difficult to make definitive statements in relation to any shortage of caravan parks in the state or the capacity of those parks. While it is clear that the supply of caravan parks is under considerable pressure, what is less certain is whether there is a shortage of caravan parks per se or if it is a situation of a sufficient number of parks providing an inadequate mix of accommodation types at particular times of the year. It is apparent that the current excess demand for and undersupply of caravan park sites depends largely upon geographical location and seasonal factors.



Full House In Broome

Furthermore, given the increased RV demand for camping outside of caravan parks, the current supply of tradition caravan parks may be sufficient to meet current and future demands, particularly if the wider development and use of overflow areas is encouraged. Nevertheless, given the considerable pressures on the supply of caravan parks and camping grounds and the potential for further closures, the supply of parks remains an important concern.

Chapter 5 also discusses issues relating to the supply of camping grounds, particularly those on the DEC estate and on pastoral leases. A number of pastoral leases such as those along the Ningaloo coast provide low-key tourism facilities and offer a wilderness camping experience that is gaining in popularity. Pastoral leases, when managed sustainably, offer enormous potential to the development of nature-based tourism. The expansion of nature-based camping on these leases would help relieve some of the supply pressures currently being felt.



Camping At Warroora Station: An Annual Visitor From New South Wales

In fact, the loss of these nature-based sites would constitute a major setback to the tourism industry in Western Australia. The Ningaloo coast is subject to a long-standing exclusion plan that recommends the excision of a coastal strip from pastoral leases for public purposes. This excision is a contentious issue and while it falls outside the scope of this Inquiry, Chapter 5 acknowledges the issue and notes that the Minister for Lands, together with the Department for Regional Development and Lands, is currently reviewing the situation. The regulation and management of coastal tourism on pastoral leases is also a concern to government and pastoralists, with government proposing that government agencies manage the coastal fringe in partnership with pastoralists. However, as Chapter 5 shows, there seems to be different ideas as to what such a partnership might look like.

The supply of roadside rest areas and facilities, and the supply of waste dump points are two further issues discussed in Chapter 5. These are two issues that received considerable attention in submissions to the Inquiry. Western Australia is criticised for not having enough roadside rest areas and for not providing adequate facilities at such areas. However, a review of the stopping places provided by Main Roads Western Australia (Main Roads WA) shows that stopping places are generally a reasonable distance apart and that Main Roads WA is generally complying with its policy guidelines. It seems that Western Australia is well supplied with roadside stopping places. What appears to be the case is that there is a disjuncture between what is supplied and people's expectations. Evidence suggests that travellers generally want all facilities at all roadside stopping places, and for these to be between 50 and 100 km apart, and preferably designated as 24-hour rest areas. However, this expectation loses sight of the intent of roadside rest areas as a fatigue management tool, that is, as places for travellers to rest and so avoid driving while tired. Issues relating to the maintenance of rest areas are also raised in this chapter.

The growing number of self-contained vehicles travelling throughout the state has led to an increased need for waste dump points. The CPCG Regulations currently provide that a chemical soil waste dump point is to be provided in all caravan parks. It seems that not all caravan parks comply with this regulation. Discussions in relation to the location of dump points outside caravan parks, and the cost of providing these points, are also included in Chapter 5. While there is a perception amongst caravanners that dump points are relatively inexpensive to supply and install, evidence shows that installation costs can be considerable, particularly in the more remote regions of the state. A further issue is the fact that many travellers do not know the location of dump points. There is an urgent need for a readily accessible resource providing the location of these and other facilities that are available for travellers. Chapter 5 also notes the considerable concern over the inappropriate disposal of blackwater waste from self-contained vehicles, the unwillingness of some to pay for accessing a dump point, and a preparedness to simply dump the waste along the road or in the bush.

As noted in the introduction, the supply of caravan parks and camping grounds in Western Australia is subject to a number of considerable pressures. These pressures can be classified according to the impact they have on supply, namely whether they result in the actual closure of caravan parks or whether they result in a decrease in the availability of caravan and camping sites within an existing facility. The latter can be further divided into the redevelopment of caravan parks into alternative holiday accommodation and the occupancy of caravan parks by long-stay residents. **Chapter 6** provides discussion on the pressures that result in the closure of caravan parks and on those that result in the redevelopment of parks into alternative forms of holiday accommodation. Discussion of the pressures arising from long-stay occupancy of parks is found in Chapter 7.

One of the primary factors in the closure of caravan parks and camping grounds is the shift to higher value land use for the land upon which they are situated. This shift involves two inter-related factors: the encroachment of urban development into what was traditionally fringe tourist areas, and the rising price of land, particularly in prime coastal and metropolitan areas. Chapter 6 discusses the evidence that parks have either closed or are facing closure due to redevelopment pressures and notes the considerable risk of further closures for redevelopment purposes. Given that demand for caravan and camp sites across the state appears to be relatively steady, any further loss of supply will have considerable impact on the caravanning and camping public. Caravan parks that are already operating in an environment subject to urban encroachment and rising land values are also subject to a number of other factors that impact negatively on the viability of their operations. Seasonality of demand is one such factor, and while it impacts upon different areas in different ways, it is a significant issue for caravan park viability and affects the pricing structure of accommodation offered at the site.

Rising operating costs are also of great concern to park operators and Chapter 6 provides an overview of the major costs brought to the attention of the Committee, some of which stem from the rising land value itself. These major costs include electricity supply and charges, water usage and waste water costs, land rates and land tax. A significant issue raised by operators concerns the shift to cost reflectivity for electricity supply coupled with the exemption order that applies to the supply of electricity to long-stay residents of caravan parks. In effect, these two government initiatives mean that caravan park owners purchase all their electricity at commercial rates but can

only charge their long-stay residents at a lower residential rate. Similarly, the government's move toward cost-reflective pricing for water supply has been criticised by park operators. In calculating water use charges, the Water Corporation makes an adjustment for the proportion of long-stay residents in a caravan park, based on advice from the park operator. The calculation of waste water charges consists of a service charge and a usage charge, with the service charge depending on the number of sewerage fixtures involved. There is concern that this basis of charging results in competitive disadvantage to parks that offer ensuite facilities, particularly given the number of fixtures required in the regulations.

It is important that the business is not asked to subsidise residents who choose to live in a caravan park. Any reduction in utility price increases for long-stay residents should be made directly by government, not by forcing the subsidy onto park operators. Caravan parks are commercial enterprises and have no other recourse than to pass costs on where they can to recoup the money. This may result in travellers subsidising residents' cost of living. While there is a policy direction to increase the costs of water and electricity to reflect its increasing scarcity value, caravan parks are major users of these commodities and increasing utility costs are putting real pressure on caravan parks and affecting their ongoing viability.

Chapter 6 also details issues in relation to council rates and land tax, costs that are reported to have increased significantly with the rising land values. These charges are calculated using either the unimproved (UV) value or the gross rental value (GRV) as determined by the Valuer General, depending on location, circumstances and the charge being levied. Local councils use the UV for rating rural and fringe urban areas, and GRV for rating urban areas and for determining sewerage and drainage rates. Land tax is based upon the UV of the land. The UV is based on market value which, in turn, is based upon the highest and best use land value as determined by zoning of the land. This means for caravan parks situated on general tourism zoned land will pay charges based on a much higher use value calculation. Furthermore, with the introduction of the CPCG Act, the Valuer General changed the way in which caravan park land was valued, that is, it led to the introduction of the aggregation method of calculation of the GRV. In Western Australia, caravan parks currently receive a 50% concession on land tax, which is a considerable benefit and well received by the industry. However, as Chapter 6 explains, with rising land prices, the effect of this concession has largely been negated. Imposing land tax on the basis of best use value for a particular zone means that caravan parks are taxed as if they have redeveloped to the highest land use. This, in effect, provides further incentive to operators to redevelop their land. This has the added impact of placing further pressures on caravan park supply. While some caravan park operators provided information on their tariffs and occupancy rates, the Committee does not have sufficient data to make any comments on the profitability or otherwise of caravan parks or make a determination as to whether profitability has increased or decreased over recent years.

The existing supply of parks, and the potential for new developments, is impacted upon by increasing costs of operating a park. The caravan park industry appears to be particularly price sensitive, which makes it difficult for park owners to increase tariffs in line with cost increases. This, in turn, makes the redevelopment of the park an attractive option for park owners. A further compounding problem is that of aging infrastructure in some parks. High costs associated with refurbishing a park, together with land tenure and inadequate financing options all contribute to the reduced viability of caravan parks, and thus the likelihood of further closures.

The other supply pressure discussed in Chapter 6 is that from the diversification of the types of accommodation provided in caravan parks. Many parks are either building higher end accommodation on some of their traditional caravan and camp sites or are redeveloping the entire park into higher yielding, more up-market types of tourism accommodation such as resorts. This trend has developed through a number of factors including the shift in demand to this higher value accommodation, the industry response to rising land values, the need to generate alternative income streams to cover increasing costs and the formalisation of mixed use parks via the CPCG Act. One impact of this accommodation diversification is the decreasing supply of traditional caravan and camping sites in caravan parks. This could lead to the exclusion of the traditional user of caravan parks due to the increased tariffs for such accommodation. That is, caravan parks may no longer provide an affordable holiday option.

Chapter 6 also includes discussion on barriers to the supply of new parks or further development of existing parks. Significant barriers include the very high establishment costs, particularly given land values and the extensive statutory requirements, which must be balanced against the long-term and reportedly low nature of returns. Land availability is also an issue, as is lack of security of land tenure, particularly for those operators who operate on leased land.

A further pressure on the supply of caravan parks for tourism accommodation is that created by the use of parks for residential purposes. This issue is the subject of Chapter 8.

A range of developments within the caravan and camping industry have led, over time, to a degree of discrepancy and inconsistency in the planning and development framework and its application to caravan parks and camping grounds. Evidence to the Inquiry suggests there is a disjunction between town and regional planning mechanisms and the government's vision for the state. Discrepancies within the state's planning framework in relation to tourism developments were also highlighted by the 2006 Ministerial Taskforce, the Tourism Planning Taskforce (the Taskforce). The Taskforce concluded that while Western Australia's local statutory framework is relatively detailed, it also contains inconsistencies. Given these comments, before examining the issues that relate specifically to planning and development of caravan parks and camping grounds **Chapter 7** provides a brief discussion of the Taskforce's report and its recommendations. The Taskforce made a number of key recommendations that are relevant to this Inquiry. First, it recommended a range of more specific zonings for tourism accommodation be introduced into local government schemes as this would limit opportunities for redevelopment while also taking into consideration local tourism requirements. Second, the Taskforce recognised both the potential for the provision of Crown land for future tourism accommodation development and the need to retain existing low-key tourism sites on Crown land. Third, the Taskforce held that local planning strategies are necessary and such strategies must acknowledge all three functions of caravan parks and camping grounds, that is, they must acknowledge the provision of tourist, seasonal and residential accommodation.

Following discussion of the Taskforce report, and to help provide context for the remainder of the chapter, Chapter 7 also contains a summary of the main components of the state planning framework and their particular application to the caravan park and camping ground industry. This includes an outline of the *State Planning Strategy*, Statements of Planning Policy (State Planning Policies - SPPs), regional strategies, regional structure plans, planning bulletins, development

control policies, local planning strategies and town planning schemes, including zonings and policies.

While there has been some criticism of the lack of implementation of the Taskforce recommendations, the formulation of local tourism planning strategies is underway. As well as providing guidance for the assessment of applications to change land use from tourism to an alternative use, these strategies should identify strategic tourism sites to be retained for that use and non-strategic sites that could be redeveloped. Several LGAs are currently producing draft strategies for public comment. LGAs advised the Committee that the development and implementation of these strategies is neither a quick nor simple process. Nevertheless, the implementation of local planning strategies appears to be the best method of addressing planning issues on a local basis, rather than trying to apply a 'one size fits all' model across the entire state.

The zoning of caravan park and camping ground land is a contentious issue and is also the subject of discussion in Chapter 7. At present, caravan parks can be developed as a permitted use in a tourist or caravan park zone, as a discretionary use or additional use in an appropriate zone, or as a particular use in a special use zone. This zoning schema makes it relatively easy to redevelop a caravan park into a higher yielding tourism facility. This, in turn, makes caravan park land a prime target for land speculation. While flexibility in zoning presents challenges to the industry, it is also important to the viability of existing caravan parks as evidence suggests that developers will always want broader zonings to allow more flexibility in land use, thus increasing park viability and finance options. One solution to the reduction of supply of caravan park sites is to change their zoning from tourism to caravan park. However, considerable concern has been expressed in relation to this option as it would significantly reduce the value of the land and, in turn, reduce the viability of the affected parks.

The use of caravan parks as both tourist and residential accommodation has also created planning and development issues, and these are also discussed in Chapter 7. The residential occupation of caravan parks has not been consistently addressed with the state's planning framework. The necessarily region-specific regional strategies and regional structure plans do not seem to anticipate the long-term or residential occupation of tourist accommodation. Key amongst concerns presented to the Committee is planning for and managing the mix of long- and short-stay sites within caravan parks. Determining the mix of long- and short-stay sites appears to be another area for which a 'one size fits all' approach is not workable. The mix of sites is best determined at the local level via the local tourism planning strategies.

Chapter 7 also addresses the recent rise of the residential (long-stay) caravan park or park home, often called a lifestyle village. Residential parks are also regulated under the CPCG Act and are based on a land lease model, that is, a resident purchases a modular home and leases the land on which it is placed, generally on a long-term basis. There are also issues in relation to the zoning and location of residential parks, with such parks throughout the state currently sitting on residential, urban, special use and rural zoned land. WAPC is not in favour of residential parks operating on rural land, preferring them to be on urban zoned land. This WAPC position is seen by operators as an obstacle to the development of such parks. It is clear that there are inconsistencies in the approach taken by LGAs in relation to the permissibility and subsequent assessment of residential parks. Currently, WAPC Planning Bulletins 49 and 71 are being

reviewed, and it is hoped that this review will address these and other planning issues in relation to residential parks, including balancing affordability and appropriate land use via appropriate zoning mechanisms.



Worker Accommodation In Coral Bay

Another major issue arising from the long-term occupancy of caravan parks relates to building approvals and compliance. As Chapter 7 shows, buildings in caravan parks are regulated under the CPCG Act and Regulations, and are not subject to a formal LGA building approvals process. Nor do they require a building licence. Nevertheless, and with some deviations, park homes and rigid annexes attached to caravans must comply with the Building Code of Australia. Again, this Inquiry has revealed that there is no consistency of approach across LGAs in relation to what does and does not require a building licence, due mainly to different interpretations of the legislation. This is particularly confusing for applicants and LGA staff. It is also important to note that because the legislation requires caravans and park homes to be vehicles rather than transportable buildings, they are required to have an axle and wheels. Several LGAs raised considerable concern in relation to the problems they encounter in what seems to be a particularly frustrating situation for LGAs, and these are outlined in Chapter 7. Overall, it appears that rather than a lack of regulation in relation to built structures in caravan parks, the regulations are complicated, unclear and quite prescriptive, which, in turn, makes them difficult to interpret and enforce. This situation is further complicated by the fact that many caravan parks are developing into what are essentially quasi-residential developments. Chapter 7 also notes that Building Industry Development is drafting a Building Bill to provide some clarity around what is regulated as a building and what is a vehicle.

Strata titling of caravan parks was once possible in Western Australia; however, WAPC will no longer consider applications for strata titled developments. Issues relating to the strata titling of caravan parks are also considered in Chapter 7. This chapter also considers planning barriers to the development of new caravan parks and notes that the planning and development process itself

may, in fact, be a barrier to new developments. Arguments presented to the Committee suggest that planning requirements are onerous and that the process is complex and lengthy. One example of a planning barrier to new developments is found in the requirements of the State Coastal Planning Policy and the setback it requires for coastal developments. Examples of the application of this policy reveal a less-than-flexible interpretation, one that has resulted in a significant barrier to caravan park and other development. A more flexible application of existing policy, together with a more risk-based approach, would allow a greater supply of caravan sites. Chapter 7 also outlines the reported cumbersome and lengthy nature of the planning process, a process that can span several years. While this Inquiry is not examining the planning system per se, it has revealed several issues that impact on existing caravan parks and on potential developments.

The majority of caravan parks in Western Australia are now used for both tourism and residential purposes, and this dual use has created many complex issues which are requiring resolution at all levels of policy, planning and administration. It is of particular concern to this Inquiry as the dual use of caravan parks places a further pressure on the supply of short-term tourism accommodation in the state. Before investigating the issues arising from the dual use of caravan parks, **Chapter 8** provides a brief background to the dual use of caravan parks and describes the various demand characteristics of this dual use. This chapter acknowledges that long-stay residents of caravan parks live in parks for a number of reasons including lifestyle choice, employment circumstances, affordability and a need for crisis accommodation. These are discussed in detail in Chapter 8. Also discussed is the supply of, and demand for, long- and short-stay sites and the mix thereof, with particular regard to concerns expressed about the availability of both types of sites.

For several years now, the caravan and camping industry has been concerned that the increasing use of caravan parks as residential accommodation is impacting upon the supply of sites for tourists and holidaymakers. However, evidence presented also suggests that the increase in the long-stay use of caravan parks is not necessarily a negative as the arrangement can suit resident and park owner alike. Caravanners and LGAs expressed concerns about the increasing demand for long-stay caravan park accommodation, with some caravanners questioning the appropriateness of long-stay occupation in caravan parks. In regions that experience a high demand for worker accommodation, predominantly in the north west of the state, there is little, if any, alternative to LGAs other than to allow such use. Nevertheless, the fact remains that the more sites that are taken by long-stay, the less there are for short-term tourism accommodation.

Over the course of this Inquiry it became clear that there are a number of dual use parks in Western Australia that are being closed for redevelopment. Considerable concern has been shown by long-term residents of these parks, particularly in relation to the eviction of long-stay residents. It is important for both caravan park operators and residents that parks continue to have the option of providing long-stay sites, and the possibility of striking a balance is discussed in Chapter 8. This chapter also notes other issues that arise from the dual use of caravan parks, including the reduced level of tourism amenity within mixed caravan parks, the lack of access to essential services for long-stay tenants, the potential for the social and economic dislocation of long-stay tenants and the territorial claims upon the caravan park by both visitors and residents.



Long-Stay Living And Lifestyle

While many long-term residents of caravan parks do so as a lifestyle choice, others live in caravan parks due to a lack of suitable alternatives or through necessity. Park closures impact significantly upon residents due to their often vulnerable economic and social circumstances. This has been clearly demonstrated through the great number of submissions the Committee received from long-stay residents of parks facing closure. What has also been demonstrated is that those who purchase on-site vans or park homes often do so with apparently little understanding of the choice they are making when they decide to live in a caravan park and of just how tenuous their right to 'permanently' remain in this location actually is. It is important that people who make this decision do so in an informed manner, and while it is difficult to write disclosure material in a simple, concise yet comprehensive form, it seems that many people simply do not read the disclosure material when it is provided. Another issue also of great concern to the Committee and discussed in Chapter 8 is the fact that many people who live in caravan parks do not understand that their asset in the form of their caravan or park home is a depreciating asset, largely because there is no land value that can be attached to what is essentially a vehicle.

Chapter 8 draws attention to the work of the Caravan Park/Park Homes Interagency Working Group established to guide government agency responses in assisting long-stay caravan park residents of parks facing closure. The Chapter also outlines some potential long-term strategies proposed to address the social and economic dislocation of long-stay residents of caravan parks, including the allocation of Crown land for long-stay caravan parks and the development of long-term tenure and tenancy management options. Chapter 8 also notes the often incompatible nature of residential and tourism uses of caravan parks. Residential use of parks may detract from the tourism experience of short-stay visitors, while short-stay visitor activities may be seen as disruptive to, and inconsiderate of, long-stay residents.

There is evidence to suggest that the introduction of dedicated caravan park legislation has resulted in improvements within the industry. However, there is also evidence that the legislation is having a negative impact on the viability of some parks, and this is the subject of **Chapter 9**. As Chapter 2 outlines the history and structure of the Western Australian dedicated caravan parks and camping grounds legislation, and the regulation of long-stay tenancies, Chapter 9 reviews the regulation of caravan parks in Western Australia with a particular focus on how this regulatory regime works to maintain a viable caravan park industry, protect the rights of operators and users, and address the issue of long- and short-stay facilities and sites. Rather than present a comprehensive statutory review, Chapter 9 provides discussion of the main legislative and regulatory issues raised in evidence to the Inquiry.

Chapter 9 notes the existence of the Caravan Parks and Camping Grounds Advisory Committee (the Advisory Committee) which was established by the CPCG Act. The Advisory Committee plays a significant role in the review of the CPCG Act and its function, a review that has been underway since 2005. As at October 2009, four years after submissions to the review closed, the Act and Regulations remain unamended, although drafting instructions have been provided to Parliamentary Counsel. For reasons outlined later in Chapter 9, the CPCG Act and Regulations are now significantly outdated. Furthermore, it appears that amendments drafted by the DLG and the Advisory Committee will be similarly outdated, given the protracted review process. The lack of progress by government in this area is a sign that caravan parks are not accorded high priority in government, something that is of concern to the Committee given the important role that caravan parks and camping grounds play in the provision of tourism accommodation and affordable housing. There needs to be greater effort and commitment made to ensure this review is completed.

While there is general acceptance of the need for regulation, there is also a general concern in the industry and local government that the current legislation is ambiguous, confusing and outdated. Not only is the legislation difficult to understand and interpret, it also has not kept up with developments within the caravan and camping industry and, as noted, is significantly outdated. It is likely that the industry will continue to change relatively quickly over time. Given this, the Committee suggests that legislation must be broader, less prescriptive and, thus, more adaptable to market forces and change. While legislative amendment may be a necessarily slow-moving process, this makes adaptability all the more important for an industry such as the caravan and camping industry which is experiencing a range of supply pressures. The current regulations are also seen as increasing the compliance costs of operating a caravan park or camping ground, something that may lead to increased diminution of existing sites and also deter developers from creating new parks. Thus, the industry is calling for a greater degree of self-regulation.

Infrastructure requirements under the regulations are singled out for particular attention in evidence to the Inquiry, and are seen as exemplifying the over-prescriptive nature of the regulations. There is also concern that the overly prescriptive regulations have a detrimental effect on the holiday atmosphere expected of caravan parks and camping grounds. The Committee believes that the CPCG Act and Regulations should be reviewed with a view to removing the more prescriptive design requirements and, thus, reducing compliance costs and making caravan parks a more attractive investment option.

Also contained in Chapter 9 is a discussion of the issues raised in evidence in relation to the impact of licensing of caravan parks and camping grounds, and of inspection and compliance with statutory requirements. Of particular concern is the annual physical inspection of parks by LGA officers. It is the responsibility of the relevant LGA to ensure that parks are managed in accordance with the legislation and licence conditions. A fact not well understood by the industry is that while LGA operated parks do not have to be licensed, they do, in fact, have to comply with all the laws that apply to private operators. Evidence suggests that parks in Western Australia are largely compliant and that instances of non-compliance are often the result of the prescriptive nature of the existing legislative provisions. The complexity and prescriptive nature of the legislation also means that LGAs must find additional resources to monitor compliance. There also seems to be a lack of consistency of application of the CPCG Regulations by LGAs, possibly resulting from ambiguity within the CPCG Act and Regulations which makes them difficult to interpret and, thus, enforce.

At present the CPCG Act does not apply to parks operated by a public sector body. This applies to parks such as those operated by DEC. Commercial operators have raised concerns about this, particularly in terms of competitive neutrality, and the National Competition Policy (NCP) Legislation Review deemed this provision to be anti-competitive and recommended its removal from the CPCG Act and that a set of minimum standards for nature-based parks be included in the legislation. Drafting instructions including the removal of r 49 have been prepared by DLG. DEC is developing a set of nature-based standards.

As Chapter 9 shows, the over-prescriptive nature of the regulations also relates to the application of the building standards in caravan parks. The current inability of LGAs to delegate certain functions to its Chief Executive Officer is also discussed in Chapter 9, as are the drafted amendments to this section of the CPCG Act.

One of the major issues raised in relation to the regulations is regulation 49 (r 49) that provides that a LGA cannot issue a licence for a transit park or a nature-based park within 50 km of an existing facility. Considerable evidence was presented in relation to the perceived anti-competitive nature of this regulation and its impediment to the development of additional parks, particularly nature-based parks. Chapter 9 outlines these concerns and notes that the NCP review found r 49 to be anti-competitive and recommended its removal. While not all caravan park operators are in favour of this action, the Committee understands that the removal of r 49 forms part of the upcoming legislative amendments.

Another major issue raised in Chapter 9 is that of where people camp and the related issues of the incidence of illegal camping, its impact on the caravan park and camping ground industry, and ways in which it is or should be regulated. The interpretation and enforcement of the provisions of the CPCG Regulations in relation to where people can legally camp are contentious issues. Arguments are presented that the CPCG Regulations are too prescriptive, that indigenous camping is not adequately supported, that bushwalkers should be able to camp more freely and that in the more remote areas of the state, and due to the large distances between legal camping places, illegal camping may actually be necessary. However, arguments are also presented that illegal camping has a detrimental impact on the caravan park and camping ground industry, and also has potentially negative environmental and health effects. Two particular aspects of the subject of

illegal camping discussed in detail in Chapter 9 are camping on the side of the road and camping on Crown land.

Regulation 11 of the CPCG Regulations provides for camping in a designated roadside rest area for 24 hours or, in an emergency, on the side of the road for up to 24 hours. There appears to be considerable variation in the interpretation of this regulation, with some LGAs having a zero tolerance approach to free camping and others having a more flexible approach. There was considerable evidence presented to the Inquiry of people who were using roadside rest areas for genuine fatigue management purposes being moved on by LGA officers. While the Committee accepts that not every use of a roadside rest area is for such genuine purposes, it does seem that at times the treatment of travellers is somewhat, and unnecessarily, harsh. There is recognition by DLG of the need for greater clarification of issues relating to roadside rest areas so that it is not left up to individual caravanners and LGAs to determine what constitutes an emergency. Greater clarity around other definitions in the CPCG Act and Regulations, such as that of ‘camp’, ‘camping’, ‘occupation’ and ‘inhabit’, would also be useful. In recognition of the difficulties surrounding the provision and policing of roadside rest areas in the more remote areas of the state, Chapter 9 presents the Committee’s suggested compromise solution, that is, allowing overnight stays of 24 hours in all rest areas regardless of the facilities provided.

In relation to camping on Crown land, Chapter 9 notes that under the CPCG Regulations people can only camp on Crown land or unmanaged reserves with the permission of the relevant Minister or relevant instrumentality such as DEC. This provision means that much of the camping along the coast accessed via pastoral leases may be illegal. Chapter 9 also contains a brief overview of the regulation of camping in other Australian jurisdictions.

As well as discussing the impact of the CPCG Act and CGCP Regulations, Chapter 9 also discusses the impact of the *Residential Parks (Long-stay) Tenants Act 2006* (WA) (RPLT Act). It notes that both residents and operators are dissatisfied with the RPLT Act, with each party suggesting the Act favours the other. While not presenting a comprehensive statutory review, Chapter 9 outlines the major and most contentious issues raised throughout the Inquiry. Security of tenure and, thus, long-stay agreements are a major concern for long-stay residents. While two types of lease are possible under the RPLT Act, namely a fixed term agreement and a periodic agreement, most parks offer periodic agreements. This legislation has not led to the degree of security anticipated by long-stay residents. The payment of relocation expenses upon the termination of a fixed term agreement is another controversial issue. Residents call for compensation for relocation expenses while operators are concerned not only about the costs involved, but also the possibility that some homes are not physically transportable. The concerns raised by long-stay residents are very serious. However, it is also possible that the introduction of the changes they call for may result in further park closures, further evictions of long-stay residents and a reluctance by caravan park operators to accept long-stay residents in the future.

A further concern to long-stay residents is what they refer to as the ‘eviction without reason’ provision of the RPLT Act. This is the provision that allows for the termination of a long-stay tenancy provided minimum periods of notice are provided, with different periods required for different types of agreement. Again, there are opposing opinions from long-stay residents and

operators, with residents believing the provision is unfair and operators arguing that it is too difficult to remove problem tenants from the park.

Chapter 9 also discusses issues relating to the marketing and sale of park homes or caravans situated in parks. It appears that buyers of park homes or caravans in a park may not be fully aware of the situation they are buying into. Most notably, it seems that many do not appreciate that because there is no land involved in the purchase, their homes are a depreciating asset. It is possible that potential purchasers are not provided with the correct information at the time they are considering their purchase. Furthermore, it seems that even when full disclosure is made, many do not understand the nature of the agreement they are entering. Given this, Chapter 9 also presents a discussion on the sale of such park homes and caravans, and suggestions received for addressing these particular problems. Chapter 9 also includes a brief outline of the legislative amendments suggested by the Park Home Owners Association Western Australia Inc. (PHOA) and DoC. Finally, Chapter 9 also briefly outlines the role of the CPCG Act in the provision of an adequate mix of short- and long-stay sites, providing a summary of the arguments as provided and discussed more extensively in Chapter 7.

One fact that became increasingly obvious throughout this Inquiry is the considerable regional variation in factors impacting upon the caravan and camping industry, its regulators and consumers. Therefore, **Chapter 10** presents a series of snapshots of various towns and regions, based on evidence to the Inquiry, with a view to demonstrating the existence of regional variations. The snapshots presented are of Broome, the Pilbara Region, Mandurah, Albany, Busselton and Coral Bay.

The introduction to this report noted that concerns surrounding first, the availability of caravan parks and camping grounds in this state, second, the risk of further caravan park closures and, third, the potential for the loss of affordable holidays for Australian families have been expressed by industry bodies, caravan park owner/operators, government agencies caravan clubs and associations, and members of parliament. **Chapter 11** emphasises that these concerns and risks have been evident for some considerable time. This chapter also notes the work of the Tourism Planning Taskforce and Tourism WA, but draws attention to the fact that these have to date met with very limited success. Furthermore, Chapter 11 reminds us that the review of the CPCG Act has been in train since 2005 – and the Act and Regulations remain unamended. Over the course of this Inquiry it has become clear to the Committee that government generally does not accord the provision of caravan parks and camping grounds a high enough priority. Equally clear is the fact that government agencies often operate as discrete entities rather than working together to develop a comprehensive strategy to tackle the issues associated with ensuring the supply of caravan parks and camping grounds meets current and future demands. To date, governments have either been unwilling or unable to give the matters the priority they require. Chapter 11 also notes that while there are a number of agencies that have carriage over caravanning and camping, none of them have taken on the role of industry champion. Chapter 11 suggests that Tourism Western Australia (Tourism WA) is well placed to take on this role. Given the above, and as Chapter 11 states, it is now time to act.

Chapter 11 also raises the issue of the marketing of caravanning and camping, and discusses the criticism levelled at Tourism WA, namely, that it does not actively promote caravanning and

camping in the state, but instead focuses on the higher yielding tourism products. Chapter 11 presents Tourism WA's response to this criticism and notes the agency's investment in placing maps and itineraries onto their website, and its development of predetermined driving itineraries. Tourism WA does not have a specific budget allocation for the promotion of caravan and camping tourism, and tends to market tourism around the brand of particular destinations. There is considerable scope for Tourism WA to be far more active in the promotion of caravanning and camping holidays in Western Australia.

One phenomenon about which the Committee received considerable evidence was the increasing number of self-contained travellers and holidaymakers. This evidence also suggests that Western Australia is not welcoming to these types of visitors, providing too few rest areas, some with inadequate facilities, and not providing sites that are able to accommodate larger RVs. Chapter 11 notes the existence of the Campervan and Motorhome Club of Australia Ltd's (CMCA's) 'RV Friendly Town' scheme which this organisation sees as a viable solution to the problem. To qualify as an 'RV Friendly' town, the town must provide certain facilities, including access to potable water and a dump point, parking for larger vehicles, 24-hour basic medical facilities and access to shopping facilities. CMCA advised that the generally accepted fee for overnight parking in RV Friendly towns is \$5 per vehicle. While this scheme has considerable merit, the \$5 fee is not likely to cover the operating costs of these sites. Furthermore, there is considerable evidence that self-contained travellers are not prepared to pay what it costs to provide RV friendly services. It seems that the expectations of many self-contained travellers in relation to facilities and fees are not realistic, particularly for the more remote regions in the state.

Also included in Chapter 11 is a summary of the major actions that the Committee believes the state government needs to take as a matter of priority to improve the viability, and thus supply, of caravan parks and camping grounds in Western Australia. The Committee believes the state government should:

- identify and zone land to be used for caravan park and camping ground developments
- identify and purchase caravan parks and camping grounds that are at risk, and vest these in the LGA to either operate or lease to private operators on a long-term basis
- in priority tourist regions, consider purchasing the development rights of privately owned parks on strategic sites in order to ensure their continuing use as caravan parks and camping grounds
- identify parcels of land on the DEC estate that can be set aside for nature-based parks
- work with pastoral lessees and encourage them to develop and manage nature based parks on their leaseholdings
- ensure LandCorp integrates areas for caravan parks and camping grounds into its overall structural planning of land releases
- allow LGAs to develop overflow sites with minimum service levels for self-contained RVs within the 100 year + .9 metre storm surge setback

- amend the legislation which governs caravan park and camping grounds with a view to significantly reducing design prescription in order to enable the market to have a greater role in determining the design of new caravan parks, and also to enable existing caravan parks to redevelop and/or expand according to the demand characteristics of that particular area
- consider the Royalties for Regions programme as a source of funding for the purpose of implementing these and other initiatives to maintain the supply of appropriate caravan park and camping ground facilities in regional Western Australia

FINDINGS

CHAPTER 3 DEMAND CHARACTERISTICS: VISITORS TO CARAVAN PARKS AND CAMPING GROUNDS

3.2 Segments Within the Caravan Park and Camping Ground Accommodation Market

Page 35

Finding 1

Caravan park patrons can be divided into two market segments, visitors and residents.

3.3 Visitors to Caravan Parks: Travellers and Holidaymakers

Page 42

Finding 2

Visitors to caravan parks can be divided into tourists/travellers and holidaymakers.

3.4 Visitors to Camping Grounds: Bush Camping

Page 44

Finding 3

Due to the availability of self-contained vehicles, visitors to camping grounds now often include caravanners.

3.5 Factors Influencing Caravan Park and Camping Ground Visitor Trends and Behaviour

Page 49

Finding 4

Demand behaviour varies significantly depending upon the type of visitor using the caravan park or camping ground.

CHAPTER 4 TRENDS IN DEMAND FOR CARAVANNING AND CAMPING ACCCOMMODATION

4.2 Demand for Caravan Parks and Camping Grounds in Western Australia

Page 56

Finding 5

There is a lack of reliable and consistent data on demand and demand trends. This limits the effectiveness of policy planning and strategic direction.

Page 57

Finding 6

Tourism Research Australia data indicate stable demand for caravanning and camping accommodation over the previous decade.

Page 57

Finding 7

There is considerable evidence to suggest an increase in demand for caravanning and camping accommodation across the state.

4.3 Demand for Caravans, Campers and Camping Equipment

Page 60

Finding 8

In spite of a slower market being evident in recent months, long-term trends for the purchase of caravan and camping vehicles and equipment demonstrate an increase in caravanning and camping activities.

4.4 Emerging Demand Trends

Page 65

Finding 9

There are two diverging demand trends in relation to services and facilities provided within caravan parks and camping grounds. Holidaymakers are demanding more services and facilities, while travellers, particularly 'self-contained' travellers, require fewer and more basic services and facilities.

Page 65

Finding 10

Travellers are reluctant to pay for services and facilities that they view as superfluous to their requirements.

Page 65

Finding 11

Caravan park operators are faced with a dilemma in the provision of services and facilities that are appropriate for all market segments.

Page 67

Finding 12

Annulars are an important segment of the caravan and camping market.

Page 69

Finding 13

Demand for cabins and chalets has risen in recent years as visitors to caravan parks demand a greater mix of accommodation types.

Page 72

Finding 14

Demand for long-stay sites within caravan parks has increased in recent years, largely due to the absence of other available and affordable housing options.

Page 72

Finding 15

The residential park industry, including ‘lifestyle villages’ marketed to retirees, is a rapidly expanding sector of the caravan park industry.

Page 76

Finding 16

The popular term ‘self-contained traveller’ must be clarified to recognise that self-contained vehicles are, in effect, only semi self-contained in that they all require, at some point, access to water and power supplies as well as grey and black waste disposal facilities.

Page 76

Finding 17

There is a growing demand in Western Australia for the nature-based camping experience, made more accessible by the rise of the ‘self-contained’ vehicle.

Page 78

Finding 18

There has been an increase in the demand for camping and caravanning opportunities on pastoral leases which offer a less regulated and more nature-based camping experience.

Page 79

Finding 19

There is a need for the proper recognition of Indigenous camping on their traditional lands.

Page 81

Finding 20

The rise of the self-contained vehicle and the increasing demand for nature-based camping experiences can, and does, lead to illegal camping.

Page 82

Finding 21

Illegal camping occurs when caravanners ‘free’ camp in contravention of the *Caravan Parks and Camping Grounds Act 1995 (WA)* and/or use facilities that they do not pay for or do not have the right to use.

Page 82

Finding 22

Part of the illegal camping problem is brought about by the lack of supply of caravan and camping sites in peak season.

4.5 Demand Predictions: Looking to the Future

Page 84

Finding 23

Demand for caravanning and camping is expected to increase in coming years, particularly demand for nature-based caravanning and camping accommodation options such as those provided on pastoral leases.

CHAPTER 5 SUPPLY OF CARAVAN PARKS AND CAMPING GROUNDS

5.1 Supply of Caravan Parks in Western Australia

Page 87

Finding 24

The number of caravan parks in Western Australia, their capacity and the type of sites provided is difficult to determine as there is no one comprehensive and consistent data set.

Page 88

Finding 25

Estimations of the number of caravan parks in Western Australia vary markedly.

Page 88

Finding 26

The Department of Local Government is undertaking an extensive survey of caravanning and camping facilities within all local government areas in Western Australia.

Page 91

Finding 27

In periods of peak demand overflow areas provide an important supply of caravan and camping sites, particularly as they often accommodate larger recreational vehicles.

5.3 Changes in Supply of Caravan Parks in Western Australia

Page 96

Finding 28

Contrary to ABS data, there has been a significant decrease in the number and capacity of caravan parks in Western Australia.

Page 96

Finding 29

While the overall number of caravan parks has declined in recent years, the available data does not provide information on the capacity of existing parks or the type of accommodation they provide.

Page 96

Finding 30

State government agencies, local government authorities, industry associations and user groups have all expressed concern about the recent closures of caravan parks in Western Australia.

5.4 Caravan Park Capacity

Page 100

Finding 31

While ABS data shows the total capacity of larger caravan parks in the state has remained relatively steady, the data shows there has been considerable variation in the accommodation mix provided:

- supply of on-site vans and other powered sites has remained relatively steady
- supply of unpowered sites has fallen markedly
- supply of alternative tourism accommodation such as cabins and villas has seen the most significant growth

5.5 Shortage or Seasonal Fact of Life?

Page 102

Finding 32

It is difficult to make definitive statements in relation to any shortage of caravan parks or capacity within those parks. Nevertheless, there is no doubt that the supply of caravan park sites in Western Australia is under considerable pressure.

Page 102

Finding 33

The demand and availability of caravan and camping sites depends largely upon geographical and seasonal factors.

Page 102

Finding 34

Given the increase in demand for nature-based camping, future supply must cater to this trend.

5.6 SUPPLY OF CAMPING GROUNDS

Page 107

Finding 35

The provision of camping and caravanning facilities has become a focus for a number of pastoral leaseholders, especially along the coast.

Page 107

Finding 36

Pastoral leases constitute a major source of supply of nature-based camping grounds. This supply has been overlooked in some data collection.

Page 107

Finding 37

The loss of nature-based camping sites on pastoral leases would constitute a major setback to tourism in Western Australia.

Page 108

Finding 38

The further development of nature-based camping on pastoral leases would not only meet increasing demand from a particular market segment, but also expand the capacity of caravanning and camping overall.

Page 108

Finding 39

Pastoral leases visited by the Committee were found to be well managed and to sustainably cater for a large number of visitors, some of whom regularly travel from other states.

Page 111

Finding 40

The Ningaloo coast offers considerable potential to expand opportunities for a nature-based tourism experience in Western Australia.

Page 115

Finding 41

Pastoralists, when provided where necessary with the appropriate training in conservation land management practices, are well placed to sustainably manage caravan and camping grounds on their pastoral leases.

Page 115

Finding 42

Some pastoral leaseholders are providing highly valued and sustainably managed nature-based camping facilities.

5.7 SUPPLY OF REST AREAS - ROADSIDE REST STOPS AND FACILITIES

Page 119

Finding 43

There is a need for a comprehensive resource for travellers showing the location of all roadside stopping places in Western Australia and the facilities they provide.

Page 123

Finding 44

Main Roads Western Australia provides a considerable number of rest areas in Western Australia, many at considerable cost.

Page 123

Finding 45

In remote areas, due to the distances involved, some of the rest areas may not be serviced as often as is desirable.

Page 128

Finding 46

There is a need for a readily accessible resource providing the location of publicly available dump points in Western Australia.

Page 131

Finding 47

The dumping of blackwater waste other than in dump points is frequently occurring in Western Australia.

Page 131

Finding 48

Disposal of blackwater waste other than in dump points provided in accordance with regulations shows a total lack of responsibility.

Page 132

Finding 49

Dump points are an essential part of tourism infrastructure.

Page 133

Finding 50

There is a need for more dump points throughout Western Australia and for a stakeholder-informed dump point strategy for the state.

Page 133

Finding 51

No one group or agency has taken responsibility for the provision of dump points.

Page 133

Finding 52

An information campaign is required to alert self-contained travellers to the need to dump waste responsibly.

Page 133

Finding 53

There is a cost involved in the installation of dump points, but the environmental hazards associated with illegally dumped waste outweigh this cost.

CHAPTER 6 PRESSURES ON SUPPLY

6.1 Closure of Caravan Parks and Camping Grounds: Higher Value Land Use

Page 139

Finding 54

Increasing urban development is placing pressure on caravan park and camping ground land that was once on the outskirts of a town or city.

Page 139

Finding 55

The prime positioning of many caravan parks along main travel routes or in prime locations makes them attractive for redevelopment.

Page 145

Finding 56

Increases in land values, particularly in coastal areas, means that caravan park and camping ground land has been lost to development for other purposes.

Page 145

Finding 57

The combined pressures of urban development and rising land prices are expected to continue resulting in further caravan park closures.

6.2 Factors Impacting Upon the Viability of the Caravan Park and Camping Ground Industry

Page 149

Finding 58

Seasonality of demand is a defining characteristic of the caravan park and camping ground industry.

Page 149

Finding 59

While seasonality of demand varies according to region, climate, duration and time of year, it necessarily affects the pricing structure and composition of accommodation offered at caravan parks and camping grounds.

Page 155

Finding 60

There appears to be an issue with the supply of electricity to caravan parks in that government policy reveals a social aim of minimising the cost impact on long-term residents while at the same time treating parks like a business.

Page 155

Finding 61

While caravan park owners pay a commercial rate for all electricity consumed in their parks, they can only charge their long-stay residents the lower residential tariff.

Page 161

Finding 62

Rising water and electricity costs are eroding the viability of some caravan parks.

Page 172

Finding 63

Rising land values have effectively negated the value of the 50% land tax concession to caravan park operators.

Page 172

Finding 64

Land tax charges based on best use value of the land provide further incentive to caravan park operators to redevelop their land, thus further reducing the supply of caravan parks and/or sites.

Page 175

Finding 65

The absorbing of increasing operating costs by caravan park owner/operators reduces the profitability of caravan parks and, in turn, makes other redevelopment options more attractive.

Page 175

Finding 66

Increasing operating costs of caravan parks are leading caravan park owner/operators to develop higher yielding tourism accommodation. Therefore, controlling operating costs in the caravan park industry is paramount to retaining the supply of caravan parks.

Page 178

Finding 67

Aging infrastructure and a lack of investment in the upgrading and refurbishment of caravan parks are major problems confronting the caravan park industry.

Page 178

Finding 68

The high cost associated with caravan park refurbishment increases the likelihood of further redevelopment of caravan park land for alternative uses.

Page 178

Finding 69

The poor state of some caravan parks is possibly a reflection of the owner's intention in relation to the land, that is, to keep it for its speculative value rather than its current use as an operating caravan park.

6.3 Provision of Alternative Tourist Accommodation

Page 182

Finding 70

Many caravan parks are diversifying the types of accommodation provided by building higher end accommodation on traditional caravan and camping sites either by converting a proportion of sites or redeveloping the entire park into higher yielding, more up-market types of tourism accommodation such as resorts.

Page 182

Finding 71

Caravan park operators decide to develop higher yielding accommodation for a number of reasons, including:

- a shift in demand for higher value tourist accommodation
- rising land values
- decreasing profitability of traditional caravan parks
- the impact of the *Caravan Parks and Camping Ground Act 1995* (WA) which formalised the mixed use of caravan parks.

Page 182

Finding 72

The diversification of caravan parks into higher yielding accommodation results in a decrease in the number of traditional, lower-priced caravanning and camping sites available in caravan parks.

Page 182

Finding 73

The diversification of caravan parks into higher yielding accommodation risks caravan parks' capacity to provide an affordable family holiday, which means the potential exclusion of the traditional family holidaymaker.

6.4 Barriers to the Supply of New Parks or Further Development of Existing Parks

Page 185

Finding 74

The high costs of establishing a caravan park, together with the long-term nature of the investment, is a significant barrier to the development of new caravan parks.

Page 188

Finding 75

Urban encroachment and increasing land values have the added consequence of increasing the scarcity of land available for the development of new or replacement caravan parks and camping grounds.

Page 190

Finding 76

Leasehold caravan park operators have little incentive to remain in the industry or to invest in their parks without longer tenure of the land.

Page 191

Finding 77

Unless the Department of Environment and Conservation allocates portions of its existing estate and/or future estate to caravanning and camping there will be a continuing shortage of caravan and camping sites.

Page 191

Finding 78

Land availability for the future provision of caravan and camping grounds in Western Australia, particularly in the South West, Peel and Pilbara Regions, can best be met from government owned land, particularly land held under the jurisdiction of the Department of Environment and Conservation and the Western Australian Planning Commission.

CHAPTER 7 PLANNING AND DEVELOPMENT

7.3 The Planning and Development Framework

Page 198

Finding 79

The *State Planning Policy - Land Use Planning for Tourism* is expected to provide guidance on tourism in Western Australia, including land use planning for caravan parks.

Page 198

Finding 80

Drafting of the *State Planning Policy - Land Use Planning for Tourism* has been a lengthy process, largely due to industry concerns.

7.4 Implementing the Taskforce Recommendations: Local Tourism Strategies and Zoning Under Town Planning Schemes

Page 206

Finding 81

Local tourism planning strategies are a useful mechanism to address emerging demand trends at a regional level as they should identify local strategic tourism sites and, thus, ensure the preservation of these sites for tourism use, particularly on the coast.

Page 207

Finding 82

Local Government Authorities will require some guidance from the Departments of Local Government, Planning and Regional Development and Tourism Western Australia when drafting their local tourism planning strategies; however, flexibility is also essential for the tourism component of local planning strategies.

Page 207

Finding 83

The development of local tourism planning strategies, particularly where caravan parks are under threat, is now urgent.

Page 214

Finding 84

Zoning new caravan parks as ‘Caravan Park and Camping Ground’ in line with Recommendation 13 of the 2006 *Tourism Planning Taskforce Report* would help to ensure the preservation of caravan and camping sites into the future.

Page 214

Finding 85

Requiring existing privately owned caravan parks to be re-zoned, without compensation, to a more restrictive land use would unfairly impact upon the viability of these caravan parks.

Page 214

Finding 86

Local tourism planning strategies should provide guidance to local government on rezoning and redevelopment applications for caravan parks, taking into account the effect that any change would have upon supply. This may also require amendment to existing planning legislation.

Page 216

Finding 87

A ‘one size fits all’ regulatory regime would not be appropriate in Western Australia due to the extreme variations in the market in some parts of the state.

7.5 The 'Permanent' Occupation of Caravan Parks: Planning and Development Issues

Page 218

Finding 88

The long-stay occupation of caravan parks has not been consistently addressed within the state planning framework.

Page 222

Finding 89

The mix of long- and short-stay sites within caravan parks is best determined at a local level via a Local Government Authority's local tourism planning strategy.

Page 222

Finding 90

Caravan parks in strategic tourism locations should have the majority of sites reserved for tourism purposes, the number of which is determined under the local tourism planning strategy.

Page 227

Finding 91

The *Caravan Parks and Camping Grounds Act 1995* (WA) has a wider application than originally intended due to the fact that it now applies to wholly residential enclaves known commonly as 'lifestyle villages' that contain no caravan or camp sites.

Page 228

Finding 92

Currently there is a large degree of inconsistency in the application of state and local planning legislation and policy to the development of residential parks.

Page 228

Finding 93

Residential parks developed as ‘lifestyle villages’ are a satisfactory mechanism to address housing need for a particular identified market segment and, thus, alleviate some of the pressure on the current supply of caravan parks.

Page 228

Finding 94

In order to provide an affordable housing option without encroaching upon existing caravan parks, ‘lifestyle villages’ must be allowed to develop on land other than that zoned urban.

Page 228

Finding 95

The *Caravan Parks and Camping Grounds Act 1995* (WA) does not adequately regulate those residential parks that are modelled as ‘lifestyle villages’.

7.6 Building Approval and Regulation

Page 235

Finding 96

The regulation of building standards and compliance in caravan parks currently provided for under the *Caravan Parks and Camping Grounds Act 1995* (WA) is complex, unclear and, in some cases, unworkable.

Page 235

Finding 97

Implementation of the Building Bill as proposed by Building Industry Development is expected to address the inconsistencies and other problems currently inherent in the *Caravan Parks and Camping Grounds Act 1995* (WA) in relation to building standards in caravan parks.

7.7 Strata Titling of Caravan Parks

Page 239

Finding 98

There may be a role for strata titling in caravan parks.

7.8 Planning Barriers to New Caravan Park Developments

Page 243

Finding 99

A more flexible application of the State Coastal Planning Policy, together with a more risk-based approach to coastal planning for caravan parks, would remove some of the barriers to improving supply.

Page 246

Finding 100

The planning approvals process for the development of new caravan parks is far too complicated and lengthy.

CHAPTER 8 DUAL USE OF CARAVAN PARKS: TOURISM AND RESIDENTIAL USES

8.1 Introduction

Page 250

Finding 101

While caravan parks have traditionally catered for tourists and holidaymakers, they are also widely recognised as providing a legitimate form of residential accommodation.

Page 250

Finding 102

The term ‘permanent resident’ of a caravan park simply means that at the present time the park is that person’s principle place of residence.

Page 250

Finding 103

The term ‘permanent resident’ incorrectly implies a right to permanent occupancy. Therefore, the term ‘long-stay tenant’ is a more accurate descriptor.

Page 250

Finding 104

The three main types of caravan parks – tourist parks, mixed parks and residential parks – all operate in Western Australia.

8.2 Demand Characteristics

Page 255

Finding 105

While caravan park accommodation is an acceptable, even desirable, form of affordable housing, it is not necessarily appropriate for public, or social, housing.

Page 255

Finding 106

Issues relating to general housing affordability are placing additional pressure upon caravan parks to continue to provide affordable housing.

8.3 Supply of, and Demand for, Short- and Long-Stay Sites

Page 268

Finding 107

Long-stay occupancy of caravan parks has grown significantly over the last decade or more, and has consumed an increased proportion of the available sites in caravan parks, particularly in the metropolitan area and the north west.

Page 268

Finding 108

Long-stay residents are an important, necessary and stable source of income for some caravan parks, and improve park owners' financial return on their investments.

Page 268

Finding 109

It is difficult, particularly in the north west of the state, for park operators to refuse to allow their parks to be used for worker accommodation.

Page 268

Finding 110

The growth in long-stay demand is expected to continue and, therefore, put continued pressure on the availability of short-stay sites unless the long-stay demand is met through other means or more parks are developed for tourism.

Page 271

Finding 111

For many long-stay tenants, living in a caravan park is the preferred lifestyle. Therefore, such tenants will continue to be a long-term feature of many caravan parks.

Page 271

Finding 112

Notwithstanding Finding 110, there is a need to reduce the demand for long-stay tenants in some caravan parks in strategic tourism locations to ensure adequate supply of short-stay tourism sites.

8.4 Other Issues Arising From the Dual Use of Caravan Parks

Page 285

Finding 113

The redevelopment of caravan parks has created significant dislocation of long-stay residents, which has caused them substantial hardship in many cases.

Page 285

Finding 114

In many cases, the decision by residents to buy into a long-term tenancy in a caravan park has been based on:

- expectations that were proved to be unrealistic;
- misconceptions about their ownership rights; and
- perhaps, in some cases, misinformation.

Page 286

Finding 115

It is important that people who purchase park homes and caravans with the intent of living in a caravan park understand that they have not purchased the land, and that the value of their park home or caravan will depreciate over time.

Page 286

Finding 116

It is imperative that people who consider purchasing an on-site van or park home are better informed about their rights and responsibilities as tenants of caravan parks, specifically about their tenure arrangements.

Page 289

Finding 117

Due to different user expectations and requirements, the use of a caravan park for both residential and tourism accommodation often results in an incompatible mix.

CHAPTER 9 THE IMPACT OF THE LEGISLATIVE REGIME

9.3 Review of the Caravan Parks and Camping Grounds Act 1995 (WA)

Page 294

Finding 118

The statutory review of the *Caravan Park and Camping Ground Act 1995* (WA) has taken too long and is at risk of not adequately addressing the current circumstances facing the industry.

9.4 Maintaining a Viable Caravan Park Industry

Page 296

Finding 119

The definitions contained in the *Caravan Parks and Camping Grounds Act 1995* (WA) and the *Caravan Parks and Camping Grounds Regulations 1997* (WA) are in need of urgent review.

Page 302

Finding 120

Significantly reducing regulation will free up the caravan and camping industry which is struggling with compliance costs and aging infrastructure issues.

Page 306

Finding 121

The Department of Local Government intends to remove the licensing function of caravan parks from local governments.

Page 311

Finding 122

The Department of Local Government is removing regulation 49 from the *Caravan Parks and Camping Grounds Regulations 1997* (WA) as it has been found by the National Competition Policy review to be anti-competitive.

Page 311

Finding 123

Regulation 49 of the *Caravan Parks and Camping Grounds Regulations 1997* (WA) hinders the supply of new nature-based parks, and its removal from the regulations will help meet demand for this type of park.

Page 311

Finding 124

The drafting of nature-based park guidelines is expected to provide fairness and consistency in the assessment of development applications and proposals for nature-based parks.

Page 319

Finding 125

Camping should not occur outside roadside rest areas unless there is a specific emergency situation, such as fatigue. Roadside rest areas should be used only for overnight stops and not as camping areas for an extended period of time.

Page 320

Finding 126

Allowing 24-hour camping in *all* roadside rest areas, regardless of the facilities provided in those rest areas, will help to manage driver fatigue and address some of the concerns raised in relation to illegal camping on the side of the road.

Page 320

Finding 127

Local government officers require consistent and detailed guidance as to what constitutes 'camping' and in what situations camping in roadside rest areas or on the side of the road is appropriate and legal.

Page 321

Finding 128

Where people can camp is a contentious issue with many arguing that it is overregulated and with many instances of non-conformance apparent.

Page 321

Finding 129

Allowing unregulated camping is not advisable due to environmental, health and amenity considerations.

Page 321

Finding 130

At a practical level, in the remote areas of the state it is difficult, if not impossible, to enforce existing regulations relating to where people can camp.

Page 324

Finding 131

Australian jurisdictions generally discourage lengthy and unwarranted camping in roadside rest areas and on the side of the road because this activity can:

- lead to overcrowding, noise and environmental degradation of the area
- discourage use of rest areas by other motorists for their intended purpose of combating driver fatigue
- adversely impact on the viability of licensed caravan parks/camping grounds that are in close proximity

9.5 Protecting the Rights of Operators and Users

Page 327

Finding 132

The *Residential Parks Long-stay Tenants Act 2006* (WA) has generally not been well received by either caravan park operators or long-stay tenants.

Page 335

Finding 133

Despite commonly held views, it is not possible to have permanent tenure in a caravan park.

Page 335

Finding 134

It is better for long-stay tenants to have a fixed-term lease.

Page 341

Finding 135

Despite the regulations requiring disclosure to tenants entering into agreements, a large number of purchasers of long-stay caravans or park homes were, and are, not aware of the tenure arrangements that exist within the caravan park.

Page 342

Finding 136

It is important for prospective purchasers to be informed of the tenure arrangements prior to purchasing a caravan or park home.

Page 342

Finding 137

While providing information to the prospective purchaser is the seller's responsibility, the group best placed to ensure this information is provided is the caravan park owner/operator as they have control of the land and the tenure of the site.

Page 343

Finding 138

It is the obligation of park owners to provide prospective tenants with a copy of the Department of Commerce disclosure booklet.

Page 343

Finding 139

The Department of Commerce disclosure booklet does not explicitly highlight the nature of the tenure arrangements for long-stay caravan and park home residents.

CHAPTER 10 REGIONAL SNAPSHOTS

10.1 Broome

Page 363

Finding 140

Broome is the iconic tourism destination in WA. While it attracts tourists from all over the world, it is also a major centre for caravanning. Broome is a stopping place for grey nomads and a destination point for winter drifters and backpackers. A significant proportion of the workers in Broome are tourists themselves who live in lower cost accommodation, often being caravan parks.

Given that tourism is not a high wage industry, if accommodation in caravan parks is lost or becomes unaffordable, the entire economy of Broome would be undermined.

10.2 The Pilbara Region

Page 375

Finding 141

There is considerable potential in the Pilbara for the development of tourism, particularly industrial tourism. Understandably, due to the huge demand of the mining and resources industry, local governments and others in the community are not in a position at present to invest adequate resources into the development of their tourism industry.

The lack of available caravan sites in the Pilbara is an impediment to tourists having a whole of Western Australia experience. This is having a significant impact on caravanning in the Pilbara and the state.

The Pilbara is an ideally placed region for the development of nature-based parks.

10.3 Mandurah

Page 380

Finding 142

Mandurah is the canary in the coal mine in relation to caravan park tourism accommodation. The City's caravan parks are under more pressure than other areas in the state from long stay demand and for conversion to alternative high value uses.

10.4 Albany

Page 388

Finding 143

Albany is well advanced in addressing the pressures facing the caravanning and camping sector in terms of planning and balancing the short- and long- stay use of parks.

10.5 Busselton

Page 394

Finding 144

Retaining the supply of caravan parks in the Busselton area is essential to the provision of low-cost holidays that have been a significant feature of the Western Australian lifestyle.

If Busselton is to retain its place as a family tourism destination with a diversity of cost and type of facility it must plan for new caravan parks, preferably within close proximity of the beachfront, to compensate for the dramatic loss of existing sites.

The Locke Estate represents a prime example of land the government could consider for future caravan and camping facilities while accommodating current users.

10.6 Coral Bay

Page 399

Finding 145

Coral Bay is a place of state significance, particularly for caravanning, camping and tourism, and experiences full-capacity for most of the year. This illustrates the need for, and difficulties involved in, planning for the long-term requirements for affordable tourism accommodation.

However, the Committee has concerns that Coral Bay will come under pressure for the development of higher yield tourism use, and supports the *Ningaloo Coast Regional Strategy* decision to maintain a minimum level of caravanning and camping accommodation.

Coral Bay has significant lessons for other developments along the Ningaloo coast, both in what needs to be done and what needs to be avoided.

The Committee believes the current arrangements for worker accommodation in Coral Bay are unsatisfactory.

CHAPTER 11 TIME TO ACT

11.1 Caravan Parks and Camping Grounds - Off the Radar?

Page 402

Finding 146

Governments have been unable or unwilling to give the caravan and camping industry the priority it warrants.

11.2 Marketing Caravanning and Camping

Page 407

Finding 147

Tourism Western Australia does not place sufficient priority on caravanning and camping holidays in Western Australia.

Page 407

Finding 148

There is no online 'one-stop shop' for those interested in a caravanning and camping experience in Western Australia.

11.3 Providing RV Friendly Locations

Page 410

Finding 149

The self-contained RV is a growing market sector that is changing the demand profile for the provision of caravanning services. It appears to offer significant potential to towns off the main tourist routes, particularly in the Wheatbelt, to expand tourism opportunities.

Page 410

Finding 150

The development of a strategy such as ‘RV Friendly Towns’ would be of benefit to Western Australian tourism.

Page 410

Finding 151

Unfortunately, the expectations of many self-contained travellers are not realistic, both in relation to the facilities expected and in the fee that is required to cover the costs of providing such facilities.

RECOMMENDATIONS

CHAPTER 4 TRENDS IN DEMAND FOR CARAVANNING AND CAMPING ACCCOMMODATION

4.2 Demand for Caravan Parks and Camping Grounds in Western Australia

Page 57

Recommendation 1

Tourism Western Australia must address the lack of reliable and consistent data.

CHAPTER 5 SUPPLY OF CARAVAN PARKS AND CAMPING GROUNDS

5.1 Supply of Caravan Parks in Western Australia

Page 88

Recommendation 2

The Department of Local Government complete its survey of local governments in relation to caravan parks.

Page 88

Recommendation 3

The Department of Local Government develop and maintain a comprehensive data base of caravan parks in Western Australia, including caravan and camping facilities not licensed by Local Government Authorities.

5.6 SUPPLY OF CAMPING GROUNDS

Page 108

Recommendation 4

Local and state governments encourage and support pastoral leaseholders to retain and further develop low-cost, nature-based tourism sites, especially along their coastline and in other appropriate locations.

Page 111

Recommendation 5

In any future departmental planning for the Ningaloo coast, access for caravanning and camping must be given high priority to ensure no reductions from current levels.

Page 111

Recommendation 6

State planning should ensure that future generations have sustainable access to camping along the coast and the opportunity to experience the marine park first-hand.

Page 115

Recommendation 7

The regulatory framework governing pastoral leases needs to be designed to support and promote the development of nature-based camping sites.

Page 115

Recommendation 8

Pastoralists be provided with the necessary training to allow them to manage their leases in accordance with sustainable management practices.

5.7 SUPPLY OF REST AREAS - ROADSIDE REST STOPS AND FACILITIES

Page 119

Recommendation 9

Main Roads Western Australia takes responsibility for developing a comprehensive resource for travellers showing the location of all roadside stopping places in Western Australia and the facilities they provide, and for making it accessible to other agencies and users.

Page 124

Recommendation 10

Where possible, Main Roads Western Australia should continue to develop rest areas throughout the state and communicate their location to travellers.

Page 129

Recommendation 11

The Department of Local Government develop a resource providing the location of publicly available dump points in Western Australia.

Page 131

Recommendation 12

Any person found to be illegally disposing of the waste from their recreational vehicle tanks and cartridges should incur a substantial fine or other appropriate penalty.

Page 133

Recommendation 13

The Department of Local Government facilitate the development and implementation of the dump point strategy for the state.

CHAPTER 6 PRESSURES ON SUPPLY

6.2 Factors Impacting Upon the Viability of the Caravan Park and Camping Ground Industry

Page 156

Recommendation 14

The charging policy for electricity should ensure no disadvantage to the park owner or long-stay residents.

Page 165

Recommendation 15

Local government rates for caravan parks that provide predominantly tourist caravan and camp sites should be based on a GRV calculated on caravan park use rather than general tourism use.

Page 172

Recommendation 16

The land tax concession for caravan parks that provide predominantly tourist caravan and camp sites be increased to 100%.

Page 172

Recommendation 17

The clawback provision for a 100% land tax concession should be increased to 10 years.

6.4 Barriers to the Supply of New Parks or Further Development of Existing Parks

Page 191

Recommendation 18

The government identify land suitable for the development of caravan parks and camping grounds, and vest this land in Local Government Authorities, either in perpetuity or on a 50+ year lease, exclusively for use as caravan parks or camping grounds, primarily targeting short-stay tourism.

Page 191

Recommendation 19

The Department of Environment and Conservation take a lead role in identifying and making available land on its estate that could be used for nature-based caravan parks and camping grounds.

Page 192

Recommendation 20

The Western Australian Planning Commission conduct an audit of land under its control in the Peel, South West, Kimberley and Pilbara Regions which, with appropriate zoning, could be identified for the purposes of caravan and camping ground use.

Page 192

Recommendation 21

The Department for Environment and Conservation identify areas of land within their control and or/eventual control in the Peel, South West, Kimberley and Pilbara Regions which could be identified for use as caravan parks and camping grounds.

Page 192

Recommendation 22

Specifically, land identified for regional parks in the Peel Region Scheme and the Greater Bunbury Region Scheme be referred to the Department of Environment and Conservation for its potential for caravan and camping sites.

Page 192

Recommendation 23

The Department of Environment and Conservation review its policies relating to the use of Conservation Parks for the purposes of caravan and camping ground use.

CHAPTER 7 PLANNING AND DEVELOPMENT

7.3 The Planning and Development Framework

Page 198

Recommendation 24

The Minister for Planning ensures that the implementation of the *State Planning Policy - Land Use Planning for Tourism* be finalised as a matter of priority.

7.4 Implementing the Taskforce Recommendations: Local Tourism Strategies and Zoning Under Town Planning Schemes

Page 206

Recommendation 25

The Minister for Local Government and the Minister for Planning ensure that Local Government Authorities expedite the drafting of local tourism planning strategies in line with Recommendation 2 of the 2006 *Tourism Planning Taskforce Report*.

Page 207

Recommendation 26

It is now urgent that the Minister for Local Government and the Minister for Planning provide clear guidance to Local Government Authorities in the drafting of local tourism planning strategies, while also allowing for flexibility in the LGA approach and outcomes.

Page 207

Recommendation 27

By December 2010 all local government authorities have their local tourism planning strategies in place.

Page 207

Recommendation 28

Local government authorities in regional areas should examine Royalties for Regions as a funding source for the development of their local tourism planning strategies.

Page 214

Recommendation 29

In priority tourist regions, the Minister for Regional Development and the Minister for Local Government consider purchasing the development rights of privately owned parks on strategic sites in order to ensure their continuing use as caravan parks and camping grounds.

Page 215

Recommendation 30

The Minister for Local Government, the Minister for Planning and the Minister for Tourism ensure that local government local tourism planning strategies provide that the zoning of existing privately owned caravan parks is able to be preserved.

Page 215

Recommendation 31

The Minister for Local Government, the Minister for Planning and the Minister for Tourism ensure that Local Government Authorities provide for the zoning of new caravan parks as 'Caravan Park and Camping Ground' within their town planning schemes, in line with Recommendation 13 of the 2006 *Tourism Planning Taskforce Report*.

7.5 The 'Permanent' Occupation of Caravan Parks: Planning and Development Issues

Page 223

Recommendation 32

The Minister for Local Government and the Minister for Planning ensure that each local tourism planning strategy address the provision of the appropriate mix of long- and short-stay sites in caravan parks, allowing for caravan parks in identified strategic tourism locations to have the majority of sites reserved for tourism purposes.

Page 228

Recommendation 33

The Minister for Planning provides for 'lifestyle villages' to be developed on rural zoned land.

Page 228

Recommendation 34

The regulation of those residential parks modelled as 'lifestyle villages' remain under the *Caravan Parks and Camping Grounds Act 1995* (WA). Separate subsidiary legislation under this Act should be developed for the regulation of these residential parks, and the name of the Act should be changed to better reflect this.

7.6 Building Approval and Regulation

Page 235

Recommendation 35

The Minister for Commerce progresses, as a matter of priority, the drafting and introduction of the Building Bill to the Parliament of Western Australia.

Page 236

Recommendation 36

The Minister for Local Government draft amendments to the *Caravan Parks and Camping Grounds Act 1995 (WA)* as necessary to complement the proposed Building Bill.

7.7 Strata Titling of Caravan Parks

Page 239

Recommendation 37

The Minister for Local Government review the policy and legislation regarding strata titling in caravan parks.

7.8 Planning Barriers to New Caravan Park Developments

Page 243

Recommendation 38

The Department of Planning interprets the State Coastal Planning Policy in a more flexible manner so as to allow caravan parks, and particularly overflow facilities, to be developed in areas that would ordinarily be excluded by the rigid application of the policy.

Page 246

Recommendation 39

The Minister for Planning fast-track the planning process for new caravan park developments, particularly for strategic tourism sites.

CHAPTER 8 DUAL USE OF CARAVAN PARKS: TOURISM AND RESIDENTIAL USES

8.1 Introduction

Page 250

Recommendation 40

The term 'permanent resident' be removed from the *Residential Parks (Long-stay Tenants) Regulations 2007* (WA) and replaced with 'long-term tenant'.

8.4 Other Issues Arising From the Dual Use of Caravan Parks

Page 286

Recommendation 41

The government identify land suitable for the development of long-stay caravan parks and vest this land in local government authorities, either in perpetuity or on a 50+ year lease.

Page 286

Recommendation 42

The Interagency Working Group be retained as a means of addressing the problems and assisting with the adjustment of long-stay tenants who are displaced from caravan parks on redevelopment.

Page 286

Recommendation 43

The Interagency Working Group works to identify those parks in which long-stay residents are at risk of being displaced and develops appropriate solutions.

Page 290

Recommendation 44

Local tourism planning strategies should provide for the separation of long-stay sites and tourist sites in caravan parks.

CHAPTER 9 THE IMPACT OF THE LEGISLATIVE REGIME

9.3 Review of the Caravan Parks and Camping Grounds Act 1995 (WA)

Page 294

Recommendation 45

The Department of Local Government complete the statutory review of the *Caravan Park and Camping Ground Act 1995 (WA)* as a matter of priority.

Page 295

Recommendation 46

The Department of Local Government incorporates the recommendations contained in this report into drafting instructions for amendments to the *Caravan Park and Camping Ground Act 1995 (WA)*.

9.4 Maintaining a Viable Caravan Park Industry

Page 296

Recommendation 47

The Minister for Local Government ensures that the current legislative review of the *Caravan Parks and Camping Grounds Act 1995* (WA) and subsidiary legislation includes a review of the definitions used throughout the legislation, updating those necessary to reflect contemporary practice.

Page 302

Recommendation 48

The Department of Local Government reviews the *Caravan Parks and Camping Grounds Act 1995* (WA) in order to significantly reduce the detailed requirements of the regulations in general, and in relation to caravan park infrastructure, in particular.

Page 306

Recommendation 49

The licensing and compliance functions of caravan parks must remain under the jurisdiction of local governments and not, as proposed, be transferred to an independent body.

Page 312

Recommendation 50

The Minister for Local Government and the Minister for Environment ensure that the proposed guidelines for nature-based parks are completed and implemented by December 2010.

9.5 Protecting the Rights of Operators and Users

Page 344

Recommendation 51

The Department of Commerce disclosure booklet must be urgently revised to contain a clear and explicit notification of the limits to a long-stay caravan park tenancy agreement.

CHAPTER 11 TIME TO ACT

11.1 Caravan Parks and Camping Grounds - Off the Radar?

Page 402

Recommendation 52

Tourism Western Australia target caravanning and camping as part of its strategic priorities, with a budget allocation to carry this out.

11.2 Marketing Caravanning and Camping

Page 407

Recommendation 53

Tourism Western Australia becomes much more active in the development and promotion of caravanning and camping in the state.

Page 407

Recommendation 54

Tourism WA develop a dedicated 'caravanning and camping' pathway on their website incorporating data from other agencies and sources.

11.3 Providing RV Friendly Locations

Page 410

Recommendation 55

Local Government Authorities explore the opportunity for developing RV friendly towns.

11.4 Key Actions

Page 412

Recommendation 56

The state government should:

- identify and zone land for caravan park and camping ground development
- identify and purchase caravan parks and camping grounds that are at risk, and vest these in the LGA to either operate or lease to private operators on a long-term basis
- in priority tourist regions, consider purchasing the development rights of privately owned parks on strategic sites in order to ensure their continuing use as caravan parks and camping grounds
- identify parcels of land on the DEC estate that can be set aside for nature-based parks
- work with pastoral lessees and encourage them to develop and manage nature based parks on their leaseholdings
- ensure LandCorp integrates areas for caravan parks and camping grounds into its overall structural planning of land releases
- allow LGAs to develop overflow sites with minimum service levels for self-contained RVs within the 100 year + .9 metre storm surge setback
- amend the legislation which governs caravan parks and camping grounds with a view to significantly reducing design prescription to enable the market to have a greater role in determining the design of new caravan parks, and also to enable existing caravan parks to redevelop and/or expand according to the demand characteristics of that particular area
- consider Royalties for Regions programme as a source of funding for the purpose of implementing these and other initiatives to maintain the supply of appropriate caravan park and camping ground facilities in regional Western Australia.

Recommendation 57

The Minister for Tourism report to parliament in the first quarter of 2011 on the progress made toward the implementation of the recommendations in this report.

MINISTERIAL RESPONSE

In accordance with Standing Order 277(1) of the Standing Orders of the Legislative Assembly, the Economics and Industry Standing Committee directs that the Minister for Tourism, the Minister for Planning, the Minister for Environment, the Minister for Local Government, the Minister for Regional Development and Lands, the Minister for Commerce, the Minister for Housing, the Minister Assisting the Minister for Transport and the Treasurer report to the Assembly as to the action, if any, proposed to be taken by the Government with respect to the recommendations of the Committee.