

**Government of Western Australia
Department of Local Government and Communities**

Submission

**Consultation Paper: Proposal for
Caravan Parks and Camping Ground
Legislation**

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Executive Summary

Shelter WA welcomes the opportunity to comment and provide feedback on the review of the Caravan Parks and Camping Grounds Act (1995) (CPCG). Shelter WA gathered information from various sources to inform this submission, including a joint community consultation forum with Tenancy WA, attended by park residents, park owners, tenant advocates and other concerned parties. Shelter WA also sought input from its members and subscribers. In addition, Shelter WA has included information in this submission from research conducted by National Shelter into caravan parks and other forms of marginal tenures.

A summary of Shelter WA's recommendations include:

1. Maintain long-stay residential parks and parks with a mix of short and long-stay sites under the CPCG;
2. Ensure the new legislation does not discourage mixed use parks from permitting long-stay sites, in favour of short-term tourist sites;
3. Reject the proposed requirement that all caravans and campervans in holiday parks be licensed at all times so they can be driven on the road when required;
4. Support the extension of the licensing period for parks from one to five years as this will provide greater financial certainty to park operators and improved security of tenure for residents; and
5. Ensure the proposed changes to the CPCG do not cause an unnecessary financial burden on low income residents, including seniors and retirees, or to park owners.

About Shelter WA

Shelter WA is the peak body for affordable housing in Western Australia. It was founded in 1979 as an independent community based peak body committed to accessible, affordable and secure housing for Western Australians. Shelter WA provides a link between government and the community through consultation, research, systemic advocacy, and policy advice and development. Our role is to provide an independent voice on housing rights and options in the state along the housing continuum, based on stakeholder engagement and consultation and research of housing market and homelessness trends. Our work focuses on promoting the development of appropriate affordable housing options for low to moderate income earners, those who are otherwise disadvantaged in the housing market and people experiencing homelessness.

Shelter WA promotes a diverse range of affordable housing options including social housing, housing within the private rental market and affordable home ownership. Shelter WA also provides community education and advice to government on housing policy issues. Our development of policy recommendations is based on sound research and consultation with housing consumers and organisations working on housing and related issues.

Introduction

Caravan parks play a vital role in the housing market in WA. Whilst some people may choose to live in this form of housing for lifestyle or locational reasons, for many residents they are 'housing of last resort' (Eastgate, 2011). Caravan parks are increasingly being used as an affordable housing option for low to moderate income earners and those on fixed incomes, such as seniors and people on a disability support pension. According to recent statistics there are approximately 37,329 permanent, semi-permanent and long-stay sites in Western Australia (Brighthouse and Starfish Consulting, 2012). A report by National Shelter identified 1,994 permanent residents of these sites who are considered to be at risk of homelessness (National Shelter, 2011). These persons were found to be outside the workforce, living on low incomes, and likely to have few other housing options. Caravan parks are often considered a marginal form of accommodation for a number of different reasons including (National Shelter, 2011):

- Caravan park residents are more likely to be on low incomes, unemployed or not in the workforce, and these persons have a higher incidence of serious health or social issues;
- Residents are also frequently on the margins of the housing system, often being excluded from home ownership and public and private rental as a result of poor tenant history or other social and economic factors;
- Regulation of caravan parks are often inconsistently enforced, and operators frequently exploit loopholes, reducing protections for residents; and
- Caravan parks are increasingly becoming only marginally profitable, and are vulnerable to closure, due to ever-increasing land values and low yields compared to other land uses.

The Park Home Owners Association of WA suggests rents on these sites are increasing to a point where many residents must place their homes on the market and apply for social housing. Many parks throughout Western Australia are also closing down due to marginal profitability and redevelopment pressures. The situation is dire as many park residents are seniors and have limited financial resources to enable them to seek alternative accommodation.

This problem is not just experienced in Western Australia, but Australia-wide, and State governments are doing little to stop evictions or protect redevelopment of these affordable housing sites.

The increasing need for more affordable housing in WA, including caravan parks, is compounded by demographic as well as population pressures. The population of Western Australia is increasing, growing at a rate of 2.9% for the year to December 2013 (ABS, 2014), following a trend of higher than average population growth for WA. The demand for housing continues to outstrip supply, and the cost of housing has risen at a much faster rate than that of low to moderate incomes. The most recent Australian Bureau of Statistics (ABS) data taken from *Household income and income distribution 2011-12* shows that a household in the bottom 40% of the income scale earns an average of \$689 per week (ABS, 2013). Based on that weekly income, these households could afford to pay a maximum of \$206 per week on housing, without being considered to be in 'housing stress'.¹ This is much lower than the median rental price in Perth during the same period, which was \$390-\$420 and is currently \$450 per week (REIWA, 2014).

This is also exemplified by the recent Anglicare WA Rental Affordability Snapshot. This snapshot assessed the affordability of the WA rental market for low to moderate income earners. On the day of the survey, 5 April 2014, there were 6,975 properties for rent in Perth, but less than 1% were affordable for people on a benefit or pension and only 3%, or 209 across the state, were affordable for families on a minimum wage (Anglicare WA, 2014). Low to moderate income households have limited access to the private rental market, especially if they lack rental history or references, have been victims of discrimination, or have another factor preventing access (Commonwealth Advisory Committee on Homelessness, 2012). These households may be forced to access caravan park accommodation, and may be at risk of homelessness without that option.

Caravan parks are increasingly being used as long-term residential accommodation options, as retirees look to downsize and free up money for living expenses during retirement. Households which have a limited capacity to purchase a home in the current market may also find purchasing a caravan or park home a more affordable option than renting or home ownership. Current house prices are out of reach for many low to moderate income earners. For example, the median house price in metropolitan Perth is \$540,000 (REIWA, 2014).

¹ Housing stress for the bottom 40% of income earners exists when they are paying more than 30% of their household income on rent or mortgage payments.

House prices in regional areas have also become significantly unaffordable, especially in areas affected by the resource boom. This includes regional towns such as Broome, Karratha, Port Hedland and Roebourne.

Due to these reasons, it is essential that the current number of caravan parks in WA is maintained and that they continue to remain an option for households with limited means. Shelter WA supports legislation and protections which will ensure this housing option continues to remain accessible and affordable for low to moderate income earners, now and into future. This includes not only protection through residential tenancy and caravan park and camping ground legislation, but also through other mechanisms, such as the planning system. Shelter WA believes a holistic approach to dealing with affordable housing and homelessness issues across all sectors and levels of government is needed to bring about positive housing outcomes for those most vulnerable in our society.

Shelter WA's Response

Shelter WA welcomes the opportunity to provide a response to the Department of Local Government and Communities Proposal for Caravan Parks and Camping Grounds Act Legislation. To assist us in our response to this paper, Shelter WA sought feedback from our members, subscribers and stakeholders affected by potential changes to this legislation.

A community consultation forum was held in collaboration with Tenancy WA on 31 July 2014 on this review and the Department of Commerce Statutory Review of the Residential Parks (Long-Stay Tenants) Act 2006. The consultation was attended by stakeholders representing a diversity of interests and opinions. This included park owners, residents, tenant advocates, a political party representative and delegates from significant representative bodies in the sector, including the Park Home Owners Association and the Caravan Industry Association. The three main topics discussed during the consultation were: security of tenure, affordability for residents and viability of existing and future parks, and the moveability and licensing of caravans. Responses from the forum, along with other input received from our stakeholders, have been incorporated into this submission.

Changing the definition of a 'Caravan' park to 'Holiday' park and removing 'Residential' parks from the Caravan Parks and Camping Grounds Act (1995)

Shelter WA does not believe the proposed changes in the name and definition from 'Caravan Park' to 'Holiday Park' best reflect the current use, and the future needs, of residents and owners of these locations. Furthermore, the new definitions suggest that these locations are only intended for holiday purposes, when they have actually become – and need to remain – a long-term housing option for many low to moderate income households.

The discussion paper states 'one of the unintended consequence with formally recognising long-stay residential accommodation in caravan parks is that it has allowed caravan parks to develop solely for long-stay residence, commonly known as "residential parks" "lifestyle villages" or "park home parks"... the Shire of Busselton described the development of "retirement home facilities on sites intended for tourism use" as an exploitation of a "loop hole in the Regulations"' (Department of Local Government and Communities, 2014, p. 19). Under proposed changes to the CPCG, residential parks would be assessed as residential developments, and have to comply with local government planning legislation, including land use and zoning regulations.

Whilst caravan parks do not offer an optimal form of accommodation for many people, significant numbers have been forced to reside in these locations as long stay tenants. This is because they have been unable to access private rentals or home ownership due to poor tenant history or other social or economic factors (National Shelter, 2011). Even though these sites may have been initially meant for short-stay and holiday accommodation (and not long-term usage) the evolving use of these parks has allowed many residents to access and afford accommodation which they may not have been able to otherwise. This has enabled people to achieve a better standard of living, which must be recognised and supported in any changes to the CPCG.

Shelter WA believes that shifting the focus away from long-term sites to largely short-term tourism destinations, and giving local governments more control to restrict the number of long-stay tenants, could affect not only the residents living in these locations, but also the financial viability of the parks. Discussions at the Shelter WA consultation suggested that often a significant proportion of long-term residents are required to ensure park viability, especially when tourism numbers are low, which has been noted over the last two years.

The Department of Commerce (2014) estimates there are approximately 191 residential parks in WA. These parks have provided a valuable accommodation option, especially for seniors and retirees, as explained earlier. Removing residential parks and lifestyle villages from the Caravan Park and Camping Ground Act (1995) could significantly impact the ability of this affordable accommodation to be developed, due to the new set of planning requirements that will apply.

Shelter WA believes a recommendation put forward in the Economics and Industry Standing Committee report tabled in 2009, *Provisions, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia* should be adopted under any new legislation. Recommendation 34 states: '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 the Act should be developed for the regulation of these residential parks...' (Economics and Industry Standing Committee, 2009). Adoption of this recommendation would be a better solution for residents and owners of these locations.

Licensing and movability of caravans

In order to prevent permanent residential developments in holiday parks, the proposed changes to the CPCG include a stipulation that any building and associated structure which a person other than a short-stay occupier resides in must be transportable, apart from any manager's residence. It also states that chalets and cabins, which are not transportable, will only be able to be occupied on a short-stay basis.

The proposed legislation would require that all caravans and campervans in holiday parks must be licensed at all times. During the community consultation held by Shelter WA, the majority of participants, including caravan park residents, park owners and tenant advocates, strongly opposed this proposal. The concerns by participants included:

- This change will be extremely costly for residents and park owners and may affect the financial viability of parks (as park owners often own caravans and park homes located in their park);
- Many caravans can only be moved short distances or are immovable and making any structural changes to enable movability would compromise the structural integrity;
- Being able to move a caravan or park home within 24 hours is unfeasible and unrealistic, as it often takes more than 24 hours just to remove verandas or annexes attached to caravans;
- Residents are predominantly seniors, and will not be able to cover the increased costs of bringing caravans and park homes up to the standards required to obtain a license; and

- Local governments have been inconsistent in their implementation of movability and licensing requirements, and residents and owners should not have to pay for licensing and movability requirements which were not previously required.

Shelter WA believes this proposal will cause an unnecessary financial burden on many low to moderate income households, which includes many seniors. The impact of this proposal will be severe and many residents may be forced into abandoning their residences, as they will be unable to pay the costs required to bring their homes up to the standards required to obtain a license. To compound this, they will also have to pay an annual licensing and third party insurance fee, and potentially their own insurance on top of this. The new regulations would adversely affect park owners as well since they would risk losing long-stay tenants, who are vital for the sustainability of their businesses.

The licensing of parks and changes to management plans

It is proposed that existing caravan parks and camping grounds which comply with the current CPCG Act will not be required to upgrade or change their facilities under the new legislation unless the facility is substantially redeveloped (i.e. development that requires the approval of local government). However, any operator of an existing caravan park who wishes to comply with the new legislation can do so through a new management plan. Also, at the time of licence renewal, if the caravan parks and camping grounds are to prepare a new management plan, they will be required to comply with the new legislation.

At the Shelter WA community consultation, park owners indicated that operators could only undertake minimal changes to the use of a park without it constituting a substantial redevelopment. These relatively small changes to a caravan park management plan will mean that they will be required to conform to the new legislation. As expressed previously, this will bring about significant costs for park residents and park owners due to mobility and licensing requirements. One way to avoid such costly exercises and unintended consequences for tenants and owners is to relax the definition of what constitutes a substantial redevelopment in the proposed changes. This will ensure that already licensed caravan parks and camping grounds are provided with the flexibility to change in the future without being subject to the new, costly requirements. Shelter WA further recommends that all existing caravan parks be exempt from changes under this new legislation, but acknowledges that this is unlikely.

During the Shelter WA consultation, some felt it was inappropriate and unwise for caravan park owners to offer leases longer than one year, as management plans – and licensing of caravan parks – are currently only approved on an annual basis. Under the proposed changes, the duration of park licences is set to increase from one to five years. The frequency of inspections of parks will also be reduced. Shelter WA supports extending the licensing period from one to five years and believes that this will provide financial certainty to owners and greater security of tenure for residents, as owners will be able to offer longer leases to park residents.

Conclusion

Whilst caravan parks are not an optimal form of accommodation for many housing consumers, they are an affordable and accessible option for many people with limited housing options. Shelter WA urges the Department of Local Government and Communities to consider this in its review of the Caravan Parks and Camping Grounds Act (1995). Without this form of accommodation, many current residents may be forced to move, further exacerbating cost of living pressures, social displacement and disconnection from community. Long term residents in caravan parks, particularly seniors, are often on fixed and low incomes and could be significantly impacted by any increase in costs associated with changes to caravan park legislation.

With the current lack of affordable housing in Western Australia, caravan park residents often expect to live in a residential park for their entire lifetime, and many would find it difficult to secure alternative accommodation. Shelter WA believes that households currently utilising caravan park accommodation must be adequately supported and that any changes to legislation should not lead to displacement of tenants.

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