Caravan Parks
by Louise O’Flynn

1. Introduction

Caravan parks are an important provider of tourist and residential accommodation in NSW. A number of issues have arisen over the years for residents and operators of caravan parks, which are again the subject of public debate.

The Residential Parks Amendment (Register) Bill 2011 was introduced into the NSW Parliament on 11 August 2011. In the Agreement in Principle speech the Minister commented that:

In the lead-up to the March election the Liberals and The Nationals gave a strong commitment to improve the governance of residential parks. This included carrying out a thorough review of the Residential Parks Act, in particular, examining ways to license park operators, ensuring better education for new operators and providing options to improve the process for resolving excessive rent increase claims by residents.

As a first step, the 2011 Bill proposes to establish and maintain a register of all residential parks in NSW. According to the Minister, a register of this kind would "for the first time, provide accurate statistical data on the size and scale of the residential park industry". While estimating that there are around 950 approved caravan parks and manufactured home estates operating in NSW, the Minister noted that we "do not know which are residential parks, who runs them, where they are or how many people live in them". It was said that the Bill would "help develop accurate demographic data on the industry".

As background to the 2011 Bill, the Minister explained that residential parks offer a range of options to temporary and permanent residents, in particular providing an "attractive and affordable lifestyle choice" for many retirees. He added:

It is important to recognise that some parks also rent out dwellings for itinerant workers, people who have been locked out of the rental market for various reasons and those who cannot afford to buy a home.

The focus of this e-brief is specifically on permanent residents in caravan parks. It looks at the nature of caravan parks and presents a profile of permanent caravan park residents in NSW. The closure of caravan parks is considered, as are issues relating to rent increases. Stakeholder perspectives are also discussed.
2. Historical note

According to a paper published by the University of New South Wales' Social Policy Research Centre:

Traditionally, caravan parks (and camping grounds more generally) were associated with low-cost accommodation for tourists and 'transients', but they have in fact existed as a source of low-cost housing since at least the Great Depression of the 1930s. Many caravan parks were originally camping grounds on reserves of Crown land in coastal areas outside the capital cities, squatted by people who had lost their homes and who had no housing alternative to living in tents, shacks and vans. The reserves were converted to caravan parks after the Second World War and maintained by local councils, although most parks had little in the way of communal facilities.

In 1977, a NSW Parliamentary Committee published its report on *Parks for Mobile Homes and Caravans*. The Committee noted that the *Local Government Act 1919* did not permit permanent occupation of a caravan but many councils had not enforced this provision, and there were around 100,000 permanent residents in caravan parks in NSW. For reasons of public health and safety, the Committee recommended new laws prohibiting people from establishing permanent residency in a caravan park. However, it also recommended that existing residents should be able to establish "existing use" rights.

These proposals were not adopted by the Government and in 1986 legislation was passed, which legalised long-term occupancy of sites and set minimum standards for caravan-park residency. Also around this time, State Environmental Planning Policy (SEPP) 21 – Moveable Dwellings was introduced, allowing people to reside in caravan parks for up to five years. In 1992, this was in turn replaced by *SEPP 21 – Caravan Parks*, which sought to encourage:

- the orderly and economic use and development of land used or intended to be used as a caravan park catering exclusively or predominantly for short-term residents (such as tourists) or for long-term residents, or catering for both.

3. Types of caravan parks

Cited in a Housing NSW update report from 2009 is the following division of caravan parks into four groups:

- High quality caravan parks used exclusively for tourist accommodation, or that cater for niche markets, such as retired people who own their caravans and parks that have a mixture of tourists and owners. There are no marginal caravan dwellers in these parks.
- Parks providing tourist accommodation in summer and in winter park owners rent out vans to poor people.
- Caravan parks with a mixed clientele all year – tourists, owners and renters – generally with more tourists in summer.
- Parks that are used as permanent accommodation for poor people and as crisis accommodation. These parks are often overcrowded with vans in poor condition. Most residents were unemployed or outside of the labour force.

As for the quality of caravan parks, in a 2003 paper for the Australian Housing and Urban Research Institute (AHURI) Wensing, Wood and Holloway found that the level of amenity and access to facilities including cooking, laundry and bathroom facilities "can vary enormously between and within caravan parks." In addition, the standard of accommodation in caravan parks "varies enormously":

- ranging from a rented caravan without annex and with a low standard of shared amenities to an owner occupied
manufactured home costing upwards of $10,000 in a well planned and maintained park environment. The third category of permanent caravan park residents is people who move to caravan parks as a last resort. Unlike the other two categories, these people do not live in caravan parks by choice. They may have exhausted all other avenues, or they simply do not have the means to gain access to housing in either the private rental market or social housing sector. People in this last resort category may already be on the public housing waiting list. Many of them “are unemployed or on sickness benefits or are no longer in the active workforce.” Among those identified by Wensing et al as the main social housing clients in caravan parks are young people, women (in particular those with children and escaping domestic violence) and single men.

4. Types of permanent residents

Permanent caravan park residents are normally distinguished from tourists, as they occupy their premises as their “principal place of residence”. Over the years, the ABS, government departments and academics have attempted to estimate the number of permanent caravan park residents in NSW and have often come up with different findings. This is said to reflect the use of different definitions of caravan parks and definitional changes over time. A NSW Housing publication has reported that:

According to the 2006 Census there were 11,037 households living in caravan accommodation in NSW. Of these 8,258 or 74.8% owned their caravan but rented the site and 2,779 or the remaining 25.2% pay rent for both the caravan and the site.

According to Wensing et al, permanent caravan park residents can be grouped into three categories. The first category is people who have made a deliberate ‘lifestyle’ decision to live in a caravan park. This decision may have been based on reasons such as affordability and flexibility compared to other forms of housing. Within this group there are a large proportion of retirees, many are on fixed incomes and have been living in caravan parks for several years. "For these people living in a caravan park is a matter of choice, albeit a constrained choice depending on their circumstances." The second category is itinerant or seasonal workers, generally in lower paid jobs that chose to live long-term or permanently in caravan parks also as a lifestyle choice. For this group, the caravan park is an "affordable and flexible form of housing."
70% of boarding house residents were in the capital cities and 30% were in regional centres and country towns.\(^\text{16}\)

With 77% of marginal caravan park dwellers reporting a before tax income of below $400, the ABS noted that "They would have little chance of saving a bond, one month's rent in advance and the other costs associated with setting up a flat".\(^\text{17}\)

Presenting an overview of research findings, a 2010 UNSW Social Policy Research Centre publication stated:

Retirees are the dominant household type in most caravan parks (although not in the Sydney metropolitan area, where the majority of residents are living in a caravan park because they are unable to afford more conventional housing in Sydney's expensive housing market). Typically, there are higher proportions of older people in caravan parks than in the Australian population overall. Older people consistently report high levels of satisfaction with park living. They tend to stay longer than younger residents, and they usually own their own vans.\(^\text{18}\)

5. 2009 Committee report

Caravan parks were considered by the Legislative Council Standing Committee on Social Issues in its September 2009 report, *Homelessness and Low Cost Rental Accommodation*. It identified three areas of concern in respect to caravan parks:

- Caravan park closure owing to redevelopment;
- The suitability of caravan parks as an affordable housing alternative; and
- The suitability of caravan parks as crisis accommodation.

In conclusion, the Committee commented:

The Committee is concerned that a large number of residential caravan parks across New South Wales have closed due to increasing land prices and subsequent redevelopment. Caravan park residents are being placed in situations whereby they have to relocate their homes and find alternative affordable accommodation.

Evidence heard by the Committee from various witnesses has suggested that caravan/residential parks are not an affordable housing option and that many single pensioners who own their own home are unable to afford the site fees in caravan parks, but that they also cannot afford to relocate their homes. The Committee is also concerned about the evidence that where caravan parks are being used for crisis accommodation there is a high incidence of social problems.\(^\text{19}\)

6. Closure of caravan parks

6.1 Key issues: For the Standing Committee on Social Issues, "The primary issue facing long-term residents of caravan/residential parks is their redevelopment".\(^\text{20}\) As noted, permanent caravan park residents often find it difficult to access, afford or compete in the private rental market and consequently have few housing options available to them. Therefore the closure of caravan parks or their conversion to tourist sites reduces the housing options available to low income households.\(^\text{21}\)

6.2 Closure statistics: Research by the *St Vincent de Paul Society* published in 2008 found that many people were unable to secure accommodation in caravan parks, as the number of parks "drastically" declined and site rents increased at a "rapid rate." Based on ABS figures for long term caravan parks with more than 40 sites, the charity found that the number of caravan parks in NSW had halved in seven years, from 164 establishments in 2000 to 74 in 2007.
One Western Sydney caravan park was found to be running at “full capacity, with some people waiting to secure a site resorting to sleeping in their cars alongside a creek bordering the park.”

In 2009 Kate Wedgwood confirmed that, over the past five years, there had been a "significant reduction both Australia wide and in NSW in the total number of caravan parks" which have more than 40 sites. For NSW, she estimated that the number had declined from 815 in 2001 to 513 in 2008 (with a decline Australia wide over the same period from 2,728 to 1,675). In respect to non-metropolitan NSW, Wedgwood noted that the majority of closures had occurred "on rapidly populating areas of the central, mid-north and north coasts of NSW, for example in Gosford, Tuncurry, Forster, Taree, Great Lakes and Ballina". Citing research undertaken by the Parks and Village Service (PAVS), Wedgwood noted that 15 caravan parks had closed between 2001 and 2005 in non-metropolitan NSW. It was noted, too, that in the same period "at least a further 400 permanent caravan park sites were lost" to make way for "more upmarket, resort-style tourist accommodation".

Wedgwood also reported on the closure of 5 caravan parks in Sydney between 2001 and 2006, noting that, while this may "seem insignificant", the "number of residents affected is large, and the overall reduction represents almost one-fifth of the total number of caravan parks in Sydney".

6.3 Reasons for closures:
Commenting on caravan park closures, a 2010 UNSW Social Policy Research Centre publication observed:

All commentators are agreed that the main reason for the closures has been the steep rise in land values, which has led to parks being sold off for the development of upmarket housing. Caravan parks are also being 'gentrified' by being converted to manufactured home estates. Manufactured homes are a growth area of the caravan park industry but often at the expense of the older and cheaper caravans.

Other reasons for caravan park closures were said to include:

- upgrading to cater for tourism only – despite the reliability of long-term occupancy, short-term tourist opportunities are more profitable;
- highway construction;
- difficulties with insurance; and
- increases in operating costs.

6.4 Effects of closures on residents
According to Parks and Village Service (PAVS), the closure and loss of long-term caravan park accommodation on residents can have a range of effects, some relevant to all residents while others are specific to renters or owner/renters. For example, long-term residents are said to be affected by such things as:

- The stress caused by closures and uncertainty surrounding loss of accommodation.
- The loss of community networks and the fear of loneliness as a result.

For owners of dwellings who rent a site, closures and loss of accommodation raise such issues as:

- Residents may be poorly informed of their rights.
- When a park closes, large numbers of residents compete for
limited available sites in nearby locations.

- Residents may lose their main asset or the resale value of their homes may be affected by the relocation to a different park.
- Residents who are entitled to compensation for relocation find it is of little use if they cannot find a park which will accept their dwelling.  

6.5 Policy responses to closures: In a 2009 report by Housing NSW, examples of mechanisms to address the loss of long-term caravan park accommodation in NSW were discussed. One example is the Gosford Planning Scheme Ordinance (clause 49DL), which provides protection to residents in a number of caravan parks/residential parks in the Gosford area by outlining special provisions that the Council is required to consider as part of the assessment of a development application for the change of use of such a park. Another example is the Wyong Council's requirement that when a development application is lodged relating to a caravan park a social impact assessment must be prepared by an independent consultant.

Further, the NSW Department of Housing, in conjunction with the Office of Fair Trading and a number of other agencies including the Caravan & Camping Industry Association of NSW has developed an Assistance Protocol for Residential Park Closures. The Protocol provides a framework for cooperation between government agencies in that State, to ensure that residents displaced by park closures have access to services and support.

Legislative responses to caravan park closures are discussed in section 8 of this e-brief.

7. Rent increases

Rent increases are a major issue for permanent residents of caravan parks. Diana Evans, Co-ordinator of Parks and Village Service (PAVS), wrote in June 2011:

Why are rent increases such a problem? Because rents and site rents are being increased to such an extent that residents are being priced out of the market and can no longer afford to stay in their parks. Site rents in some parks in NSW are now in excess of $200.00 per week. Imagine trying to pay that on a single Age Pension.  

The article continues:

If someone owns a dwelling on a park and the site rent is increased so much that it is no longer affordable to live there, moving is not an option. It can cost $20,000-$30,000 to move a home and if the site rent isn't affordable then the relocation costs are out of the question.

Rent increases can be challenged in the NSW Consumer, Trader and Tenancy Tribunal (CTTT), but only if the proposed increase is greater than the growth of the Consumer Price Index (All Groups). Evans maintains that, while these arrangements were intended to keep rent increases at or below CPI, "This has not been achieved and the balance has been tilted in favour of park owners".

The case Evans makes is that, instead of the resident being required to prove to the Tribunal that the rent increase is excessive, the onus of proof should instead be placed on the park owner to justify any increase in excess of the CPI:

After all, it is the park owners who want the increase and who have access to all the information which could justify and increase.
This issue was considered in the **2004 review** of the *Residential Parks Act 1998*, where it was said that:

> While residents would like to see the onus of proof in a rent increase dispute heard by the Tribunal reversed so that the park owner had to justify the increase, no convincing grounds were made for making the procedure for residential park rent disputes different to any other residential tenancy case.\(^\text{30}\)

### 8. The legislative framework

This section provides a brief summary of the key pieces of legislation relating to residential parks.

#### 8.1 Local Government Act 1993:

Under section 68 of the *Local Government Act 1993*, council approval is required to operate a residential park. An approval lapses after 5 years or such other time as the council specifies. Before granting an approval, the council must consider the criteria in any Local Approvals Policy, and it must also be satisfied that the design, construction, maintenance and operation of the park complies with the *Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005*.

#### 8.2 Residential Parks Act 1998:

By way of background, it can be noted that the *Residential Tenancies Act 1987* originally covered permanent residents of residential parks. However, it later became clear that there were so many differences between tenancies in parks and other residential tenancies that separate legislative provisions were necessary. As a result, the *Residential Parks Act* was enacted in 1998.

The Act applies to residential tenancy agreements under which:

- the premises consist of a **residential site**, or a **moveable dwelling** on such a site; and
- the resident occupies the premises as the resident's principal place of residence.

Some key definitions include:

- **Residential site** means a site within a residential park that is used, or is intended to be used, for the installation of a moveable dwelling.
- **Moveable dwelling** means a caravan, or other portable device (other than a tent) used for human habitation; or a manufactured home.

The Act outlines the rights and responsibilities of park owners and residents: e.g. the rights of residents to quiet enjoyment, the park owner's responsibility for cleanliness and repairs, and the resident's duty not to cause or permit a nuisance. Some of these matters are also covered in the standard form residential tenancy agreement which is set out in the *Residential Parks Regulation 2006*. The Act also covers a range of other matters such as rent increases, the sale of moveable dwellings, and termination of tenancy agreements.

Special provisions apply to the termination of "residential site agreements". These are residential tenancy agreements under which the park owner grants to the resident the right to install, on a residential site, a dwelling which is owned by the resident (being either a relocatable home or a registrable moveable dwelling with a rigid annexe attached to it).\(^\text{31}\) A park owner can only terminate a residential site agreement
in certain circumstances. In addition, if an agreement is terminated for certain reasons (e.g. to change the use of the site), the park owner is required to pay the resident re-location compensation. The amount to be paid can be fixed by agreement, or by the Consumer, Trader and Tenancy Tribunal.

The Act was last reviewed in 2004 and amendments followed in 2005. One change was to prevent residents from challenging rent increases that did not exceed the CPI unless there had been a reduction or withdrawal of services or facilities. Another change was to provide for the appointment of an administrator to manage a residential park if the wellbeing of the residents is at risk, or if the park owner has contravened a Tribunal order. The amending Act also strengthened the rights of residents when a park owner proposed to redevelop the park. For example, the notice period for a terminating a tenancy was increased from 6 to 12 months, and residents were given a right to receive their compensation before vacating.

It is also worth noting that separate legislation was enacted - the Holiday Parks (long term casual occupation) Act 2002 - to regulate the long-term casual occupation of sites in residential parks (i.e. the casual occupancy of sites for up to 180 days in a 12 month period).

9. Stakeholder perspectives

In a 2009 submission on the use of long term leases in caravan parks, the Park and Village Service (PAVS), which is part of the Combined Pensioners and Superannuants Association NSW, stated that:

Ultimately, the issue of security of tenure may be better addressed by a package of reforms including a new State Environmental Planning Policy (SEPP) that would prohibit the redevelopment of caravan parks...unless suitable alternative affordable housing is readily available in the vicinity. The provisions of the Gosford Local Environmental Policy 443 that apply to certain parks in the Gosford area could be included in the proposed SEPP.

In a 2008 social justice research report, St Vincent de Pauls Society made a series of recommendations regarding the role of caravan parks as permanent accommodation for low income earners in NSW. The recommendations included that:

- Housing NSW in cooperation with the Department of Community Services conduct an immediate assessment of caravan parks to gauge the incidence of need and the circumstances of disadvantaged caravan park residents.
- Federal and State housing agencies consult with residents assessed as disadvantaged to respond to pressing needs and indentify achievable pathways out of caravan park residency for those wishing to secure better affordable accommodation.
- COAG commit adequate funding and resources towards meeting the demand for affordable housing, to ensure that caravan park residency becomes solely a "lifestyle" choice, not a "last resort".
- The regulatory framework for people who choose caravan park residency be strengthened to provide better consumer rights and protections. To preserve basic rights and prevent arbitrary evictions, all residents should be
covered by the Residential Parks Act 1998 from day-one.

- Greater measures be undertaken to inform disadvantaged caravan park residents of their rights and operators of their obligations.

In 2010, Shelter NSW expressed its support for increased funding of support services that target "vulnerable residents in boarding houses and caravan parks". Shelter NSW gave the example of the Boarders and Lodgers Project coordinated by the Newtown Neighbourhood Centre in Sydney’s inner-western suburbs. Shelter NSW recommended that the NSW Government consider grant-funding support services similar to the Newtown based project in other LGAs that feature concentrations of low-income residents in boarding houses and caravan parks as a way of lessening the risks of homelessness.34

The Caravan and Camping Industry Association (CCIA) has identified land tax as a significant issue affecting affordable housing in caravan parks in NSW.35 The CCIA stated:

Currently caravan parks and manufactured housing estates incur land tax except for those sites reserved by over 55’s as their principal place of residence. The financial pressures placed on a park will determine whether a caravan park owner decides to remain in the tourism and housing industry or to sell the land for subdivision or development. For some of our member parks, who have had 50% increases in their land tax bills from one valuation to the next, the viability of the business is in question.36

The CCIA recommended that caravan parks be granted a general exemption from land tax in order to reduce the pressure on them to close.37

10. Conclusion

The focus of this e-brief has been on permanent residents in caravan parks. Three categories of permanent residents were identified, with the specific issues affecting those in each category likely to vary. Over the last decade, two broad issues affecting all permanent residents are caravan park closures and declining affordability. In particular, rent increases are currently a major focus of concern.

New statistics on caravan parks will be provided by the 2011 Census. More reliable demographic data will also be provided by the register of residential parks proposed under the Residential Parks Amendment (Register) Bill 2011. As noted, this Bill is the first stage of a broader review of the Residential Parks Act.

1 The Residential Parks Act 1988 defines "residential parks" to include both caravan parks and manufactured home estates. "Caravan parks" include "moveable dwellings" which are further defined to include "manufactured homes". In other words, manufactured homes can be found either on caravan parks or on stand-alone manufactured home estates.


3 Parliament of NSW, Joint Committee upon parks for Mobile Homes and Caravans, Part 1, 1979, para 5.1.

4 K Wedgwood, Destined for closure: The role and demise of urban caravan parks, UNSW, 2006.

5 Section 3(1)(a).


20 *Homelessness and Low Cost Rental Accommodation*, p 104.
21 Housing NSW, 2009, n6, p32.
23 K Wedgwood, *Sydney's caravan parks: community and closure*, Master of Planning 2009, UNSW, p 117. It was emphasized that the figures presented were "an approximation only".
25 Wedgwood, *Sydney's caravan parks: community and closure*, n 23, p 120.
31 Note that a "residential site agreement" does not include a residential tenancy agreement with respect to land within a Crown reserve if the tenancy agreement was entered into after 16 December 1994: section 3.
32 *Residential Parks Amendment (Statutory Review) Act 2005*.
33 PAVS, *Submission to the NSW Department of Planning on long term leases*, 2009.