



**Shelter Tasmania's**

**Response to the**

***Caravan Parks – Issue Paper***

**By Consumer Affairs and Fair Trading**

**May 2006**

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## Shelter Tasmania

Shelter Tasmania welcomes this opportunity to provide input and comment on the *Caravan Parks - Issues Paper* distributed by Consumer Affairs and Fair Trading.

Shelter Tasmanian is the peak body for low income housing consumers and housing providers across Tasmania. Shelter represents organisations from a range of housing and supported accommodation services, tenant groups, community organisations, and diverse range of individuals interested in housing. The Council of Homeless Persons (Tasmania) is a subcommittee of Shelter.

## Context

People live in caravan parks for different reasons. They can be home to itinerate or seasonal workers in the construction and agricultural industries, or those who have been homeless, are out of work or suffering a personal crisis, as well as for people who have made a choice to live in a park for a holiday or as a permanent resident. Parks offer people of modest means the opportunity to achieve a form of home ownership. When consulting with members Shelter found often, due to the diverse tenure and changing use of caravan parks, there is considerable confusion about what legislative protection covers the renters in the parks. Shelter recommends that, whatever the usage of caravan parks, all tenants and owners of vans should be protected. For the purpose of responding to this *Issue Paper*, however, Shelter will focus on the rights and protection of low income consumers renting in parks.

Caravan parks are increasingly used by services as an accommodation of last resort for people facing homelessness in the short term, or as the only longer term housing option available. Over the past few years there has been a growing shortage of secure and affordable housing across the nation, including Tasmania. Public housing is fully occupied, with 3,000 people on the waiting list in Tasmania. Many people on low incomes who cannot access public housing or afford homeownership are paying high levels of rent to income in the private rental market. There are currently over 20,000 people in Tasmania in housing stress - that is where people on low incomes pay 30% or more of their income in rent. Added to this the private rental market is often insecure and rents unsustainable. *Anglicare's Community Survey* (Madden, 2005) found 11% of renters said that they had been unable to pay the rent due to shortage of money in the previous year.

An analysis of the 2001 census data in *Counting the Homeless* (Chamberlain, 2003) states that in Tasmania 10% of the homeless population (i.e. 217) were living in caravan parks at the time of the census. This is counting only the marginal residents in caravan parks who are on low incomes and have no other housing options. The census found these residents are also often in caravans before or after they have approached a Supported Accommodation Assistance Program (SAAP) service for assistance.

The Supported Accommodation Assistance Service (SAAP) funds a range of community services to alleviate homelessness. SAAP services may provide support, crisis accommodation like shelters, or accommodation purchased using SAAP funds. In 2002, due to the chronic shortage of crisis housing, the SAAP Brokerage Model was introduced. When no crisis accommodation is available for clients, designated services (eg Salvation Arm, Colony 47 and Anglicare) use SAAP funds to brokerage clients into private accommodation such as motels and caravan parks. This is only on

a short term basis until they can access crisis accommodation, be they shelters or transitional housing.

This has meant that caravan parks have been used to house SAAP (homeless) clients increasingly over the past 4 years. This approach has produced a range of outcomes for clients and services. Our members have reported that in some areas their client can access only a limited numbers of caravan parks; others that clients are no longer accepted into caravan parks on a short term basis but will take on longer tenancies with bond provided by the Private Rental Support Services (PRSS). Others report the caravan parks are now too expensive even to broker people in the short term. There is general agreement that their clients are at the bottom of the queue and if taken are often the last choice.

Members reported a range of practises between parks and across the state. For instance:

- Some parks will take only short term brokered clients and will not even give a weekly rate.
- Prices vary radically - for instance, one park may charge \$45 - \$55 up to \$80 per night. Another park will have a set fee of \$48 per night.
- The high cost cabins may be \$350 per week.
- Most parks in the north and south; if they take brokerage SAAP clients will only do so in the off season. Therefore, in holiday periods or when special annual events take place (such as Targa), they will not take any clients from SAAP services.
- Some parks will only take long term clients, accepting bond monies and providing longer term leases but rarely returning bonds. For instance, on the NW coast Anglicare has paid bond and rent for 85 clients in the past 2 years to caravan parks. All of them have been for 3 months and longer.
- Parks are used by brokerage services where pub top accommodation is not appropriate, such as for families in need.
- Parks are often not well located for those without their own transport, causing problems for tenants to access services.
- Charges vary with each park, some requiring key deposit

Due to the variation in type and length of stay in caravan parks, there is confusion about which tenants, if any, come under the current *Residential Tenancy Act (RTA)*. There was also general consensus by members that the law needs to be clearer and that all caravan park tenants have a right to legal protection.

### **Issue one: is there a need for specific regulation on the industry?**

The issue paper identified that caravan parks in Tasmania contain a mix of users, mainly that of holiday and permanent sites, whether as caravans with annexes or cabins. This, however, does not address those who rent in the short term, or even for longer periods as identified above.

The *Issue Paper* then identified the (RTA) applies to most arrangements where the occupier resided in a caravan or cabin as their permanent place of abode.....*That means that, where a person resides permanently in a rented cabin or caravan, a tenancy exists under the Residential Tenancy Act and all right and obligations of the Act apply.*

Yet when consulting with members there has been considerable confusion expressed by them as to whether the RTA act applies to people or the place in caravan parks. This is compounded by what is meant by 'permanent' 'resident. There is no clear definition of what is meant by permanent stay. What is the length of stay needed to be seen as permanent?

In practise there seems to be varied arrangements with many caravan parks not complying with the RTA. Shelter has been advised that there is no distinction to be found in the RTA between 'permanent' and 'non permanent' tenancies. This then only leads to more confusion and that the 'permanent distinction' is of no practical use when attempting to assess which occupiers are protected under the act.

It also needs to be noted and addressed by legislation that caravan parks are a different form of accommodation from other rentals, such as houses and units. Parks are communal and high density sites, with shared facilities such as; laundry, bathrooms, toilets and other facilities; different maintenance and repair requirements; locks and security issues; parks rules and site management issues. As the issue paper identified, there are many types of tenancies in caravan parks including: from holiday makers, van owners to renters from short term, seasonal workers, to longer term tenancies.

Shelter supports the need for specific regulation of caravan parks in Tasmania, as the tenancy circumstances of residents of caravan parks are distinctly different from traditional residential tenancy arrangements due to the unique issues that arise from the caravan parks sites themselves and the varied tenancies requirements. This would be in line with what was done with the Residential Tenancy Amendment (Boarding Premises) Act 2003.

The regulation will need to address the protection of both short term and longer term occupiers. In other States there are a range of different lengths of stays for short term and long term leases. Protection is ensured for those leases once they have reach the long term stay threshold - 60 days in SA and WA but 42 days in Qld. However, this excludes protection for residents who stay for less than that time.

Shelter, while researching this topic, has gathered a range of material including issue papers, tenancy agreements and legislation from other States and Territories and would welcome the opportunity to work with Consumer Affairs on these regulations.

***Shelter recommends that residential tenancy amendments be made to the RTA 1997 to explicitly cover the unique circumstances of renters in caravan parks for both short and long term tenancies, including its own dedicated dispute resolution mechanisms.***

## **Issue two: is there a need for standard contracts within the industry?**

As the issue papers disclose, Consumer Affairs and Fair Trading (CAFT) worked with the Caravan Industry of Tasmania (CIAT) in developing two standard contracts. Shelter and other representative bodies have not had input or access to these contracts. Therefore we are unable to make any specific comments.

Shelter recommends that these contracts need to be made accessible for a range of stakeholders to have input and make comment. Shelter recommends this one sided consultation process needs to be addressed to ensure that consumer issues are taken into account. As identified, any contracts will need to take into account both short and longer term tenancies. It is also crucial that CAFT allocates resources to an extensive public education and information campaign to provide prospective owners and residents with important pre-contractual information. This will better enable tenants to understand the advantages and risks of fixed term and periodic agreements.

Shelter has a range of contractual documentation, including tenancy agreements, which Shelter can forward to CAFT.

In general, Shelter supports the use of written contracts with the proviso they are the result of consultation with the appropriate range of stakeholders and that they ensure the consumer rights of residents are protected.

## **Issue three: are there any emerging issues that require a response by government?**

There are significant economic and social problems caused by the lack of appropriate and affordable housing in Tasmania. One of these is the lack of options for those who are homeless or at risk of homelessness. People who are homeless and are living in caravan parks are defined in the 2001 ABS census as marginal residents. The census provides some data to reflect an issue that has been with us for some time.

It is difficult to say whether the numbers are increasing. We certainly know that for many years there has been a growing shortage of affordable long term housing for low income people. That shortage has now reached such a crisis that there is now a chronic shortage of even crisis short term housing. This has led to people on low incomes without other housing options and support services to utilize caravan parks.

Caravan parks are being utilised in two ways:

1. There has been an increase in demand for caravan parks for short term accommodation and as a supplement to the homelessness service system. This has resulted in growing demand for short term stays. This trend is likely to continue.
2. There has been an increase in demand for caravan parks to be used for longer term accommodation. This implies that many people on low incomes, through choice or necessity, will be staying in caravan parks for longer periods. This trend is likely to continue.

All States and Territories have experienced a decline in caravan park accommodation. According to the ABS (2001) in Tasmania, there were 45 caravan parks in 1997 and 44 in 2000. In addition to closure, other caravan parks have been increasingly moving from local to tourist accommodation. This trend is likely to see the number of caravan parks continuing to decline as an option for low income local people, with increasing pressures for rents to increase.

Shelter would encourage the State Government to continue to support the range of strategies developed for the Affordable Housing Strategy (2004-8) to address this chronic shortfall in the supply of affordable housing. The issue around the loss of caravan park accommodation needs to be addressed in the wider housing context; as was the case with the decline in rooming and boarding houses which resulted in the funding of 4 not-for-profit boarding houses as part of the AHS. Shelter is happy to supply details of this initiative.

## **References**

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