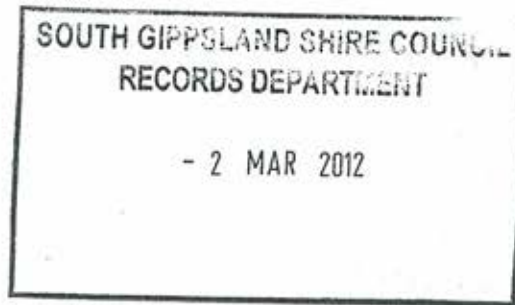




Department of Sustainability and Environment

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Ms Chris Van Der Ark
South Gippsland Shire Council
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Dear Ms Van Der Ark

POLICY APPLICABLE TO CROWN LAND CARAVAN AND CAMPING PARKS IN VICTORIA

I am writing at the request of the Minister for Environment and Climate Change, the Hon. Ryan Smith MP, to remind committees of management of government policies applicable to the management of caravan and camping parks on Crown land reserves.

Policy Statement: Improving Equity of Access to Crown Land Caravan and Camping Parks 2011

As you may be aware, policy released by the previous government prohibited on-site sales of caravans unless exceptional circumstances applied. In July 2011 the Minister for Environment and Climate Change reviewed the policy, in response to community and stakeholder concerns.

The revised policy, *Improving Equity of Access to Crown Land Caravan and Camping Parks 2011*, was released on 14 July 2011 and provides that on-site sales of caravans are permitted where:

- Committees allow the sale.
- A transparent process occurs, where an independent valuation of the caravan is completed before the sale and if the caravan is not sold within the term of the permit or six months, whichever is greater, the caravan must be removed from site.

A process for ensuring fairness and equity in on-site sales is detailed further in the policy, and includes consumer protections for prospective buyers and standards to be met before a caravan may be sold on-site.

The Department of Sustainability and Environment (DSE) understands that some committees of management may have introduced a ban on the sale of caravans on-site before the release of revised policy in July 2011. Notwithstanding any such decisions, the Minister has asked me to confirm that all committees of management are required to facilitate on-site sales of caravans, in accordance with the policy.

A copy of the policy is enclosed for your information, and is published on DSE's website, along with the associated *Best Practice Management Guidelines for Committees of Management*

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managing Caravan and Camping Parks on Crown Land at www.dse.vic.gov.au/recreation-and-tourism - follow the link to the "Crown Land Caravan and Camping Parks" pages.

Leasing Policy for Crown Land in Victoria 2010

The *Leasing Policy for Crown Land in Victoria* provides a consistent framework for the leasing of Crown land in Victoria.

The policy establishes three principles which apply to all Crown land leases in Victoria:

- to provide benefits to the public through leasing
- to ensure consistency and transparency in leasing
- to manage leased Crown land in an ecologically sustainable manner.

In particular, I would encourage committees of management to familiarise themselves with Section 5.3 of the policy, which seeks to ensure consistency and transparency in leasing processes and includes the following principles and processes:

- all lease proposals require the Approval in Principle of the Minister to lease before a land manager agrees or commits to lease Crown land
- all leases require the Minister's approval of the terms and conditions of the lease
- generally, a competitive selection process will apply to the leasing of Crown land, although in special circumstances direct negotiations will be permitted
- lease allocation processes must be fair, open and impartial
- leases must contain terms and conditions which align with the permitted purpose and conform to government policy and statutory requirements.

A copy of the policy is published on DSE's website at <http://www.dse.vic.gov.au/property-titles-and-maps> - follow the link to the "Managing Crown Land" page.

If you require any further information on policies applicable to the management of caravan and camping parks on Crown land, please contact the DSE Customer Service Centre on 136 186.

Yours sincerely



Peter Watkinson
Executive Director, Public Land

Encl.

28/2/2012

Policy Statement

Improving Equity of Access to Crown
Land Caravan and Camping Parks 2011

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of Sustainability and Environment Melbourne, January 2012

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Policy statement – Improving equity of access to Crown land caravan and camping parks 2011

Scope

This policy applies to caravan and camping parks on Crown land in Victoria. It has been developed to improve equity of access to Crown land caravan and camping parks in Victoria, enabling affordable holidays for all Victorians.

This policy does not apply to caravan and camping parks in national parks, on private land, on council-owned land, or to caravan and camping parks on Crown land outside of Victoria.

Background

This policy aims to ensure that a range of accommodation options are accessible to all prospective users; and to discourage long-term exclusive occupancy (longer than 12 months) of caravan and camping sites.

The Policy for the Occupation of Crown land Caravan parks (1986) and the May 2010 version of Improving Equity of Access to Crown Land Caravan and Camping Parks will be replaced by this policy statement. This policy statement will form part of the Best Practice Management Guidelines for Committees of Management Managing Caravan and Camping Parks on Crown Land.

Crown land reserves have been set aside for environmental values and for the benefit of all Victorians. In the 19th century parcels of land were deliberately reserved as Crown land for public purposes, such as roads, churches, quays, schools, resource extraction, defence and recreation. Today land reserved for public enjoyment and recreation supports a whole range of amenities and uses including botanic gardens, bushland, zoos, foreshores and caravan parks.

Crown land caravan and camping parks provide:

- Affordable holiday opportunities to all Victorians
- Fair and equitable access to sites
- Sustainable use of land and natural resources
- Contribution to recreation and tourism through providing short term access
- Income to committees of management to fund improvements to the parks and adjoining reserves
- Social, environmental and economic benefits

They must *not* be managed for:

- Exclusive long term occupancy
- Permanent residency
- Individual profiteering
- Poor environmental outcomes

Definitions

"Committee of Management" (CoM) refers to a committee which has been appointed by the responsible minister under the *Crown Land (Reserves) Act 1978* as delegated land manager for a Crown land reserve.

"Park manager" refers to the person responsible for the day to day operation of the caravan park. This could mean the Committee of Management, its employees or contractors, or a lessee to whom the Committee of Management has leased the management of the park.

The term "long term permits" refers to those permits allowing a longer stay than a casual permit. A long term permit offers campers an opportunity to holiday in Crown land caravan and camping parks. These permits may take several forms, including:

- A 12-month permit: allows a caravan and annex to be installed on a camp site for a 12-month period and used by the permit holder for no more than 59 consecutive nights per year and a maximum total of 180 days per year
- Seasonal permits: a wide range available across many parks, they allow a caravan and annex or a tent to be installed on a camp site. The most popular season is usually between November and April.

"On-site caravan sales" refers to the practice of an existing 12-month permit holder selling their caravan and accessories on-site to a new caravan park user. In relation to caravan sales, the term "caravan" refers to a caravan and associated accessories such as annexes and ensuite bathrooms.

Transition

This policy is effective as of July 2011. Committees of Management (CoM) who have leased the management of their parks may agree with the lessee to vary the lease to incorporate this policy. In these cases, the two-year implementation phase will apply immediately. If the CoM and lessee do not agree to vary the lease to incorporate this policy, the implementation phase starts when the next lease is granted.

Objective 1: To enable parks to better respond to increasing demand for sites and facilities, particularly during peak holiday periods.

Policy directions

- 1.1 CoM and park managers must implement systems and processes to provide both new and existing campers with fair and reasonable opportunity to stay in Crown land caravan and camping parks.
- 1.2 Long-term permit sites must be managed through park plans as part of a balanced mix of accommodation types, while maintaining adequate park access for the traditional transit and short-term camping visitors. This includes providing a minimum number of sites for camping.
- 1.3 CoM and park managers must provide DSE with evidence of demand, in the form of waiting list data, for each type of site available in its parks. The data will be provided on an annual basis, in 2012 and 2013.
- 1.4 The previous requirement for CoM to ensure a minimum of 10 per cent of sites within a park is available to new site holders each year or peak season **is suspended until July 2013**. The Minister for Environment and Climate Change will consider retention of the requirement, on the basis of the data discussed at Policy Direction 1.3, following the suspension period.

How to implement policy direction

CoM and park managers must maintain fairness and equity in all park management processes, including the implementation of this policy.

Ensure the conditions and limitations of permits on Crown land are clearly communicated to users

1. Provide an information sheet to all existing and prospective 12-month permit holders, clearly outlining the following details and conditions:
 - The park is situated on Crown land and is managed in accordance with State Government policy and Victorian law for the benefit of all Victorians
 - It is Victorian government policy that Crown land caravan parks should not acquire permanent residents, i.e. a person who occupies a site as his or her only or main residence
 - The site is hired for a 12-month tenure and there is no guarantee for a term beyond the yearly agreement
 - Sites can only be used for a maximum of 59 consecutive nights per year and a total of 180 days in a calendar year.
 - Sites cannot be sub-let
 - Permit holders must not occupy a site for more than 59 consecutive nights per year
 - Permit holders must not occupy a site for more than a total of 180 days in a calendar year
 - Unregistrable mobile dwellings are not permitted in Crown land caravan and camping parks, unless owned by the management body or the lessee with the consent of the management body.
2. Do not use the term "Annual Permit" as it may imply an ongoing arrangement. Preferable terms are "Weekender" or "12-month permit"
3. Ensure information sheets are clearly displayed on caravan sites and park website. Standard site-holder agreements and notices to existing and prospective permit holders, are included in the appendices of the *Best Practice Management Guidelines*.

Minimise profiteering

Do not allow subletting of long-term permit sites.

- Specify that subletting is prohibited – no permit holder may charge any other person for the right to occupy the site
- Charge a fee to visitors other than the registered permit holders. Such a system will work best in parks that have restricted access points (i.e. boom gates) and/or where park managers have the capacity to monitor incoming visitors to the park.

Avoid permanent residency

Ensure new 12-month permit holders are aware of the limitations of their permits (see *Ensure the conditions and limitations of permits on Crown land are clearly communicated to users and Employ strategies to limit the sense of ownership* above).

Terms and conditions must specify that the permit terminates automatically and immediately if:

- The site is occupied for more than 59 consecutive nights or for more than 180 days (in total) in any calendar year, whether the park manager is aware of the breach or not; or
- A permit holder uses or attempts to use the site as their permanent place of residence whether the park manager is aware of the breach or not.

Employ strategies to limit the sense of ownership

1. Include the following additional conditions on information sheets given to permit holders:
 - Establishment of gardens on sites is not permitted. Potted plants are allowed, provided they are within the site boundaries and easily removable
 - All possessions must be packed away inside caravans and annexes when the permit holder is away.
2. Through a master-planning process, reconfigure the park so that 12-month permit sites are consolidated in one area
3. Communicate that permit renewal is not guaranteed. Make it clear in information sheets to all existing and prospective permit holders (see *Ensure the conditions and limitations of permits on Crown land are clearly communicated to users*, above).

Example: Grassy Hill Caravan Park* has established binding agreements for the use of 12-month permit sites that describes the type of dwelling and additions allowed on site. It is clearly outlined that the park manager must inspect and approve all dwellings. A dwelling must be a caravan (as defined in the agreement) or registrable movable dwelling. The agreement states that permit holders may not establish gardens. Indigenous plants are permitted in pots across the front of the caravan only.

* The actual name of the caravan park has been changed.

Ensure accommodation mix and price structures cover costs for park and reserve management

1. Managers need to review fees regularly to ensure they are fair, competitive and cover costs
2. Strategies to ensure income flow
 - 12-month permit fees to be paid upfront (or in set instalments).

Example: Charge a 12-month fee for the right to occupy a site and an additional daily fee for when people stay at the park. Suggest alternatives to a 12-month permit for people living more than two hours' drive of the park, as people who live further away tend not to visit often and leave their sites vacant for most of the year.

Example: Increase the 12-month permit fee by the equivalent of 12 days' worth of daily fees for 2 adults. When permit holders pay for the 12-month permit issue 12 x daily fee vouchers, park managers have more guaranteed income and, having paid for these nights upfront, 12-month permit holders are likely to visit more often, increasing visitation

- Individually meter electricity and water usage where possible.

Example: Meter each site individually and charge quarterly for electricity use plus a service fee. With the installation of suitable infrastructure, water use can also be metered individually.

Maintain appearance of parks

1. Set rules on the age and condition of caravans and additions allowed in the park for long-term permits. Ensure these rules do not require permit-holders to make additions or improvements to their caravans that would be difficult and/or costly to remove at short notice.
2. Seasonal permit-holders will be required to remove caravans from the park in off-season. If the permit-holder returns the following season, the condition of the caravan will be assessed and approved by the park manager on their return.
3. Ensure all possessions are packed away inside caravans/annexes when the occupant is away (see *Employ strategies to limit the sense of ownership*, above).

Example: CoM may decide that caravans older than 40 years must be removed from the park, that caravans older than 30 years cannot be sold on-site and/or that incoming caravans must be less than 20 years old.

Example: 12-month permit holders' caravans are inspected annually to ensure compliance with park regulations. Caravans being brought into the park on a 12-month permit must not be more than 10 years old and must be eligible for registration under the *Road Safety Act 1986*. Management must approve all alterations to the caravan, annex or site and specifications are set in the "Agreement".

Example: 12-month permit holders must remove or suitably tie down canvas annexes while they are away.

Further options of managing demand

Below are some methods and practical examples for increasing turnover of sites. Committees of Management must maintain fairness and equity in all park management processes, including the implementation of these policy directions.

Expand the client base to respond to growing markets

Develop strategies to attract emerging markets including retirees and larger groups (school and tertiary students), to cater for campervans, mobile homes, recreational vehicles, environmentally sustainable accommodation and standing camps (higher-end tent accommodation). Consider how to expand the client base, particularly outside the peak season.

Example: Consider reconfiguring the park layout and increasing the mix and type of permit sites. This will allow Committees of Management and park managers to maximise current markets and tap into new markets by:

- Increasing overall usage of the park (casual visitors, peak and off peak)
- Increasing peak and off peak visitor markets by providing a diversity of accommodation options and amenities available, e.g. education/multipurpose facility
- Establishing ongoing off peak use through partnerships with educational institutions
- Offering park visitors and local community opportunities to learn about the natural environment.

Objective 2: To ensure affordable and equitable access to Crown land caravan and camping parks

Issues

Selling a caravan on site allows the vendor to avoid the inconvenience of packing up and removing their caravan, annex and other attachments (e.g. storage box). It may also allow them the potential to realise investments made in value-added features such as ensuite bathroom facilities and reticulated sewerage. Unfortunately this may give the purchaser the inaccurate perception they have gained ownership of the site, rather than just the caravan and accessories they have actually bought.

The practice of on-site sale of caravans creates various issues such as:

- Caravan sellers and buyers may falsely assume a sense of ownership of caravan sites on public land
- The purchase price of a caravan on-site may not reflect the true market value of the item/s being sold
- On-site sales may artificially slow turnover of permit-holders as caravan sellers hold out for their desired sale price
- Any person who wishes to obtain a 12-month permit but does not wish to purchase a caravan on-site is disadvantaged
- There is potential for profiteering from public land.

Policy direction

2.1 Caravans may be sold on-site where:

- Committees allow the sale.
- A transparent process occurs, where an independent valuation of the caravan has been done before the sale and the caravan is sold within the permit year that it is first offered for sale. If the caravan is not sold within the term of the permit or six months, whichever is greater, the caravan must be removed from site.

How to implement the policy

Committees of Management and park managers must maintain fairness and equity in all park management processes, including the implementation of this policy.

Process for managing on-site sales

1. The CoM/park manager must develop and maintain a waiting list of people wishing to access a site. The Committee/park manager may choose to charge a fee to cover administration costs. Caravans for sale on-site may only be sold to those on the waiting list.
2. The CoM/park manager must obtain prospective buyers' written permission to pass on their contact details to caravan vendors upon notification of intention to sell.
3. The CoM/park manager must distribute a notice to prospective buyers as they join the waiting list, to ensure they fully understand the purpose of Crown land caravan and camping parks and the process of purchasing a caravan on-site. See *Notice to Prospective Buyers* on page 10 for details. The notice must also be displayed on any caravan which is for sale on-site.
4. The CoM/park manager must distribute the notice to all existing 12-month permit holders. The notice should be redistributed annually and displayed on notice boards.
5. The person who wishes to sell the caravan on-site must notify the park manager and surrender their 12-month permit. If a vendor sells without informing the park manager, the buyer will not be entitled to a permit.

6. Only caravans which are registrable and movable and in an appropriate condition according to park rules, may be approved for on-site sale. The park manager may wish to develop an Application For Sale document, where the park manager approves the condition of the caravan and attachments before a sale and site reallocation is allowed to occur.
7. The park manager will provide the details of those on the waiting list to the seller who arranges a sale. Sale is only allowed to a buyer who is on the waiting list, thus who has received the specific information outlined under *Notice to Prospective Buyers*, overleaf.
8. Any person on the waiting list who wishes to obtain a 12-month permit but does not wish to purchase a caravan on-site should not be disadvantaged.
9. While the transaction of selling a caravan does not concern the park manager directly, the 12-month permit held by the caravan seller represents a relationship between the park manager and the permit-holder.
10. The seller must relinquish their permit to the park manager upon sale of their caravan. See *Family Transfer* below.
11. 12-month permits are not transferable. The park manager will enter into a new agreement with the buyer.
12. If the caravan is not sold within the term of the permit or six months, whichever is greater, the caravan must be removed from site.

Valuation

Committees of Management and park managers **must** ensure caravans are valued by an independent valuer and this information be passed on to potential buyers.

Limitations of any sales process

There are many reports of sellers and buyers agreeing to a 'reasonable' price on paper but extra payments happening outside of an established process. While getting a valuation gives the buyer a clear idea of the true value of the caravan, this still doesn't guard against under-the-table deals. Therefore the preferred approach is to ensure everyone involved is provided with clear and accurate information about the park being on Crown land, and the requirements of a 12-month permit so buyers can make an informed decision about whether to buy a caravan on-site and for what price.

Family transfer

Committees may wish to allow the transfer of an unexpired 12-month permit to a permit holder's spouse, defacto partner or child, whether or not they are on a waiting list. Conditions must be detailed in the park's 12-month permit terms and conditions.

Notice to prospective buyers

A notice to prospective buyers is included at Appendix 6 of the *Best Practice Management Guidelines*. It will include the following information:

- Prospective buyers should note:
 - This park is situated on Crown land and is managed in accordance with Government policy and Victorian law for the benefit of all Victorians
 - The on-site sales process allows for the purchase of a caravan and annexe and to hire the site for the balance of 12 months only
 - The site is not owned by the seller and cannot be owned by the buyer
 - The purchase price of the caravan should be based on the value of the caravan, annexe and attachments only
 - The purchase price of the caravan and accessories should be equivalent to the price of similar items sold outside of the caravan park
 - The site is hired for 12-month tenure and there should be **no expectation** of a term beyond the yearly agreement
 - Sites can only be used for a maximum of 59 consecutive nights per year and a total of 180 days in a calendar year.
- Sites cannot be sublet; and
- It is Victorian government policy that Crown land caravan and camping parks should not acquire permanent residents, i.e. a person who occupies a site as his or her only or main residence.
- These permits are not automatically granted and if granted the user must abide by strict conditions that are set out on the permit.
- If these conditions are not followed, the permit can be revoked and the permit holder may be subject to prosecution for breaches against the *Crown Land (Reserves) Act 1978* and associated regulations.
- The CoM/park manager is not a party to the contract of sale and therefore can not make any warranty in relation to the fitness, quality or condition of the item sold.
- Prospective purchasers should obtain independent valuation and legal advice.
- Prospective purchasers may obtain a copy of the relevant 12 month site-holder agreement with conditions from the CoM/park manager.

Implementation of policy within leased parks

1. CoM who have leased the management of their parks may agree with the lessee to vary the lease to incorporate the *Policy for Improving Equity of Access to Crown Land Caravan and Camping Parks* and associated parks rules regarding access and on-site sales. Where the CoM and lessee do not agree to vary the lease to incorporate this policy, these policy directions must be stipulated in new lease arrangements.
2. To ensure the park is managed as desired, make specifications in the lease agreement before a lease begins. The best way of doing this is to make sure a current and comprehensive park management plan and/or business plan is developed in consultation with DSE before a lease begins
3. *The Best Practice Management Guidelines* include a park management plan template to provide Committees of Management and park managers with a framework to address a wide range of issues (see Section 6: Management planning)
4. All park management plans should be prepared in consultation with stakeholders and must be endorsed by DSE before their implementation.

Reporting

CoM are expected to work with their local DSE office in implementing this policy. DSE will work with CoM to establish a process for collection of the waiting list data required by policy direction 1.3.

For assistance

DSE acknowledges the implementation process may present challenges for some CoM. DSE will provide ongoing support to committees throughout the implementation process. For assistance please contact:

Policy Officer, Caravan and Camping Parks

2/8 Nicholson Street, East Melbourne VIC 3002

Website: www.dse.vic.gov.au. Click on the link to the Recreation and Tourism page.

Email: caravan.project@dse.vic.gov.au

Phone: DSE Customer Service Centre on 136 186