

**Residential Tenancies and Rooming Accommodation (Rent Freeze) Amendment Bill 2022**

**Submission No:** 90  
**Submitted by:** Caravanning Qld  
**Publication:**  
**Attachments:** No attachment  
**Submitter Comments:**

31 October 2022

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## Submission into Residential Tenancies and Rooming Accommodation (Rent Freeze) Amendment Bill 2022

On behalf of Caravan Parks Association of Queensland (**CPAQ**), the peak body for the caravan park industry in Queensland, we welcome the opportunity to provide feedback to the *Residential Tenancies and Rooming Accommodation (Rent Freeze) Amendment Bill 2022 (Bill)*.

With a range of member caravan parks (**parks**), ranging from pure residential parks through to mixed use parks with just a handful of long-term rental sites in their property, this Bill has the potential to significantly impact our members and their ability to continue to provide long term accommodation to the more than 20,000 individuals that live in their properties in Queensland.

At the time of the 2016 ASB Census, parks provided housing to 0.42% of all residents in Queensland (this number excludes park residents living in manufactured homes). Approximately one third of residents in parks reside outside of major urban areas, compared to just 13% of all Australians who live regionally.

**Our industry provides rental accommodation to segments of the Queensland community who are more vulnerable and at risk than the broader community.**

Residents living in parks tend to be older than the broader community with approximately two thirds of park residents over 55 years of age, with males representing 59% of all residents.

Approximately 37% of long-term park residents reported in the 2016 census that they were living alone, while a further 41% were living in a household with two people. In contrast to the wider Australian population, only 10% of people reported living alone, with 26% living with one other person.

This highlights the increased propensity of park residents to be living in a more isolated social situation than an average Australian. For many of these residents, the park environment provides companionship and community which they would not be able to achieve in the broader community.

The industry also houses some cohorts which are considered highly vulnerable, such as single women over the age of 50. The ABS census in 2016 demonstrated that 41% of park residents are women and 37% live alone. This cohort are often on a fixed income and appreciate the safety and security that come with living in a caravan park community, in addition to the social elements which address isolation and loneliness, significant concerns for this market segment.

A Member of

• Caravan Industry Association  
of Australia

• Queensland Tourism Industry Council

Only one third of residents in parks are engaged in the labour force or seeking employment, reflective of the average age of residents in these communities. Of those residents who identified as being employed, at the time of the 2016 census, the average personal income was approximately \$573 per week, with 43% earning between \$300 and \$500 per week. The average wage for park residents (employed full-time or part-time) is 37% below the Australian average weekly wage of \$903. Please note, the census does not discern between income streams, so social benefits, pensions and salaries are included collectively.

**This showcases the unique and important role that our industry plays providing long term accommodation in Queensland, particularly to those who may not be able to find accommodation in the broader rental market due to their circumstances.**

It is critical that these park owners are encouraged to continue to provide long term accommodation to ensure that this, more vulnerable cohort, continues to be able to access appropriate and affordable housing. Further it is essential that these business owners can run a sustainable business with the ability to reinvest in their properties- this reinvestment ensures that the residents can enjoy a quality of housing with community facilities that they would otherwise be unable to access.

Where a park owner can reinvest, they often invest in improvements which save residents in their park money in the long term, for example, the installation of solar panels to offset rising electricity costs.

***Case Study: A park owner in the Wide Bay Burnett region has advised that he has invested over \$1 million in capital improvements over the past two and a half years, including nearly \$250,000 in solar panels and associated infrastructure upgrades to save tenants in his park money on their electricity. In this same two and a half year period, rent has only increased by \$10 per week.***

At the end of the day, parks are commercial entities, and for them to continue to offer the product mix that they do, they must be able to achieve a commercial return – failure to do so will see them either, change their product mix towards the more profitable sector (in this case tourism), or divest their interest in its entirety.

This Bill comes at a time when it is more expensive than ever to run a caravan park with park owners reporting increases of:

- 10- 35% increases in employment costs
- 30- 300% increases in insurance costs (and more in increases to the excess on these policies)
- 5- 25% increase in utilities
- 8- 20% increase in rates
- 15- 30% increase in waste costs

These increases are exacerbated by the fact that we are seeing significant interest rates increases, with the cash target rate increasing by 2.5 per cent points in the past 6 months (with a further increase projected at the start of November 2022).

For parks to remain sustainable and to be able to continue to reinvest in their properties for the benefit of their guests, residents and visitors, these costs must be passed on.

**It is critical that any amendments to the current rental market:**

- **provide confidence in Queensland's housing market;**
- **ensure private investors (often small business operators and 'mum and dad' investors) are encouraged to invest in the rental market; and**
- **improve stability in Queensland's rental market.**



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The proposed Bill does not achieve any of these objectives and will result in more landlords removing their properties from the rental market, in the case of our members, transforming long-term sites into short term tourist sites or selling their land to a developer, creating more strain on the remaining rental market, particularly for low income, and/or elderly renters.

While the proposed Bill is one mechanism to protect tenants from rising housing costs it is a blunt instrument, other more effective levers to promote and encourage housing would be measures to limit the increase of costs associated with providing this housing such as managing the rising cost of utilities, addressing increases in insurance premiums, providing incentives to those investors actively providing rental accommodation, especially low-cost rental options and incentivising pensioners to downsize/right size.

We strongly consider these actions, along with current activities by the Queensland Government, including reviewing the regulations for short term letting and for encouraging greater mobilisation of empty properties, to be more effective in the long term than this short term measure which will discourage private investment in the rental market.

If you would like to discuss the content of this submission, or this issue, in more detail, please do not hesitate to contact me on [REDACTED]

Kind regards

[REDACTED]  
Michelle Weston  
Chief Executive Officer

## About Caravan Parks Association of Queensland

Caravan Parks Association of Queensland Ltd (CPAQ) is the peak industry body representing caravan parks in Queensland. Established in 1966, we provide a united and informed voice for the Queensland caravan parks industry.

As a professional, solution focused association, we encourage and support industry best practice across all areas of business by providing our members with leadership, support, networking, professional development, and promotional opportunities.

There are currently 430 full and associate members of CPAQ, made up of caravan parks (catering for tourists and residents) and campgrounds, large and small, from all corners of Queensland, industry suppliers, tourism businesses, plus regional and local tourism organisations.

We seek to work with both state and local governments to balance the needs of the consumer with those of the Government and industry. Further we actively strive to ensure not only that minimum standards within parks are met, but that over time these industry standards are in fact driven higher.

## Caravanning Queensland

We trade under the brand **Caravanning Queensland** which joins the two related but separate peak industry bodies in Queensland:



**Caravan Parks Association of Queensland (CPAQ)** the voice of the caravan park owners and operators and the associated supply chain in Queensland.

**Caravan Trade & Industries Association of Queensland (CTIAQ)** the voice of the trade sector in the caravan and camping industry in Queensland with a membership made up predominantly of retailers, manufacturers, hirers, repairers, and suppliers in the caravan and camping industries.