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Gnowangerup Caravan Park

Demand Analysis and Design Rationale for proposed Gnowangerup Caravan Park

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Executive Summary

The demand assessment and concept design support redevelopment of the Gnowangerup Caravan Park as a staged, flexible regional accommodation asset. The strongest position is not a resort-style holiday park or a stand-alone worker village, but a higher-quality inland touring park supported by a measured built-form accommodation offer and a small amount of flexible key-worker and short-stay accommodation.

The strategic case is based on the alignment between the Great Southern visitor market, Gnowangerup's local tourism and workforce accommodation needs, and a concept plan that increases capacity without over-specialising the park. The redevelopment should therefore strengthen the core caravan and camping function, add higher-yield self-contained accommodation, and retain enough flexibility to respond to seasonal tourism peaks, project-based worker demand and essential service accommodation needs.

Demand basis	The Great Southern generated 614,000 domestic overnight trips, 1.751 million visitor nights and \$568 million in domestic overnight spend in 2025. The region is strongly holiday-led, intrastate-driven and caravan/camping-relevant, with commercial caravan and camping accounting for 22% of domestic visitor nights.
Industry context	The 2025 Caravan and Camping State of Industry report confirms that regional touring remains resilient, shorter stays are becoming more common, and cabins are the largest caravan park revenue source nationally and in Western Australia, followed by powered sites.
Local demand drivers	Stirling Range National Park, the Horsepower Highway, wildflower tourism, rural drive touring and the growing Wild Gravel event provide a credible basis for increased short-stay visitor demand, particularly for one-to-three-night touring stays.
Redevelopment response	The concept expands the existing offer of two tourist chalets, 12 powered caravan sites and four drive-through sites to a broader hierarchy of touring sites, tourist

	cabins, multi-purpose cabins, key-worker units and motel-style rooms, supported by improved circulation and an ablution extension.
Recommended position	Proceed as a staged, mixed-format accommodation project. Touring sites should remain the core product; cabins should improve yield and market reach; worker and motel-style rooms should remain modest, flexible and secondary to the tourism case; and a dedicated backpacker product should not be a primary investment priority.

In product terms, the completed redevelopment will provide six powered drive-through caravan sites, 23 powered caravan sites, two existing two-bedroom tourist chalets, seven new two-bedroom tourist cabins, seven multi-purpose two-bedroom cabins suitable for tourism or key-worker use, three duplex key-worker accommodation buildings providing six separate self-contained accommodations, and four short-stay motel-style self-contained rooms. This creates a more complete accommodation ladder while retaining caravan and camping as the majority product.

The concept plan supports this strategy through a clear internal loop-road system, drive-through caravan capacity at the western end of the site, an expanded central tourist caravan-site area close to the existing amenities building, tourist cabins positioned toward the northern and north-eastern edge, and key-worker and multi-purpose accommodation clustered toward the south-eastern portion of the site with associated parking. This layout provides practical separation between touring, leisure cabin and worker accommodation users while still allowing efficient shared management and servicing.

The design rationale is therefore disciplined and demand-led. Stage 1 should prioritise site quality, access, circulation, servicing, amenity presentation, online bookability and a modest increase in touring capacity. Stage 2 should introduce additional self-contained tourist cabins so that tariffs, occupancy and seasonal demand can be tested. Stage 3 should add worker-suitable inventory, further cabins and motel-style rooms only where earlier stages demonstrate sustainable utilisation and acceptable returns.

Overall, the proposed redevelopment gives Council a practical way to strengthen Gnowangerup's visitor accommodation offer, improve caravan park yield, support local events and Stirling Range-linked tourism, and provide an accommodation safety valve for short-stay workers and essential service personnel. The project should be delivered in stages using modular or relocatable built-form accommodation where feasible, so that capital investment can grow in line with verified demand and future operational performance.

Demand Analysis

Purpose, Scope and Methodology

This report provides a market and demand analysis to support redevelopment and expansion planning for the existing Shire-owned caravan park in Gnowangerup. It is intended to inform concept design, product mix decisions, strategic justification and later-stage financial modelling.

The analysis draws on Tourism WA's 2025 Great Southern visitor factsheet, publicly available operator information from comparable caravan parks, local and regional contextual information from the Shire of Gnowangerup and Great Southern Development Commission and data from WA caravan parks' operations and Caravan Industry Australia's **Caravan and Camping State of Industry 2025 Report**.

Subscription-based caravan industry research provides up-to-date caravan park data, including seasonal occupancies by product type and seasonal tariffs by region from the reservations and management systems of caravan parks throughout Australia. Because Gnowangerup-specific trading data for competing operators is not publicly available, recommendations should be treated as evidence-based strategic directions rather than a substitute for park-level occupancy and revenue due diligence.

Learnings from the Caravan and Camping State of Industry 2025 Report to inform the demand analysis

- It strengthens the case for retaining a meaningful cabin component, because cabins are the dominant caravan park revenue source nationally and in WA.
- It reinforces the need to target short-stay, value-conscious regional travellers, as average trip length has shortened and consumers are taking shorter breaks.
- It supports a WA intrastate drive-market focus rather than relying heavily on interstate visitation.
- It does not create a stronger case for a stand-alone backpacker facility; instead, it points toward flexible, multi-use inventory that will be utilised by a variety of users.

Regional Tourism and Industry Context

Tourism WA reports that the Great Southern generated 614,000 domestic overnight trips, 1.751 million domestic visitor nights and \$568 million in domestic overnight spend in 2025. The regional market is strongly leisure-led, with holiday travel accounting for 62% of domestic trips, visiting friends and relatives 27%, business 6% and other purposes 5%. This matters because it points to a market driven more by touring, nature, events and visiting patterns than by conventional corporate travel alone.

Accommodation preferences are also highly relevant to caravan park planning. In the Great Southern, commercial caravan and camping accounted for 22% of domestic visitor nights, materially above the total WA benchmark of 12%. This indicates that caravan and camping is not a peripheral product in the region; it is an established and significant part of the accommodation mix.

The State of Industry 2025 report is highly relevant as a market context document. Nationally, domestic caravan and camping generated 15.2 million trips, 57.1 million nights and \$10.6 billion in visitor expenditure in 2024, with 91% of domestic trips occurring in regional areas. Importantly for redevelopment decisions, national caravan park performance remains revenue-led by cabins, followed by powered sites, with unpowered sites contributing the smallest share. In Western Australia, caravan and camping visitors recorded 1.79 million trips and 7.02 million nights in 2024, and caravan park revenue was again dominated by cabins, followed by powered sites.

These findings amend and sharpen the local demand position in two ways. First, they confirm that regional caravan and camping remains commercially important even in a softer discretionary spending environment. Second, they suggest that while touring sites should remain the core product in Gnowangerup, a sites-only redevelopment would likely underperform a balanced model that includes staged built-form accommodation.

Visitor Profile, Length of Stay and Demand Implications

The Great Southern domestic market is predominantly intrastate, with 90% of domestic overnight travel sourced from within Western Australia. Length-of-stay data indicates that the region is dominated by shorter trips, with around 59% of stays in the one-to-three-night range and a further 28% in the four-to-seven-night range. Travel party patterns are broad, spanning couples, families, groups of friends/relatives and solo travellers.

The State of Industry 2025 report complements this picture. Nationally, average caravan and camping trip length shortened to 3.8 nights in 2024, reflecting cost-of-living pressures and a trend toward shorter, more frequent breaks. The dominant caravan and camping demographic has shifted toward the 30-54 age cohort, while the older market remains important and is expected to re-engage more strongly over time. For Gnowangerup, the implication is that the park should be designed for flexible, easy-to-book short stays rather than assuming long average length of stay across all segments.

Gnowangerup Context and Demand Drivers

Tourist Accommodation

Gnowangerup has a distinct but relatively focused tourism proposition. The Shire's southern

boundary reaches the Stirling Range National Park, which the Great Southern Development Commission identifies as a growing eco-tourism destination drawing an estimated 175,000 visitors each year. This creates a strong natural linkage between Gnowangerup and one of the Great Southern's highest-value inland nature assets.

The local tourism offer is also being strengthened by the Horsepower Highway and by Wild Gravel. Tourism WA describes the Horsepower Highway as a scenic route created in 2021 to encourage travellers to drive through Gnowangerup and surrounding farmland on the way to the Stirling Range. The Shire's Wild Gravel material confirms that the inaugural 2024 event attracted more than 350 participants the 2025 event attracted 600 plus participants, and the event is expected to build further momentum in subsequent years. Together, these drivers improve Gnowangerup's ability to convert pass-through movement into stopovers and short overnight stays.

Key Worker Accommodation

Outside leisure travel, Gnowangerup has a modest but genuine demand for short-term worker accommodation. This includes contractors engaged on local projects, visiting trades, government and service personnel, health professionals, hospitality workers, and other workers who are important to the town's economy and service base. Regional agencies have acknowledged that worker accommodation shortages are affecting the Great Southern, with housing availability identified as a key factor in attracting workers, supporting local businesses and maintaining essential services.

Locally, the issue is evident in the town's very limited rental market, with a current rental accommodation availability factor of <0.5%, and in the Shire's own investment in worker housing, including land purchased for up to 12 houses or units to accommodate Shire staff and State Government employees.

The caravan park redevelopment can therefore provide an important "accommodation safety valve" for Gnowangerup by adding a small number of self-contained units that bridge the gap between tourist accommodation and permanent housing. This would strengthen the park's year-round occupancy, support project delivery and essential service attraction, and broaden the park's role from a visitor asset to a flexible local economic and community-support facility.

Existing Park Position and Local Supply

The existing Gnowangerup Caravan Park currently offers powered sites, unpowered sites and short-stay chalets. Shire policy material states that the park consists of powered sites, unpowered sites and two chalets, and that the accommodation is available for travelling visitors and short-stay workers rather than permanent occupancy. Council's published fees show a competitively priced entry point at \$30 per powered site, \$20 per unpowered site and \$230 per night for a chalet.

Within the wider local market, the Shire's accommodation listing identifies a modest but varied competitive set. This includes Mt Trio Bush Camp and Caravan Park near the Stirling Ranges, Ongerup Caravan Park, the Lily Stirling Range, small B&B and self-contained offerings, and accommodation in nearby centres such as Mt Barker, Katanning, Kojonup and

Bremer Bay. This is not an oversupplied market; however, travellers do have alternatives with different levels of amenity, ambience and price.

A higher-quality competitor is also Stirling Range Retreat, located at the foothills of the Stirling Range National Park. The property operates as a nature-based accommodation offering with a diversified product mix including eco villas, cottages, powered caravan sites, camping areas and group accommodation. The retreat is positioned as a premium nature stay, with a strong emphasis on environmental experience, proximity to Bluff Knoll and integrated guest amenities such as a restaurant, function space and landscaped grounds.

Publicly available information indicates:

- A broad accommodation mix spanning camping through to self-contained villas
- Higher price positioning relative to basic inland caravan parks
- A destination-based model, rather than a pass-through stopover
- Appeal to couples, walkers, event groups and short-stay leisure travellers

This operator materially strengthens the competitive landscape at the upper end of the inland accommodation spectrum, particularly for visitors prioritising experience, comfort and proximity to the Stirling Range.

Competitor and Comparable Facility Matrix

Facility	Product mix / public rate signal	Market role	Implication for Gnowangerup
Gnowangerup Caravan Park	Powered sites, unpowered sites and short-stay chalets. Published fees: \$30 powered, \$20 unpowered, \$230 chalet.	Affordable town-based entry product.	Current tariffs are very competitive, but the park can capture more value through quality upgrades and better seasonal yield management.
Mt Trio Bush Camp & Caravan Park	Nature-based bush camp with spacious powered and unpowered sites, strong camp kitchen and amenities, close to Bluff Knoll.	Experience-led Stirling Range base.	Competes on ambience and proximity to hiking. Gnowangerup should not try to mimic the bush-camp experience, but should provide a clean, convenient town-based alternative.
Ongerup Caravan Park	Powered and unpowered sites, house accommodation and two onsite vans.	Small local mixed-use park.	Demonstrates how small inland parks use flexible stock to serve multiple traveller types.

Facility	Product mix / public rate signal	Market role	Implication for Gnowangerup
Mt Barker Holiday Park	Sites, backpacker accommodation, self-contained cabins, park homes, single ensuite rooms for workers; powered caravan sites from \$48 and camping from \$35.	Broader inland accommodation platform.	Important comparable for flexible worker and solo-traveller product. Shows value of having a small room/cabin offer alongside touring sites.
Katanning Caravan Park	Wide price ladder: cabins from \$75-\$145, cottage \$260, powered/drive-through sites from \$35, unpowered from \$25.	Service-centre stopover and budget-to-midscale offer.	Confirms regional travellers can choose across multiple price points. Gnowangerup needs clearer segmentation between sites and roofed stock.
Bremer Bay Beaches Resort Tourist Park	Destination-style coastal park. Powered sites \$40 off-peak / \$70 peak; unpowered \$35-\$45; cabins and chalets from around \$115-\$170+ off-peak.	Higher-yield leisure benchmark.	Not directly comparable on location, but useful as evidence that seasonal pricing and premiumisation of some inventory can materially lift yield.
Stirling Range Retreat	Eco villas, cottages, powered caravan sites, camping areas and group accommodation. Premium positioning with strong nature-based branding and integrated guest facilities (restaurant, event space).	Premium nature-based destination accommodation at the Stirling Range foothills.	Demonstrates demand for higher-quality inland accommodation and willingness to pay for experience-led stays. Gnowangerup should not directly compete at this level but can capture spillover demand by offering a clean, well-priced and convenient town-based alternative with modest cabin quality uplift.

Segment-by-Segment Demand Assessment

Tourist caravan and camping sites — High priority

This is the strongest segment for expansion. The Great Southern already over-indexes to commercial caravan and camping, the WA market is heavily intrastate and drive-based, and Gnowangerup is well placed to capture one-to-three-night touring stays. Site improvements and additional capacity are therefore the lowest-risk first move in the redevelopment.

Tourist cabins / chalets — Medium to high priority

The Caravan Industry Australia's State of Industry report materially strengthens the case for cabins. Cabins are the largest revenue source in caravan parks nationally and in WA, which means Gnowangerup should include a staged built-form accommodation offer rather than treating cabins as optional. The right approach is not a large resort-style cabin village, but a modest number of durable, self-contained units that can command higher rates and serve couples, families, walkers and event visitors.

The presence of higher-quality accommodation such as Stirling Range Retreat further supports the case for a cabin component. The success of such operators indicates that a segment of the market is willing to pay for comfort and built-form accommodation when visiting the Stirling Range. A modest, well-designed cabin offering in Gnowangerup can therefore capture:

- Price-sensitive overflow demand
- Visitors unable to secure accommodation at premium properties
- Travellers preferring a town-based, accessible alternative

Key worker accommodation — Moderate priority

A worker product is justified, but only at a modest and flexible scale. The best strategic fit is a small number of cabins or simple ensuite-style units that can be sold to tourists in peak leisure periods and to workers or contractors on weekly tariffs in shoulder and off-peak periods.

Backpacker accommodation — Lower priority as a stand-alone product

The demand evidence does not support a dedicated backpacker hostel as a primary redevelopment driver. A better option is limited, flexible low-cost inventory that can operate as group, event, seasonal worker or overflow accommodation if required.

Short-Term Opportunities to Improve Utilisation, Pricing and Yield

- Introduce clearer peak, shoulder and off-peak pricing rather than relying on flat year-round tariffs. Wildflower season, school holiday movement, major hiking weekends and Wild Gravel periods warrant stronger yield management. Seasonal tariffs have the potential to improve occupancy and provide better revenues.
- Differentiate products more clearly: touring sites as the affordable and accessible core product; cabins as the comfort and convenience premium; worker-suitable units as weekly/extended-stay inventory outside tourism peaks.

- Strengthen online conversion through an easy booking system such as the New Books and RMS reservations and management systems which have been adopted by most caravan parks in Australia. Both booking systems can be integrated with individual caravan park websites to enable easy online reservations and payments.
- It is recommended that a dedicated website for the caravan park and accommodation facility be developed with links to and from the shire's website. Brighthouse is well positioned to advise the shire on the caravan park website development and can assist to integrate with the chosen reservations and management system. The adoption of these technologies will provide a better online presence for the caravan park and an online booking system, which reduces staff involvement in the process.
- Improving arrival procedures and providing quality, basic park amenities, including accessible reception points, ablution blocks, laundries and has camp kitchens has proven to be more important to park users than higher-end amenities. For small regional caravan parks, cleanliness, convenience, confidence and booking ease often outperform higher-cost communal facility embellishments.

SWOT Analysis

Strengths Proximity to Stirling Range; established caravan park use; affordable current pricing; strong fit with WA intrastate touring; Shire ownership enabling strategic staging.	Weaknesses Small local catchment; limited current scale; lower year-round destination pull than coastal nodes; modest business travel base.
Opportunities Expand powered sites; add staged cabins; flex inventory for workers; leverage Wild Gravel, Horsepower Highway and wildflower traffic; improve seasonal yield management. Capture spillover and price-sensitive demand from premium accommodation near the Stirling Range.	Threats Overbuilding roofed stock; softer discretionary spending; stronger amenity competition in larger centres; low-rate positioning that leaves revenue uncaptured. Stronger experience-led competition from higher-quality operators such as Stirling Range Retreat, which may capture higher-yield visitor segments. The current Hotel redevelopment will add to the stock of local accommodation inventory. Given the demand for accommodation in the town, the two accommodation facilities should be able to co-exist without competitive conflict, provided the Shire seeks to compliment the hotel's accommodation offer rather than targeting the same user profiles.

SWOT implication: the project should pursue a staged, flexible, mixed-format model that improves the core touring offer first, adds selective cabins second, and avoids overcommitting to specialised backpacker or worker-only stock.

Recommended Accommodation Mix for the Redeveloped Park

The recommended accommodation mix is intentionally balanced. It responds to the park's role as both a regional tourism asset and a local accommodation enabler, while remaining realistic for a small inland market.

Product	Priority	Recommendation	Indicative role in final mix
Powered / unpowered touring sites	Priority 1	Expand and upgrade as the core park product. Focus on convenient layouts, reliable services, clean amenities and good arrival experience.	Majority of stock
Self-contained cabins / chalets	Priority 2	Add in stages as robust, easy-to-operate roofed accommodation. Aim to capture comfort-seeking couples, families, walkers and short-break visitors.	Low-to-mid teens percentage as a share of total developed accommodation positions, potentially rising slightly if demand proves robust
Flexible worker-suitable units / rooms	Priority 3	Provide a small number only, ideally capable of dual use between tourism and weekly worker stays.	Helps to alleviate critical shortage of accommodation for essential workers
Dedicated motel-style beds	Priority 4	Not aimed to deliver a stand-alone backpacker hostel. The proposed motel-style rooms will service backpacker cohort as well as other short-stay travellers. Only consider a small integrated bunk/group component if justified through later feasibility and servicing capacity.	Provides useful, lower - cost extension to cabin accommodation

Recommended strategic position

Operate as a quality inland touring park, not a resort-style holiday park.

- Use cabins to improve yield and market reach, but do not overbuild roofed stock ahead of proven demand. Align construction and installation of cabins with occupancy of existing accommodation, so that demand and return on investment are satisfied.
- Keep worker accommodation flexible and secondary to the tourism case.
- The provision of short-stay, motel-style accommodation rooms to be ancillary and multi-use rather than stand-alone option for backpacker accommodation.

Development and Staging Implications

- Stage 1 should focus on improving the number of caravan sites, site quality, circulation, servicing, amenity presentation, online book-ability and a modest increase in drive-through touring capacity.
- Stage 2 should introduce a first tranche of additional self-contained cabins, allowing the Shire to test realised tariffs, occupancy and seasonal demand response.
- Stage 3 can add limited worker-suitable inventory, further cabins and motel-style rooms only if the first stages demonstrate sustainable utilisation and acceptable returns.
- Any masterplan should preserve flexibility so that some roofed units can be allocated between tourism and short-stay workers depending on seasonal demand.

Conclusion

The evidence supports redevelopment of the Gnowangerup Caravan Park as a pragmatic, staged and flexible accommodation project. The strongest commercial and strategic position is an upgraded touring park with a modest but meaningful built-form accommodation component, capable of capturing higher-yield visitor demand while also helping address short-stay worker needs when required.

Cabin, key worker and motel-style room accommodation should be of modular, relocatable construction, which is more cost effective than site-built accommodation and enables ultimate staging of construction, without disruption of caravan park operations during installation.

The Caravan Industry Australia's State of Industry Report is particularly relevant and useful because it confirms that regional touring remains resilient and that cabins materially outperform other park products in revenue terms. However, the local market evidence also argues for discipline: Gnowangerup should not chase a destination-resort model or commit early to a dedicated backpacker facility. Instead, Council should pursue a balanced mix that can grow in line with verified demand.

Proposed Redevelopment of Gnowangerup Caravan Park

Description of the Proposed Redevelopment

The proposed redevelopment of the Gnowangerup Caravan Park provides for the staged transformation of the existing Shire-owned caravan park from a small, primarily touring-based facility into a more diverse short-stay accommodation precinct. The concept plan retains the established role of the park as an affordable town-based caravan and camping facility, while adding a broader mix of roofed accommodation to serve tourists, short-stay workers, project contractors and essential service personnel.

The existing accommodation offer comprises two tourist chalets, 12 powered caravan sites and four drive-through caravan sites. The proposed redevelopment expands this base by adding two further drive-through sites, 11 additional powered caravan sites, seven two-bedroom tourist cabins, three duplex key-worker accommodation buildings providing six separate self-contained accommodations, seven two-bedroom multi-purpose cabins suitable for either tourist or key-worker use, and four short-stay motel-style self-contained rooms.

The concept plan organises the park around an internal loop-road system accessed from Richardson Street. The western portion of the site accommodates the drive-through caravan sites, allowing larger caravans, trailers and towing vehicles to enter, circulate and exit with minimal manoeuvring. The central portion of the park is retained and expanded as the principal tourist caravan-site area, supported by the existing amenities building and a proposed ablution extension. This reinforces the touring function of the park and provides a logical servicing relationship between caravan sites, amenities and internal circulation.

The proposed two-bedroom tourist cabins are located toward the northern and north-eastern side of the site, separated from the more active caravan-site areas while remaining connected to the internal road network. This location gives the tourist cabins a more settled, self-contained character suitable for couples, families, walkers, event visitors and short-break travellers seeking a higher level of comfort than a caravan or camping site.

The south-eastern portion of the site accommodates the proposed keyworker and multi-purpose built-form accommodation. This includes dedicated key-worker accommodation in duplex form, together with two-bedroom cabins capable of being used flexibly for either visitor accommodation or short-stay worker accommodation. This part of the site also includes parking areas and provides a degree of separation from the core tourism caravan-site area, which is appropriate for guests who may be staying for work purposes or for slightly longer durations.

The concept also includes four motel-style self-contained rooms located along the southern edge of the internal road system. These rooms provide a simple, short-stay accommodation product suited to single travellers, visiting workers, contractors, overflow visitors, event participants and guests who require private facilities but do not need a full cabin. The floor-plan sheet confirms that the proposed accommodation types include two-bedroom cabin layouts, motel-style room layouts and key-worker accommodation layouts, supporting a modular and repeatable built-form approach.

Overall, the redevelopment would create a more complete accommodation hierarchy within the park: caravan and drive-through sites as the affordable touring base; two-bedroom tourist cabins as the higher-comfort visitor product; multi-purpose cabins as flexible tourism or worker stock; dedicated key-worker units for essential and project-related workers; and motel-style rooms for short-stay, lower-footprint accommodation needs.

Design Rationale

The strategic rationale for the concept design is to redevelop the Gnowangerup Caravan Park as a practical, flexible and commercially balanced regional accommodation asset, rather than as a resort-style holiday park. This approach is consistent with the demand analysis, which identifies the strongest position for the park as a higher-quality inland touring park supported by a modest but important built-form accommodation component and a limited flexible key-worker offer.

The first design principle is to protect and strengthen the park's core role as a touring caravan park. The Great Southern visitor market is strongly aligned with intrastate drive tourism, short stays, nature-based travel, wildflower visitation, the Stirling Range, the Horsepower Highway and event-based travel such as Wild Gravel. For this reason, the concept retains caravan sites as the dominant accommodation form and improves the park's capacity to capture short stay touring demand. The inclusion of additional powered sites and drive-through capacity responds directly to this market, while the internal road layout improves convenience for caravans, camper trailers and larger touring vehicles.

The second design principle is to improve yield and broaden the market through a staged cabin and roofed accommodation offer. The demand analysis notes that cabins are a major revenue source in caravan parks and that a sites-only redevelopment would likely underperform a balanced model that includes built-form accommodation. The proposed tourist cabins provide a higher-yield product for visitors who want comfort, privacy and self-contained facilities, while still fitting the scale and character of a small inland town. This allows the park to appeal to couples, families, walkers, event visitors and travellers who may not be travelling with their own caravan or camping equipment.

The third design principle is flexibility. The proposed multi-purpose two-bedroom cabins are deliberately positioned as dual-use accommodation that can be sold to tourists during peak visitor periods and allocated to workers or contractors during quieter periods. This is important in Gnowangerup because the market is not large enough to justify over-specialised accommodation that may sit underutilised outside its primary demand period. Flexible stock allows the Shire to respond to seasonal tourism peaks, short-term project demand, essential worker needs and local accommodation shortages without locking the park into a single-use model.

The fourth design principle is to include key-worker accommodation at a modest and appropriate scale. The demand analysis supports worker accommodation as a genuine but secondary demand stream. The concept therefore includes a small number of dedicated key-worker units, supported by additional multi-purpose cabins that can absorb overflow worker demand when required. This helps the caravan park perform a broader community and economic role by supporting visiting trades, project contractors, health workers, government personnel, hospitality workers and other essential or economy-supporting workers who may otherwise struggle to find short-stay accommodation in town.

The fifth design principle is functional separation between user groups. The concept plan locates drive-through and caravan sites in the western and central parts of the park, tourist cabins toward the northern and north-eastern edge, and keyworker and multi-purpose accommodation toward the south-eastern portion of the site. This provides a practical separation between short stay touring activity, family and leisure cabin stays, and worker accommodation, while still allowing all users to share common access, servicing and management infrastructure. The design therefore supports operational efficiency without creating unnecessary duplication of facilities.

The sixth design principle is to make best use of existing infrastructure and allow staged implementation. The concept retains the existing park structure, existing accommodation elements and existing amenities, while adding an ablution extension and new accommodation in defined clusters. This reduces redevelopment risk, supports progressive capital investment and allows the Shire to test demand before committing to later stages. It also supports the use of modular or transportable accommodation, which can reduce construction disruption and allow additional units to be installed progressively as occupancy and revenue performance are proven.

The seventh design principle is to improve the park's role as a local accommodation "safety valve". In addition to serving visitors, the redeveloped caravan park would provide accommodation options that are otherwise limited in Gnowangerup: short-stay rooms, self-contained cabins, worker-suitable units and flexible accommodation for contractors or essential workers. This gives the project a broader public value beyond tourism alone. It supports business continuity, project delivery, workforce attraction and essential service provision, while also strengthening year-round park utilisation.

In summary, the proposed design concept is intentionally balanced. It does not seek to reposition Gnowangerup Caravan Park as a high-cost resort or a specialised worker village. Instead, it provides a practical regional accommodation model that strengthens the park's touring base, adds higher-yield tourist cabins, introduces a modest key-worker accommodation function, and preserves flexibility through multi-purpose accommodation that can respond to changing seasonal, tourism and workforce demand.

Concept Design



Figure 1 Concept Plan

Product Mix

The proposed redevelopment expands the existing facility by adding two further drive-through site, 11 additional powered caravan sites, seven two-bedroom tourist cabins, three duplex key-worker accommodation buildings providing six separate self-contained accommodations, seven two-bedroom multi-purpose cabins suitable for either tourist or key-worker use, and four short-stay motel-style self-contained rooms.

The completed development will comprise:

- 6 powered drive-through caravan sites (4 existing and 2 new)
- 23 powered caravan sites 12 existing and 11 new)
- 2 existing 2-bedroom tourist cabins
- 7 new 2-bedroom tourist cabins
- 7 multi-purpose, 2-bedroom cabins for alternative use as tourist or key worker accommodation
- 3 new duplex key-worker accommodation buildings, providing six separate self-contained accommodations
- 4 new short-stay motel-style self-contained rooms for tourist or short-stay worker accommodation
- Provision for expansion of existing ablution block

Management Options

This section incorporates the management options assessment for the Shire of Gnowangerup caravan park operation. It considers four potential operating structures: leasing to a third party, contract management, direct Shire management and management rights.

Recommended management position

For the redeveloped Gnowangerup Caravan Park, the preferred practical management structure is direct Shire management, with the Shire employing a caretaker/manager and engaging casual cleaning and support staff as required. This approach is considered the best fit for the scale, public ownership and staged nature of the project, and allows the Shire to retain control over service standards, pricing, asset presentation, guest experience and the allocation of accommodation between tourism, short-stay workers and key-worker demand.

The direct management model should be supported by clear operating procedures, an online booking and payment system, defined delegations for the caretaker/manager, documented cleaning and maintenance standards, and periodic review of tariffs, occupancy, customer feedback and financial performance. Where specialist expertise is required, the Shire can supplement the internal management model with external advice for caravan park systems, pricing, marketing, compliance and operational set-up.

Selecting the Most Appropriate Management Structure

The purpose of this document is to consider the advantages and disadvantages to the Shire of Gnowangerup (SoG) of various park management structures. The advantages and disadvantages and the perceived risks of four management options are compared in this analysis. They are;

- Leasing to a third party
- Contract Management
- Direct shire management and;
- Management rights

A summary of the advantages and disadvantages of each of the four options is detailed in table 1 below, whilst a detailed explanation of the advantages and disadvantages of each management structure follows in the main body of the report.

Table 1: Caravan Park Management Option Comparison

Management Option	Advantages	Disadvantage
Lease Agreement	Low financial commitment to operations; Reduce risk; Financial return; Development controls; and Quality of ongoing facilities.	Loss of profits; Potential damage to SoG brand if poorly managed; Loss of control over management practices; and Loss of control over development standards.

Management Option	Advantages	Disadvantage
Contract Management	Control over operational standards and legal compliance; Better range of potential managers; Minimal direct operations management for SoG; Market price; SoG brand standards maintained; Contractor control allows decisions to be made quickly and easily; Simplified chain of command; and Managers act as owners.	Need for a detailed management contract; and Somewhat less control in comparison to direct employment of staff. Change of operator difficult
Direct SoG Management	Potentially greater return from operations; and Quick to implement.	Current lack of expertise; Departure from core business; Cumbersome chain of command; Mismatch between awards; Recruitment barriers; and Lack of support outside of SoG office hours.
Management Rights	Manager has the incentive to improve park revenue Removes day-to-day operational responsibilities from SoG "Arm's length" arrangement whereby SoG is not necessarily blamed for unpopular decisions (e.g. tariff increases)	Lower financial return to SoG; Loss of control over management practices and potential for manager to not maintain park and avoid their necessary share of operating expenditure; Fixed term contract making it hard to replace management; and Potential damage to SoG brand if poorly managed.

The risks of each management option have been adapted to the five-stage risk assessment process (detailed and explained in full in the appendix) to identify and manage identified management risks. These risks relate to the operational phase of the Caravan Park and are specific to each management structure. What follows in table 2 below is a summary of the risk assessment of each of the four management options.

Table 2: Risk Summary for Management Structure Decision

Decision	Risk	Rating	Response
Lease Agreement	Failure to secure a suitable lessee for the development	High	Monitor
Lease Agreement	Caravan park is operated with poor management standards	Moderate	Treat
Lease Agreement	Development is undertaken with poor development standards	Moderate	Treat
Lease Agreement	Default of operator and inability to pay lease 'rental' payments	Moderate	Monitor
Lease Agreement	Failure by lessee to engage qualified and experienced personnel for the operation of the caravan park	Moderate	Monitor
Contract Management	Failure to secure a qualified and experienced manager for operation of the development	High	Monitor
Contract Management	Development is operated with poor management standards	Moderate	Treat

Decision	Risk	Rating	Response
Contract Management	Development is undertaken with poor development standards	Moderate	Treat
Contract Management	Contract manager fails to secure experienced and qualified operations personnel	High	Treat
Direct SoG Management	Caravan park is operated with poor management standards	Low	Treat
Direct SoG Management	Development is undertaken with poor development standards	Not applicable	Treat
Direct SoG Management	Failure to achieve required return on investment due to inexperience	Moderate	Treat
Direct SoG Management	Impacts on SoG brand	High	Treat
Management Rights	Failure to attract experienced and qualified manager due to scale	High	Monitor
Management Rights	Operational management is operated to poor operational standards	Moderate	Monitor
Management Rights	Development is undertaken with poor development standards	Moderate	Monitor
Management Rights	Failure by rights operator to engage qualified and experienced personnel for the operation of the caravan park	Moderate	Monitor
Management Rights	Default of operator and inability to pay outgoings payments	Moderate	Monitor
Management Rights	Impacts on SoG brand	High	Monitor

1. Decision: Lease Agreement

In the case of a lease agreement as a management option, SoG makes the decision to lease their caravan parks and camping grounds to private enterprise. This can either be done as a combined development/management lease, or purely for the ongoing operational management. SoG would advertise via the tender process for expressions of interest for the operation and ongoing development of one or more of its accommodation and caravan park operations.

Advantages

A leasehold arrangement has various benefits over other management arrangements. These include:

Low Financial Commitment

Leasing the parks would relieve SoG of the financial and administrative burden of running a "tourism business" which is widely considered as being outside of the core responsibilities of the organisation

Reduce Risk

Leasing relieves SoG of legislative, financial and occupational health and safety responsibilities on the caravan park.

Financial Return

A lease allows SoG to obtain an immediate financial return from the leasing of the parks in the form of the lease 'rental' payment, which is not subject to caravan park revenue.

Development Controls

SoG can control over the type of development of the park through conditions within the lease document.

Quality of Ongoing Facilities

SoG can ensure the standard of the parks facilities and infrastructure is maintained through injection of private capital in future years (a condition of the lease).

Disadvantages

In addition to the many benefits of a lease agreement, there are also some issues that may arise from this type of arrangement. These include:

Loss of Profits

By leasing the park, the potential lease 'rental' is almost always less than the potential profits that could be generated if the park remains in SoG control.

Loss of Control over Management Practices

Leasehold arrangements mean loss of a degree of control over the development and operation of the accommodation and caravan parks. This is why a detailed Business/Management Plan needs to be written into the lease agreement, to attempt to maintain some control over the way the park will be presented.

Loss of Control over Development Standards

Leasing a park to private enterprise means the SoG loses control over the standard of development of the park (other than those contained within building regulations). This is why these stipulations need to be clearly made in the lease agreement so that lessees are aware that failure to maintain the standard of the park could result in them forfeiting their lease.

Operational Risks

Failure to secure a management body for operation of the development

There is a risk that upon finalisation of the development, that there will be inadequate interest by potential lessees for the Caravan Park.

Risk likelihood: Possible

Risk consequence: Major

Risk rating: High

Risk response: Monitor - SoG will need to remain flexible with the conditions of the terms of its management option. The management option should have a fair compromise between the needs of the organisation and tourists, as well as the lessee that will potentially act as an operator.

Property is operated to poor management standards

There is a risk that under a lease structure, the development is operated to poor management standards. This risk has a greater possibility of occurrence than under a contract management structure that is awarded to a professional tourist park contract manager.

Risk likelihood: Possible

Risk consequence: Major

Risk rating: Moderate

Risk response: Treat - the lease agreement contract should have its terms for management standards outlined so as to avoid poor management standards. The term of the agreement and exit clauses should be included in the contract.

Default of operator and inability to pay lease 'rental' payments or fulfil contractual obligations

Faced with high operational costs (labour and utilities for example) Risk likelihood: Possible

Risk consequence: Major Risk rating: High

Risk response: Monitor - SoG should remain vigilant in ensuring that the operator adheres to the lease

agreement. Employment of the right management practices will help minimise the risk that the operator will not be able to fulfil contractual obligations of lease rental payments.

Failure to secure required employment base for operation of the development

There is a risk that the lessee of the Caravan Park will not be able to employ the required amount of staff (either appropriately skilled or positioned to be trained within the accommodation and hospitality services industry). This risk is seen as unlikely, however, as the Caravan Park will have a relatively low employment base requirement and the development will not be restricted to drawing from only the local community pool for its staffing requirement.

Risk likelihood: Unlikely

Risk consequence: Major

Risk rating: Moderate

Risk response: Monitor - the operator should act to encourage and facilitate the employment of appropriate staff to fulfil the employment base requirement of the development.

2. Decision: Contract Management Structure

Contract Management or the appointment of "contractors" to manage caravan parks and camping grounds within caravan parks and the tourist accommodation sector arose through property owners trying to contain spiraling labour costs.

There is a growing number of professional management companies offering their services to Local and State Government agencies and the private sector which operate caravan parks and camping grounds.

Many of these companies manage multiple parks enabling them to achieve economies of scale on things like marketing and administration as well as negotiate cheaper bulk rates on utilities, supplies etc.

Unfortunately, there are very few experienced and qualified contract managers in Western Australia apart from those who exclusively operate as managers of syndicated or investor-owned properties. Many Contract Managers operating caravan parks in the Eastern States operate as a hybrid between contract management and management rights operators. Those contract managers cannot effectively operate in Western Australia with small numbers of properties.

Advantages

Whether choosing a small management team or a larger 'corporate' management company, contract management has a variety of benefits for the SoG. These benefits include:

Legal Compliance

This arrangement ensures the relationship with SoG is that of contractor and not of employee. This helps negate the risk of litigation from direct operational personnel regarding matters of overtime and working conditions.

Better Range of Potential Managers

This arrangement allows for the appointment of industry qualified management teams or corporate management companies with the right skills to make the park a success. The selection process is not hampered by recruitment policies designed for internal positions.

Takes the Burden Away from SoG

Management contractors assume the role of handling all operational matters. This frees up SoG to manage the marketing and event creation to its membership base, thereby improving occupancy and yield.

Market Price

The market, through the tender process, determines the cost to SoG of this service. Awards that were not written for the specific needs and requirements of the caravan park industry do not determine prices.

Standards Maintained

Standards and procedures that are required are set out in the contract documents. Supervision of the contract by a responsible SoG caravan parks project manager will ensure that these standards are met.

Control

Contractors have far more control over the business than direct operational managers, therefore decisions can be made more easily.

Simplified Chain of Command

The administration within SoG is simplified. (The cumbersome chain of command is broken)

Ownership

The park customers perceive the contract managers as "the owners of the business". They are then more likely to resolve any issues they have at the time rather than writing a letter of complaint to SoG later on.

Disadvantages

Whilst this form of management arrangement has a number of advantages, it still has some issues. These issues include:

Specific Management Contract

This form of management requires a detailed management contract, specific to each caravan park operation. These can take time to get right.

Less Control

Contract management provides lesser direct involvement in caravan park operational matters by less reduction of control, than exists through leasing the property to a third party or entering into a management rights arrangement. It retains most of the operational control without the operations burden and is only slightly less onerous, from a loss of control perspective than the direct employment of staff.

Operational Risks

The operational risks associated with contract management are similar to those of direct management by SoG. Importantly however, the supplementation of the direct operational management personnel with an experienced and qualified tourism, hospitality operator in a

strategic overseer role introduces many of the advantages on leasing and management rights operating options, without loss of control.

Contract management of the SoG properties is the most favoured option due to dominant objectives of the caravan parks business being customer satisfaction (SoG customer and stakeholder satisfaction) and protection of the SoG brand. The leasing and management rights options are generally predicated on return on investment and capital growth being the primary business drivers.

Failure to secure a management body for operation of the development

There is a risk that upon finalisation of the SoG acquisitions and developments, that there will be inadequate interest by potential contract managers in the position.

Risk likelihood: Possible

Risk consequence: Major

Risk rating: High

Risk response: Monitor - the SoG will need to be fair and equitable with the conditions of the terms of its contract management option. The contract management option should ensure that the needs of SoG and its members are met, whilst allowing the contract manager to benefit from the positive growth of the business.

Development is operated to poor management standards

There is a risk that under a contract management structure, the development is operated to poor management standards. This risk is less likely under the contract management structure if awarded to a professional contract park management operator.

Risk likelihood: Unlikely

Risk consequence: Major

Risk rating: Moderate

Risk response: Treat - the lease agreement contract should have its terms for management standards highly detailed so as to avoid poor management standards. The term and of the agreement and exit clauses should be included in the contract.

Default of operator and inability to fulfil contractual obligations

SoG and the contract manager do not properly establish the risk/reward balance in the contract management agreement resulting in poor performance.

Risk likelihood: Unlikely especially if run by a professional management company. Risk consequence: Major

Risk rating: Moderate

Risk response: Monitor - SoG should develop a contract management methodology that establishes the vision for the organisation and the desired outcomes and work with the preferred contract manager to enshrine the requirements in an mutually fair and equitable agreement.

Due to the nature of the contract management arrangement, whereby the contract manager passes all revenue to SoG and only commits SoG to approved operational expenditure (over and agreed level), there is virtually no likelihood of financial default by the contract manager.

Failure to secure required employment base for operation of the development

There is a risk that the operator of the Caravan Park will not be able to employ the required amount of staff (either appropriately skilled or positioned to be trained within the accommodation and hospitality services industry). This risk is seen as unlikely, however, as the Caravan Park will have a relatively low employment base requirement and the development will not be restricted to drawing from only the local community pool for its staffing requirement.

The appointed contract manager will have demonstrated that it has successfully operated caravan parks in Western Australia

Risk likelihood: Unlikely

Risk consequence: Major

Risk rating: Moderate

Risk response: Monitor - the operator should act to encourage and facilitate the employment of appropriate staff to fulfil the employment base requirement of the caravan park operations.

3. Decision: Direct (Employee) Management

The way that most State and local government agency and the private sector run caravan parks and camping grounds in Western Australia has been through leases or direct management. For local government the direct management model enables the sharing of resources i.e. gardening, maintenance staff and financial management.

The private sector is made up predominantly of owner operators and groups owning and operating parks under a direct internal management structure.

For the latter ownership and operating model (into which SoG would fall), there is a necessity to engage and maintain rare hospitality management skill and personnel with experience and expertise in operating modern caravan parks. This has presented a challenge for many of the groups and the quality of the user experience at their parks is defined by how well they have acquitted the recruitment of quality personnel.

Advantages

Movement of Staff

The system is flexible in allowing the movement of staff from one caravan park or SoG department.

Quick to Implement

The system is simple in that there is no need for a tender process, or lengthy contract documents.

Disadvantages

This arrangement has proven to have many issues over the years and the majority of smaller Shire-owned caravan parks in Australia have moved away from this style of management. These issues include:

Chain of Command

The chain of command becomes "cumbersome" when important operational decisions need to be made about the caravan parks. I.e. Delegation is not always provided at the "coalface" of the business.

Adherence to Awards

Many industrial awards are not geared to the tourism industry. The long hours needed to run a successful caravan park would incur large overtime costs making the operation of many parks unviable financially.

Recruitment Barriers

Staff recruitment policy within a corporate structure can sometimes make it difficult to access external candidates. Examples are recruitment policies that request inappropriate qualifications for applicants for specific caravan park positions.

Standard Office Hours

Corporate office hours are not compatible with the seven-day week, 24-hour day, call-out basis of the accommodation industry. Access to support from contractors and support staff (e.g. IT Support) are often not available outside of standard business hours.

Operational Risks

Caravan park is operated with poor management standards

Like the lease agreement/contract management structure, there is a risk that the development is operated with poor management standards. This risk is seen as being more likely under SoG structure, due to the lack of industry knowledge.

Risk likelihood: Possible

Risk consequence: Major

Risk rating: High

Risk response: Monitor - SoG will need to maintain strict management over the operations, employing management staff with adequate knowledge and skill in operating similar properties.

Development is undertaken with poor development standards

Like the lease agreement/contract management structure, there is a risk that the new development is undertaken with poor development standards. This risk is seen as being more likely under the SoG structure due to the lack of industry knowledge.

Risk likelihood: Possible

Risk consequence: Major

Risk rating: High

Risk response: Monitor - SoG will need to maintain strict management over the development, employing consultants and managers with adequate knowledge and skill in operating developments of similar type.

Failure to secure required employment base for operation of the development

There is a risk that SoG will not be able to employ the required number of staff (either appropriately skilled or positioned to be trained within the accommodation and hospitality services industry).

Under the direct management structure, this risk is seen as more likely than under the lease agreement/contract management structure as SoG would typically run recruitment through its own recruitment policy, making it more difficult to access suitably qualified and experienced.

Risk likelihood: Possible

Risk consequence: Major

Risk rating: High

Risk response: Monitor - SoG should seek outside assistance to encourage and facilitate the appropriate staff to fulfil the employment base requirement for the caravan parks.

SoG culture barriers to development

The competing expectations of the SoG stakeholder base (and the wider caravanning and camping market sector), which seeks quality experiences at a minimal cost and the SoG Board, which is driven in part to maintaining an adequate return on investment may potentially cause conflicts in establishing the operational model (tariffs, service delivery). This is less of an issue for external operational management options.

Risk likelihood: Possible

Risk consequence: Major

Risk rating: High

Risk response: Monitor - SoG will need to remain vigilant in managing customer and stakeholder expectations under this management option.

4. Decision: Management Rights

Operational Risks

In the case of management rights as a management option, SoG makes the decision to engage a corporation or private individual to operate its caravan park. This is purely for the ongoing operational management. SoG would advertise via the tender process for expressions of interest for the operation of its caravan park under a shared revenue or profit arrangement.

Advantages

A management rights arrangement is often utilised for holiday resorts, where the ownership structure is such that there is a higher requirement for external operational management e.g. property ownership syndication.

It has various benefits over other management arrangements. These include:

Shared financial commitment

Establishing a management rights agreement for the parks would relieve SoG of the financial and administrative burden of running a “tourism accommodation and hospitality business” which is widely considered as being outside of the core responsibilities of the organisation.

Reduce Risk

Management right relieves SoG of many legislative, financial and occupational health and safety responsibilities on the caravan park.

Financial Return

Management rights may provide SoG with an immediate financial return from the sale of the rights. While there is potential for operational costs to be better scrutinized and minimized, there is an offset in the sharing of revenue.

SoG is able to retain control over the type of development and operation of the park through conditions within the rights agreement document. However, many owners rights are subjugated by management rights agreements.

Development Controls

Quality of Ongoing Facilities

SoG may ensure the standard of the parks facilities and infrastructure is maintained through their injection of private capital in future years (a condition of the rights). Otherwise, development is by agreement of the parties to the rights agreement.

Disadvantages

In addition to the many benefits of a lease agreement, there are also some issues that may arise from this type of arrangement. These include:

Reduction in Profits

By entering into a rights agreement for its caravan parks, the revenue is shared with the rights operator and will result in lower profits that could be generated if the park remains in SoG control through direct or contract management.

Loss of Control over Management Practices

Rights arrangements mean loss of a degree of control over the development and operation of the accommodation and caravan parks. It is possible include some operational guidelines in the rights agreement, although overly prescriptive agreement will deter many suitable rights candidates.

Loss of Control over Development Standards

Rights agreements transfer much of the control of the caravan park properties to the rights holder. Rights holders are primarily driven by profit and will not agree to development proposals or operational changes that could impact their bottom line.

There is a concern that rights arrangements may prevent property owners from realising the long-term value of the asset through redevelopment, because of the rights operator's need for profit generation within the term of the agreement.

Operational Risks

Failure to secure a suitable rights manager.

There is a risk that upon finalisation of the acquisition or development, that there will be insufficient interest by potential rights managers for the Caravan Parks. As this management option is not common for caravan parks in Western Australia, this is a distinct possibility.

Risk likelihood: Possible

Risk consequence: Major

Risk rating: High

Risk response: Monitor - SoG could investigate the likelihood of attracting a rights operator to manage a small regional caravan park in Western Australia return from allocating the management rights.

Property is operated to poor management standards

There is a risk that under a rights structure, the development is operated to poor management standards. This risk has a greater possibility of occurrence than under a contract management structure that is awarded to a professional tourist park contract manager. There is less flexibility afforded to the rights management model (similar to lease).

Risk likelihood: Possible

Risk consequence: Major

Risk rating: Moderate

Risk response: Treat - the lease agreement contract should have its terms for management standards outlined so as to avoid poor management standards. The term of the agreement and exit clauses should be included in the contract.

Default of operator and inability to pay lease rights payments or fulfil contractual obligations

Rights management presents the greatest risk of financial default by the operator to the property owner of all of the management options. It requires the owner to place a great deal of faith in the integrity of the rights operator to handle revenue and expenditure appropriately. There are fewer controls on rights managers compared with contract managers.

Risk likelihood: Possible

Risk consequence: Major

Risk rating: High

Risk response: Monitor - SoG should remain vigilant in ensuring that the operator adheres to a well-constructed rights agreement in the delivery of operational management.

Failure to secure required employment base for operation of the development

There is a risk that the rights manager of the Caravan Park will not be able to employ the required amount of appropriately skilled staff. This risk is seen as unlikely, and technically the rights manager is responsible for the staffing requirement. However it presents a potential risk to quality service delivery, over which SoG can exert little control.

Risk likelihood: Unlikely

Risk consequence: Major

Risk rating: Moderate

Risk response: Monitor - the operator should act to encourage and facilitate the employment of appropriate staff to fulfil the employment base requirement of the development.

Summary and Conclusions

Recommended Management Position

Having considered the four management options, the most practical and preferred option for the Gnowangerup Caravan Park is direct Shire management. Under this model, the Shire would retain ownership and operational control of the caravan park and employ a caretaker/manager, supported by casual cleaning staff and maintenance support as required. This is considered the best fit for the proposed redevelopment because the park will remain a relatively small, Shire-owned regional accommodation facility with a mixed public-purpose role, rather than a large commercial holiday park or privately operated resort.

Direct Shire management provides the Shire with the greatest ability to protect the presentation and reputation of the asset, manage tariffs in line with community and commercial objectives, respond flexibly to seasonal tourism demand, and allocate accommodation to short-stay workers, contractors or essential service personnel when required. It also enables the Shire to stage investment progressively and test occupancy, revenue and guest response before committing to later stages of built-form accommodation.

The preferred model should not be a passive internal management arrangement. It should be implemented as an active, commercially disciplined Shire operation with clear accountabilities, delegated day-to-day authority for the caretaker/manager, use of an online booking and payment system, documented service standards, defined cleaning and maintenance schedules, and regular reporting to Council on occupancy, tariffs, revenue, guest feedback and operating costs.

Suggested Preference Order

1. Direct Shire management - recommended option. This is the most practical option for the scale and purpose of the redeveloped park. It provides the highest level of control over service standards, presentation, tariffs, customer experience and the flexible use of accommodation for tourism and local worker needs. The model should be supported by a caretaker/manager role, casual cleaning support, online booking systems and clear operating procedures.

2. Contract management - secondary or fallback option. Contract management may be appropriate if the Shire does not wish to carry direct staffing responsibility or is unable to recruit a suitable caretaker/manager. It offers access to external operational expertise while allowing the Shire to retain ownership and strategic control. However, the likely small scale of the operation may limit market interest from experienced caravan park management contractors, and a detailed contract would be required to protect service standards and public-interest outcomes.

3. Lease agreement - lower-preference option. A lease could reduce the Shire's day-to-day operational burden and transfer some operating risk to a private party. However, it would also reduce the Shire's control over the park, limit flexibility in allocating accommodation to

community, worker and tourism purposes, and potentially reduce the financial upside available to the Shire if the redevelopment performs well. It is therefore less suited to a staged public accommodation asset where Council wishes to retain strategic control.

4. Management rights - least-preferred option. A management rights structure is not recommended for this project. It is more commonly suited to larger resort or strata-style accommodation assets and is unlikely to be attractive or practical for a small regional caravan park. It may also reduce owner control, complicate future redevelopment decisions and create a mismatch between the Shire's public-purpose objectives and the operator's commercial incentives.

On balance, direct Shire management provides the best alignment between operational practicality, community benefit, asset control and staged commercial development. The model also allows Council to revisit the management structure later if the redeveloped park grows to a scale where contract management or another structure becomes more attractive.

Appendix

Appendix 1 – concept masterplans

Appendix 2 - Risk Assessment and Management

See following pages for Appendices



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GNOWANGERUP CARAVAN PARK	
Proposed Master Plan	
Drawn by	Marija J
Checked by	
Scale	1:1000
S-01	

Appendix 2 - Risk Assessment and Management

Risk assessment refers to the process of identifying events that could negatively or positively impact on the delivery of planned outcomes/outputs, and evaluating the likelihood and consequences of each risk occurring. Risk management is the process of undertaking activities which seek to reduce the likelihood or consequence of a risk occurring.

The five stages of risk assessment and management include:

1. Risk Management Planning;
2. Identification of Risks;
3. Assessment of Risk Scale;
4. Risk Response; and
5. Monitor and Re-assess.
6. These stages are outlined below.

1. Risk Management Planning

The risk environment is fluid and the type, number and severity of risks can change very quickly. A formalised and systematic approach is needed to ensure that risks are properly identified, assessed, treated and monitored on an ongoing basis.

2. Identification of Risks

There are a wide range of techniques to identify the risks that may result in improved performance (upside risk) or performance that is lower than expected (downside risk). During this phase, an organisation should aim to identify as many risks as possible, which can then be assessed and if considered irrelevant removed from further consideration.

3. Assessment of Risk Scale

A process is needed to assess the scale of each identified risk to determine the appropriate risk response. In some cases this can be done through quantitative analysis but a qualitative risk assessment process is more appropriate for evaluating the risks that may be encountered in this project.

The first step in applying a qualitative risk assessment framework is to assess the likelihood of the risk occurring and the anticipated consequences of the event should it occur, as seen in tables 3 and tables 4 below, respectively. Once complete, analysis of the risk likelihood and consequence will result in a risk rating that categorises each risk on a scale from 'Low' to 'Extreme' (see table 5).

Table 3: Qualitative Measure of Risk Likelihood

Level	Descriptor	Description
1	Almost certain	It is expected to occur in most circumstances
2	Likely	It will probably occur in most circumstances
3	Possible	Might occur at some time
4	Unlikely	Could occur but not expected
5	Rare	May only occur in very exceptional circumstances

Source: Modified from Crawford (2003) and Fletcher et al. (2004)

Table 4: Qualitative Measure of Risk Consequence

Level	Descriptor	Description: Benefits	Description: Costs
1	Insignificant	Very insignificant impacts. Unlikely to be measurable against benchmarks.	Very insignificant impacts. Unlikely to be measurable against benchmarks.
2	Minor	Possibly detectable impacts but minimal changes to the established structure and function. The impact and its magnitude are small relative to the wider context of the population/area being impacted. Benefits maintained over the short term without extended management and/ or works	Possibly detectable impacts but minimal changes to the established structure and function. The impact and its magnitude are small relative to the wider context of the population/area being impacted. Return to pre impact levels achievable and expected to occur over the short term once management initiatives are implemented.
3	Moderate	Detectable impacts, characterised by significant changes in structure, composition and function. The benefit is maintained over the medium term with minimal management and/or works.	Detectable impacts, characterised by significant changes in structure, composition and function. Recovery from impacts is achievable over the medium term once management initiatives are implemented.
4	Major	Wider and longer term impacts occurring and likely to result in a highly changed structure, composition and function. The benefit is maintained over the longer term with minimal management and/or works.	Wider and longer term impacts occurring and likely to result in a highly changed structure, composition and function. Recovery from impacts possible with sustained effort over the long term.
5	Severe	Wider and longer term impacts occurring and likely to result in a highly changed structure, composition and function. The benefit is maintained over the longer term without management and/or works.	Wider and longer term impacts occurring and likely to result in a highly changed structure, composition and function. Return to pre impact levels unlikely to occur even with mitigation and intervention.

Source: Modified from Crawford (2003) and Fletcher et al. (2004)

Table 5: Qualitative Risk Impact Assessment Matrix

		Consequences	Consequences	Consequences	Consequences	Consequences
		Insignificant	Minor	Moderate	Major	Severe
Likelihood	Almost certain	M	H	H	E	E
Likelihood	Likely	M	M	H	H	E
Likelihood	Possible	L	M	M	H	E
Likelihood	Unlikely	L	M	M	M	H
Likelihood	Rare	L	L	M	M	H

Source: Brighthouse

Rating risk level:

E Extreme risk - detailed action/plan required

H High risk - needs senior management attention

M Moderate risk - specify management responsibility

L Low risk - manage by routine procedures

4. Risk Response

As outlined in Tables 4 and 5, the combined likelihood and consequence risk rating provides an overall assessment of the severity of a risk. Once the risk severity is determined, organisations must establish their risk response strategy which can include:

Ignore - Some risks are unlikely and/or have a small impact. Organisations can therefore choose to adopt no risk management strategy if managing a risk is more of a burden than the risk itself, if it was to eventuate;

Monitor - A risk may not be significant enough to use resources to treat, transfer or remove, but may need to be monitored on an ongoing basis to ensure the risk rating does not escalate;

Treat - Risks that are of a sufficient magnitude require treatment to control the likelihood of the risk occurring;

Transfer - It is difficult to effectively control the likelihood of some risks occurring and so it may be appropriate to transfer the consequences of these risks to a third party. The most common form of risk transfer is insurance where for a premium, the consequence of known risks can be transferred to another party (the insurer). This is often used to manage risks where it is very difficult to control and/or forecast the likelihood of an event for example storm damage to property; and

Remove - The consequences of some risks are so significant the only appropriate course of action is to remove the risk altogether. This approach may be used when an organisation identifies unsafe working practices and reengineers its processes to eliminate the need to use the former practice.

5. Monitor & Re-assess

The risk environment is constantly changing, and organisations should develop processes to systematically monitor risks to ensure that changes in risk likelihood and/or consequence are detected early, and effective risk management strategies are proactively implemented and/or modified.

In addition to managing known risks, organisations must also be vigilant for new and emerging risks. This process is known as horizon scanning and should be undertaken formally on a regular basis by senior management. This process ensures that senior staff is up to date with development in the internal and external operating environment and have an opportunity to raise any new issues which might impact on the Shire of Gnowangerup's ability to deliver planned outcomes. Proactive risk management is essential in any project to ensure that project outcomes are delivered in a timely manner and meet the expectations of internal and external project stakeholders.

Selected Sources

1. Tourism WA, The Great Southern Region Overnight Visitor Factsheet 2025, prepared by Tourism WA Insights and Strategy, April 2026.
2. Caravan Industry Association of Australia, Caravan and Camping State of Industry 2025, client-supplied PDF reviewed for this report.
3. Shire of Gnowangerup, local accommodation and caravan park information pages; fees and charges schedule; and park policy material (accessed April 2026).
4. Great Southern Development Commission, regional profile and housing / worker accommodation information (accessed April 2026).
5. Public operator websites for Katanning Caravan Park, Mt Barker Holiday Park, Kojonup Caravan Park, Bremer Bay Beaches Resort Tourist Park and Mt Trio Bush Camp & Caravan Park (accessed April 2026).

Note: Publicly available pricing and product information changes over time. Final concept design and business-case work should validate tariffs, occupancy assumptions and competitor changes immediately prior to financial modelling.