Creating Win-Win Partnerships: Attracting and Retaining Caravan Park Operators

Project Recommendations

UQ Industry Consultancy Project with

Caravan Park Association of Queensland (CPAQ)

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1 | Executive Summary

Caravan Parks Association of Queensland (CPAQ) is the highest-level industry body for the caravan and residential park sector in Queensland, connecting operators with government and promoting the industry's sustainability. In this project, CPAQ collaborated with a team of students from the University of Queensland to address a growing challenge: many Queensland councils struggle to attract qualified, commercially viable operators to run council-managed parks.

This project aims to analyse the root causes of this problem and provide practical recommendations for improvement to councils. To gather valid evidence, the research team conducted semi-structured interviews with eight park operators in Queensland, covering both lease and management contracts. A qualitative research approach was employed, allowing respondents to openly share their experiences, motivations, and concerns, yielding insights that are difficult to capture in questionnaires. The findings indicate that attracting operators is not primarily about choosing between lease and management contracts, but rather the quality of the contract design itself — specifically, whether the contract achieves a commercially viable balance between control, risk, responsibility, and reward. Several core themes consistently emerged during the interviews:

Contract structure and operational autonomy

Operators under management contracts desire substantial decision-making power over pricing, staffing, and day-to-day operations, rather than merely acting as service providers. Lease-based operators value the commercial freedom offered, provided the contract term and capital obligations are set at reasonable levels. A "quasi-lease" hybrid model emerged during interviews — where operators gain greater revenue transparency and operational autonomy while the council retains responsibility for capital expenditures — a compromise acceptable to both parties.

Contract Term and Renewal Mechanisms

Longer contract terms — at least five to ten years for management contracts, 21 to 30 years for lease agreements — were a common demand among almost all interviewed operators. Operators need sufficient time to recoup their investment, stabilise operations, and provide a basis for facility improvements. Renewal options are considered equally important as the initial contract term, provided the renewal criteria are clear, quantifiable, performance-oriented, and not left to council discretion.

Remuneration Structures and Financial Attractiveness

Fixed management fees are generally considered unattractive. Operators prefer performance-based compensation mechanisms — combining base fees with revenue sharing or profit-sharing incentives — to truly reflect their contributions to park improvements. For leasing arrangements, rental levels and capital requirements must be commensurate with reasonable expected returns on investment, especially considering the higher financial risks inherent in the leasing model.

Operational Control and Autonomy

Operators highly value autonomy over pricing, staff budgets, and the right to participate in capital improvement decisions. Excessive intervention by the council in day-to-day operations will deprive operators of the ability to respond promptly to market changes and improve park performance.

Based on the above findings, this report makes the following recommendations to council and CPAQ:

- Clearly define the allocation of control, risk, and reward in contract design, rather than simply applying fixed lease or management contract templates.
- Provide standard contract terms of at least five to ten years and establish transparent, performance-based renewal criteria.
- Adopt a hybrid compensation structure that combines base fees with performance incentives and allows for flexible adjustments to operating budgets based on revenue.
- Give operators greater autonomy in pricing, staffing, and day-to-day operational decisions, while maintaining necessary governance oversight through key performance indicators (KPIs), regular reporting, and auditing mechanisms.
- Improve the quality and transparency of information during the tendering process, providing operators with accurate revenue, occupancy, and cost data.
- When conditions permit, the introduction of a "quasi-leasing" structure could be carefully considered, supplemented by open accounting and a clear performance indicator system.
- In summary, the above recommendations provide empirical support for the council to design more attractive and commercially viable park contract arrangements and also provide strong evidence for the CPAQ to promote this process at the industry level.

View the full report here: Attracting-and-Retaining-Caravan-Park-Operators-UQ-July-2026.pdf

2 | Recommendations

2.1 | Management Contract vs Lease — Structure, Control & Preference

	Management	Lease
Designing contracts around clear trade-offs between autonomy, risk, responsibility, and reward Rather than treating management contracts and leases as two fixed models, councils should clearly define who controls key operational decisions, who carries financial and capital risks, and how operators are rewarded for improving park performance. For management contracts, councils should give experienced operators enough control over staffing, pricing input, marketing, maintenance coordination, and day-to-day procedures, while still maintaining appropriate oversight. For leases, councils should ensure that rent, capital obligations, and tenure length are commercially realistic, so operators have enough time and incentive to recover investment.	✅	✅
Carefully consider governed hybrid elements Where a full lease may be too risky, but a traditional management contract may be too restrictive. Councils could consider hybrid or quasi-lease elements that give operators greater commercial autonomy and stronger incentives while protecting council ownership and public assets. However, this should only be applied with clear financial reporting, open-book accounting, agreed KPIs, regular audits, and strong council oversight. This would help councils balance operator flexibility with transparency, trust, and control over major financial and asset-related decisions.	✅	✅

2.2 | Contract Length, Tenure & Renewal

	Management	Lease
Set a standard contract length with renewal options Councils should offer contracts that last at least 5–10 years (management) or 21-30 years (lease), with a clear option to extend them. This gives operators enough time to earn back their costs and improve the park. It still allows councils to review performance at certain points.	✓	✓
Make renewal rules clear and performance-based A major issue is uncertainty around whether renewal will actually be granted. Councils should replace vague, discretionary renewal clauses with clear, measurable criteria such as maintenance standards, occupancy performance, customer satisfaction and compliance records. If operators meet these standards, they should be allowed to renew their contract.	✓	✓
Offer longer contracts if operators invest more Councils can encourage operators to improve parks by offering longer contracts or guaranteed extensions if they invest in upgrades. For example, if an operator spends money on better facilities, they could get extra years on their contract. This aligns council goals which is better assets and higher tourism value with operator incentives like security and return on investment.		✓

2.3 | Remuneration Structures & Financial Attractiveness

	Management	Lease
Performance-Based Remuneration The findings suggest that remuneration structures should place greater emphasis on performance- based financial models rather than relying primarily on fixed-fee arrangements. Operators consistently indicated that remuneration should reflect business growth, operational performance, and the level of financial risk involved in managing a park. Introducing revenue-linked or profit-sharing components would better align operator incentives with park performance and long-term sustainability.	✓	
Flexible Operating Cost Structures The interviews highlighted the need for greater flexibility between revenue growth and operating costs. Operators noted that increasing occupancy often leads to higher staffing, cleaning, and maintenance expenses, yet many contracts continue to operate under fixed operational budgets. Allowing operating costs to scale more realistically with business activity would improve financial sustainability and reduce operational pressure on operators.	✓	
Improved Financial Transparency Another key recommendation is the need for clearer financial transparency during contract negotiations and tendering processes. Providing accurate financial information, including occupancy trends, operating expenses, and infrastructure requirements, would allow operators to more effectively assess commercial viability and make informed investment decisions.	✓	✓

<table>
<tr><th></th><th>Management</th><th>Lease</th></tr>
<tr><td>Risk-Adjusted Lease Payments

The findings also suggest that payment structures under lease arrangements should more appropriately reflect the higher financial risk carried by operators. Participants consistently noted that leaseholders often absorb significant capital expenditure and operational liabilities, suggesting that stronger financial return opportunities are necessary to maintain long-term commercial attractiveness.</td><td></td><td>✅</td></tr>
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2.4 | Operational Control & Autonomy

<table>
<tr><th></th><th>Management</th><th>Lease</th></tr>
<tr><td>Increase pricing autonomy

Councils should grant operators greater control over pricing decisions, allowing them to adjust rates in response to market demand. This would enable operators to maximise revenue and improve performance while remaining competitive.</td><td>✅</td><td></td></tr>
<tr><td>Provide flexibility in staffing and budgeting

Contracts should allow operators to manage staffing levels and allocate budgets with greater flexibility. This would enable more efficient resource allocation, and improve responsiveness to changing demand conditions.</td><td>✅</td><td></td></tr>
<tr><td>Involve operators in capital improvement decisions

Councils should adopt a more collaborative approach to capital investment, allowing operators to contribute to decisions regarding upgrades and infrastructure development. This would ensure better alignment between asset improvements and operational strategy, leading to stronger long-term performance.</td><td>✅</td><td>✅</td></tr>
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Maintain oversight through performance-based governance While increasing operational autonomy, councils should retain oversight through clearly defined KPIs, regular reporting, and performance monitoring. This approach ensures accountability while still allowing operators the flexibility to optimise operations.	✅	

2.5 | Capital Works and Maintenance Responsibility

	Management	Lease
Require Infrastructure Condition Reports Before Tender Release Councils should commission and disclose an independent infrastructure condition report as part of every tender package. Providing clear information on the condition of above-ground and below-ground assets would improve bid accuracy, reduce uncertainty for operators, and minimise future disputes regarding maintenance and capital works responsibilities.	✅	✅
Explore Shared Insurance Arrangements for High-Risk Parks For parks in coastal or climate-exposed locations, councils should explore extending insurance coverage to lease operators or establishing co-funded insurance arrangements. This would reduce a major barrier to entry and improve the attractiveness of higher-risk sites.	✅	✅

	Management	Lease
Review Maintenance Delivery Models Councils should review how maintenance and capital works are coordinated and delivered under management contracts to ensure the model supports efficient operations and long-term asset sustainability. This may include alternative maintenance delivery models, supported by clearly defined Service-Level Agreements (SLAs), response timeframes, delegated authority for routine works, and accountability measures. A more responsive and collaborative approach would help balance the challenges of maintaining ageing assets, delivering new developments, meeting rising guest expectations, and managing financial risk for both councils and management contractors.	✅	✅
Support Revenue Diversification Councils should allow operators greater flexibility to develop recurring revenue streams, such as seasonal sites, membership programs, and long-term rentals where appropriate. Diversified revenue sources can improve occupancy stability, strengthen financial resilience, and support long-term investment in park assets.	✅	✅

2.6 | Council Relationship, Communication and Bureaucracy

	Management	Lease
Appoint a Dedicated Council Contract Manager Councils should assign a single contract manager to each contract with the authority to make operational decisions and participate in regular performance reviews. This dedicated point of contact would improve accountability, reduce communication delays, and minimise inefficiencies associated with approval processes and staff turnover.	✅	✅

	Management	Lease
Formalise Monthly Reporting and Review Meetings Contracts should require structured monthly meetings between councils and operators to review key performance indicators, including occupancy, revenue, capital works progress, and marketing activities. Establishing a consistent communication framework would improve transparency, strengthen relationships, and support collaborative decision-making.	✓	
Streamline Contract Variation Approval Processes Councils should establish pre-approved variation parameters for routine operational matters, such as minor capital works and rate adjustments within agreed thresholds. Reducing the need for multiple approval layers would improve responsiveness and minimise delays in decision-making.	✓	✓
Invest in Council Capability Development Councils should provide training or professional development opportunities for relevant staff on commercial park management such as attendance at industry conferences to improve ability in evaluating operator performance and maintaining productive partnerships. This could be supported by engaging an experienced industry panel to assist with the assessment of tenders.	✓	✓

	Management	Lease
Encourage the Adoption of Standardised Operating Systems Councils should encourage operators to implement modern reservation, revenue management, and customer loyalty systems. Greater use of shared digital platforms would improve data visibility, support revenue optimisation, and enhance marketing effectiveness while maintaining operator independence.	✅	

2.7 | Tender and Information Adequacy

	Management	Lease
Establish Minimum Information Disclosure Standards for Tenders Councils should adopt a mandatory minimum information disclosure standard for all park tenders and Expressions of Interest (EOIs). Tender packages should include historical revenue and occupancy data, an independent infrastructure condition report, utility cost and council charges information, relevant planning overlays, current development approvals and outstanding development applications, and compliance documentation. Providing comprehensive information would improve bid quality and reduce uncertainty for prospective operators.	✅	✅

	Management	Lease
Independently Verify Financial Information Prior to Tender Release Councils should ensure that historical financial data disclosed during the tender process is independently audited or verified. Improving data accuracy and reliability would strengthen operator confidence, support more informed decision-making, and reduce the risk of disputes arising from inaccurate financial information.	✅	✅
Introduce Minimum Tender Response Timeframes Councils should provide a minimum tender response period of 45–60 days for park management and lease opportunities. Longer timeframes would allow operators to undertake appropriate due diligence, conduct site inspections, assess infrastructure requirements, and prepare higher-quality submissions.	✅	✅
Reform Tender Evaluation Criteria Tender evaluation frameworks should place greater emphasis on business capability, operational experience, service quality, and long-term park performance outcomes, rather than focusing primarily on price.	✅	✅
Improve Market Visibility of Tender Opportunities CPAQ and councils should explore the development of a centralised register of upcoming lease and management contract opportunities. Publishing opportunities several months prior to tender release would increase market awareness, encourage greater competition, and improve participation from experienced operators.	✅	✅

2.8 | Risk Allocation

	Management	Lease
Incorporate Force Majeure Provisions Contracts should include clear force majeure provisions covering events such as floods, cyclones, bushfires, and pandemics. These provisions should establish predefined mechanisms, like reduction or suspension of rent, and reduction in capital improvements requirements, for the temporary suspension or adjustment of contractual obligations when operators are unable to trade due to circumstances beyond their control.	✓	✓
Clarify Pricing and Marketing Authority Contracts should clearly define the extent of operator authority on pricing, promotions, and marketing activities. Providing operators with the flexibility to adjust rates, undertake promotional campaigns, and utilise appropriate marketing channels would improve responsiveness to market conditions and support occupancy performance.	✓	
Improve Disclosure of Risks Councils should disclose known environmental, climate, and planning risks as part of the tender process, including flood exposure, coastal erosion risks, and planned land- use changes. Early disclosure would enable operators to accurately assess and price risk, reducing the likelihood of future disputes and contract exits.	✓	✓