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

UQ Industry Consultancy Project with

Caravan Park Association of Queensland (CPAQ)

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Table of Contents

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.

2 | Introduction

2.1 | Research Objectives

The core objective of this study is to explore the performance of lease agreements and management contracts in actual operation. Through in-depth interviews with operators, this study evaluates the partnership framework by identifying the core needs and ideal conditions from the operator's perspective, assessing the effectiveness of communication and expectation management between the council and operators, and analysing how contract design impacts long- term sustainability and investment intentions in practice. So, we will focus on:

Evaluating Contractual Structure, Remuneration & Risk Allocation

These objective analyses the trade-offs within **Management Contract vs Lease** structures, focusing on the emergence of "quasi-lease" models and their impact on entry barriers. It investigates **Remuneration Structures & Financial Attractiveness** — specifically commission versus base-fee-plus-incentive models — and evaluates how **Risk Allocation** (financial, environmental, and pandemic-related) determines the commercial viability of the partnership.

Optimising Tenure, Renewal & Capital Stewardship

This objective explores the universal preference for Contract Length, Tenure & Renewal as primary drivers for long-term investment. It seeks to clarify Capital Works & Maintenance Responsibility by applying the "above/below-ground" principle, ensuring that council-operator partnerships leverage their unique insurance benefits and funding capacities to maintain asset quality over time.

Harmonising Operational Autonomy, Relationships & Procurement

This objective assesses the degree of **Operational Control & Autonomy** required for effective pricing and staffing, while identifying the characteristics of a successful **Council Relationship, Communication & Bureaucracy**. Furthermore, it aims to reform the procurement process by improving **Tender & Information Adequacy**, focusing on data integrity and realistic evaluation timeframes (30–60 days) to reduce administrative friction.

2.2 | Project brief

Currently, many council-controlled parks in Queensland are facing difficulties in attracting suitable operators. This project, undertaken by a student team from the University of Queensland (UQ) in collaboration with Caravan Parks Association of Queensland (CPAQ), aims to analyse the current challenges through industry research and enhance the attractiveness of councils in attracting park operators.

2.3 | About CPAQ

Caravan Association of Queensland (CPAQ) is the highest-level industry body for caravan and holiday park operations in Queensland. It plays a pivotal role in Queensland's tourism economy, connecting operators with government departments, and is committed to promoting sustainable growth in the caravan and residential park sector through new policies and strategies. In the context of ensuring a sustainable and innovative industry, one of CPAQ's primary responsibilities is to optimise communication and collaboration between councils and professional park operators. This includes guiding councils around more commercially viable contract designs (such as lease or management contracts) to attract experienced and financially capable operators, thereby enhancing the operational efficiency and value of public assets.

2.4 | Methodology and Approach

In this project, we first employed a qualitative research approach to gain a deeper understanding of the experiences, perspectives, and motivations of Queensland park operators in handling council contracts. Then, through semi-structured interviews, we delved into the operational details of how these operators utilise council contracts to mitigate significant risks such as insurance and natural disasters — details that cannot be fully captured by numerical measurements alone. This methodological framework not only ensured the rigor and flexibility of the research but also allowed us to think and explore more deeply about the underlying reasons for operators' decisions, thereby proposing practical solutions for CPAQ and councils to design more attractive tender opportunities and commercial contracts.

The research adopts a mixed-methods exploratory approach and covers the following components:

- **Primary data collection**: Semi-structured interviews with eight park operators across Queensland, New South Wales, and Victoria, representing experience across management contracts, lease arrangements, and freehold ownership structures.
- **Secondary research**: Stakeholder analysis, combined with a PESTEL-based external analysis of the park and tourism industries in Queensland and Australia, and a SWOT-based internal evaluation of both operating models to assess their strategic strengths and limitations.
- **International benchmarking**: Comparative examination of park operating models in the United Kingdom, New Zealand, the Netherlands, and the United States, providing broader contextual insights beyond the Australian market.

This study adopted a mixed-methods exploratory research design to examine the factors influencing the attractiveness and effectiveness of park operating models on public land in Queensland. Primary data was collected through semi-structured interviews with eight experienced park industry participants in April 2026. Participants were selected using purposive sampling to ensure relevant expertise across lease, management contract, and freehold operating models. The sample included operators representing diverse business sizes and operational structures, from single-site operators to organisations managing over 40 parks. Interviews were conducted via video conferencing, recorded with participant consent, transcribed, and anonymised to protect participant confidentiality.

Interview data were analysed using thematic analysis, enabling the identification of recurring patterns, concerns, and structural differences between operating models. To strengthen the analysis, qualitative findings were supplemented by secondary research, including industry reports, government publications, tourism data, and regulatory documentation. Strategic analytical frameworks were applied to structure the broader evaluation, including stakeholder analysis, SWOT analysis, and PESTEL analysis, enabling assessment of organisational, commercial, and external environmental factors.

International benchmarking was also undertaken across selected overseas markets, including the United States and Europe, to compare governance arrangements, operator–government relationships, and commercial operating structures. This comparative analysis provided broader contextual insights and identified transferable practices relevant to Queensland.

A limitation of the study is its relatively small sample size and operator-focused perspective; however, the diversity and depth of participant experience support the credibility and practical relevance of the findings.

2.5 | Scope

This project addresses the challenges some councils are facing while attracting commercial interest to operate parks. Through operator interviews and secondary research, the project will examine the contract features, preferences, and trade-offs that influence operator interest. These insights will help councils better understand what makes an opportunity attractive and offer more informed decisions regarding future leasing and management arrangements

2.6 | Expected Outcomes

The final output of this project will be evidence-based guidance recommendations for local councils.

This resource will provide councils with practical advice to help them optimise tender opportunities, enhance business appeal, and better build partnerships, thereby ensuring the healthy development of the Queensland caravan and residential park industry.

3 | Research Methodology

3.1 | Methodology Overview

To gather sufficient and reliable insights grounded in lived experience, semi-structured interviews were conducted with park operators across Queensland. Given the geographic dispersion of participants, interviews were carried out online to ensure accessibility and practicality.

All the interviews were fully recorded and transcribed to support accurate data analysis. Out of the ten operators initially contacted, eight agreed to participate, yielding a final sample that represents both contract models: three under leasing arrangements, four under management contracts, and one with experience in both models.

3.2 | Research Approach: Qualitative Research

Qualitative research focuses on understanding people's experiences, perspectives, and motivations rather than relying on numerical data. It is especially useful when exploring complex, real-world situations where human perceptions, meanings, and social contexts play an important role (Fossey et al., 2002).

In this project, a qualitative approach is appropriate because the central research questions concern how park operators experience and interpret council contracts – issues that are deeply contextual and shaped by individual circumstances, relationships, and expectations. These nuances cannot be adequately captured through numerical measurements alone. As Fossey et al. (2002) note, qualitative methods are well suited to examining stakeholder experiences and the meanings they attach to those experiences, making this approach particularly relevant to understanding the complex, multi-stakeholder environment of Queensland's park industry (Bazen et al., 2021).

3.3 | Data Collection Method: Semi-Structured Interviews

To collect primary data, this project employs semi-structured interviews as the main data collection method with eight main themes identified during the client meeting: Management Contract vs Lease, Contract Length, Tenure & Renewal, Remuneration Structures & Financial Attractiveness, Operational Control & Autonomy, Capital Works & Maintenance Responsibility, Council Relationship, Communication & Bureaucracy, Tender & Information Adequacy, Risk Allocation.

As this report represents the first of two group deliverables, the analysis focuses on the first four themes: Management Contract vs Lease, Contract Length, Tenure & Renewal, Remuneration Structures & Financial Attractiveness, and Operational Control & Autonomy. The remaining themes are addressed in the companion report by Group 2.

Interviews are particularly suited to this project because they allow participants to share their experiences, reasoning, and expectations in their own words, rather than selecting from predefined response options as in a survey (ATLAS.ti, 2024). This is especially important in a consultancy context involving multiple stakeholders, roles, and relationships (Bazen et al., 2021), where understanding not just what operators think, but why they think it, is essential to developing practical recommendations for CPAQ.

Compared to surveys or quantitative instruments, interviews offer three key advantages in this context. First, they enable researchers to gain deeper insights by allowing interviewees to elaborate on their decisions, motivations, and concerns beyond surface-level preferences. Second, they support a richer understanding of context, capturing how operators interpret their real-world situations rather than simply measuring responses against fixed categories. Third, they provide flexibility; interviewers can ask follow-up questions to probe unexpected themes, clarify ambiguities, and validate emerging interpretations in real time.

A semi-structured format was chosen over fully structured or unstructured approaches because it balances consistency with flexibility. Unlike a structured interview, which follows a fixed script and limits the depth of responses, a semi-structured guide allows the conversation to follow the participant's experience while still ensuring that key topics are covered across all interviews. Unlike a fully unstructured approach, it provides sufficient rigor and comparability across participants. As Kallio et al. (2016) note, the careful development of a semi-structured interview guide strengthens the trustworthiness and rigor of the data collection process.

For example:

> **Interviewer:** *Do you think you will expect councils to provide some sort of like supports in terms of like mitigating risk or will that make the contract more attractive if they offer some sort of supports?*

Participant [Lease]: *"Yes, so. Well, it does, like, because of the insurance, the way insurance is in Australia and around the world, the beauty about being in line with councils is we actually insure through the councils. So their buildings and that, they own the buildings, so they insure them and we pay the percentage of that insurance for each part."*

Participant [Lease]: *"I've got one office building at ... where self-insured for about 120, 130,000... But everything else is owned by council, so that's all insured by council, which I wouldn't be able to get. Because we're too close to the water, too close to the tsunami, storm surge, you name it. We tick too many risk boxes to get it, but because they're a big council and they've got a million-dollar cover is just a small portion of it."*

~ Interview with operators

This follow-up question extended the initial discussion about "what are some primary risks you are facing" to "the expectation toward the council to mitigate the risk," which can indirectly provide us with a recommendation on the contract.

3.4 | Value of Interview Insights

The value of qualitative insights lies not in the information itself, but in how it translates into actionable decisions. In a strategic or policy context, insights become meaningful when they identify a problem, explain its underlying causes, and point toward practical solutions (Bazen et al., 2021).

Conducting interviews with park operators generates this kind of evidence-based knowledge in ways that quantitative data cannot. Operators are able to articulate operational challenges, contractual expectations, and decision-making preferences drawn from direct experience – information that is difficult to capture through surveys or secondary sources alone. When consistent themes emerge across multiple operators, these patterns strengthen the reliability of the findings and allow the project team to identify industry-wide issues rather than isolated concerns.

This approach also aligns with market orientation theory, which suggests that organisations perform better when they actively gather and respond to stakeholder needs (Slater & Narver, 1995). By grounding its recommendations in real operator experiences, the project team can prioritise the most critical and actionable issues, allocate resources more effectively, and develop contract strategies that are both practically relevant and broadly applicable across Queensland's park industry.

3.5 | Limitation and Mitigation

While semi-structured interviews provide rich, contextual insights, this method is subject to several limitations that must be acknowledged alongside the strategies employed to address them.

The first limitation concerns sample size. With only eight operators interviewed, the findings may not fully represent the diversity of experiences across Queensland's park industry. To mitigate this, the research team ensured that both leasing and management contract operators were included, capturing a broader range of perspectives and operational contexts relevant to CPAQ's strategic objectives.

A second limitation relates to interviewer bias (CoAct, 2024), whereby the framing of questions or the manner of follow-up probing may unintentionally influence participants' responses. Therefore, to reduce this risk, each interview was conducted by two students working together, allowing us to support one another in maintaining a neutral and consistent approach throughout the conversation.

Third, social desirability bias may arise when participants provide responses they believe are expected or preferred, rather than expressing their genuine views (Hecker & Kalpokas, n.d.). Aiming at encouraging candid responses, all interviews were conducted on an anonymous basis, with participants informed that their identities would not be disclosed in any reporting.

Fourth, recall bias presents a challenge in interview-based research, as participants may not accurately remember past experiences or may reconstruct events in ways shaped by their current perspectives (Hecker & Kalpokas, n.d.). This was mitigated through the use of follow-up probing questions to clarify and verify responses, as well as through thematic analysis across all eight interviews to identify consistent patterns rather than relying on any single account.

The fifth limitation involves language and comprehension barriers (Hecker & Kalpokas, n.d.), given that some team members are non-native English speakers. To ensure accuracy in data capture and interpretation, all interviews were recorded with participants' consent and transcribed in full, providing a reliable reference for subsequent analysis.

Sixth, although operator interviews were conducted, the opportunity to interview the council was absent. However, as the main goal in this project is to generate strategic recommendations for the councils to better design the contracts, ignoring voices from the councils can affect the outcomes.

Finally, as with most qualitative research, the findings of this study have limited generalisability in a statistical sense. However, qualitative research is not evaluated by its capacity to generalise, but rather by its transferability. That is, the extent to which findings offer meaningful insights applicable to similar contexts (Fossey et al., 2002). By capturing the lived experiences of operators across different contract types, this study provides CPAQ with a grounded and practically relevant evidence base for informing contract policy and strategy.

4 | Background: The Two Operating Models

4.1 | Overview

CPAQ currently support over 320 caravan and residential parks, working to empower and connect these businesses while advocating for foster sustainable growth in a fair and equitable regulatory environment.

One challenge identified by CPAQ's key stakeholders is a reduction in interest and suitable applicants for council lease and management contracts. While 80% of parks in Queensland are privately owned and/or operated, the remaining 20% are owned by council (estimated 35% managed under a lease agreement and 65% under a management contract).

4.2 | Lease Agreement Model

A lease agreement is a highly market-driven business model where the operator assumes most risks and profits. Under the lease agreement model, operators, as independent commercial entities, not only pay fixed rent to the council but also bear substantial capital expenditures, such as investing millions of dollars in building cabins or water parks or renovating infrastructure to enhance the park's attractiveness and asset appreciation potential.

This model requires operators to bear most market volatility risks, but its reward lies in the right to distribute excess profits and realising future resale profits by creating "goodwill."

However, long lease terms of minimum 21 years and up to 30 years are considered a necessary condition for this model, as shorter lease terms cannot cover the payback period for heavy asset investments and often become "deal-breakers" in attracting tenants. Despite the high risks, operators prefer great liberty in decision-making freedom, freeing them from the constraints of frequent council administrative approvals and enabling them to respond quickly to market changes.

4.3 | Management Contract Model

Management contracts tend to be a service outsourcing model, in which the council retains absolute ownership and control over the assets. Under the management model, since the council bears most of the financial risks, such as electricity, water bills, insurance, and major maintenance, experienced operators with limited capital can enter the market with low barriers to entry.

However, operators typically only earn a fixed management fee, and if the contract design lacks profit sharing or performance incentives, managers often lack the business motivation to proactively optimise services or attract visitors.

Furthermore, managers are often hampered by the council's slow administrative processes, especially when the distinction between routine maintenance and capital expenditures is unclear. That entails decision-making delays that directly damage the park's competitiveness and visitor experience. In this model, the operator's role is more that of a "professional manager" executing council standards, rather than a strategic planner focused on long-term asset appreciation.

5 | Participant Overview

Operator	Contract Type	Size	Notes
Participant 1	Lease	Medium	Has held leases across several councils in multiple states.
Participant 2	Lease	Large	Has negotiated leases with several councils and has considered management opportunities.
Participant 3	Lease and Management	Small	Holds leases with council and previously a management contract.
Participant 4	Management	Small	Holds management contracts with council and has previously held contracts with other councils.
Participant 5	Management	Small	Holds a management contract with a council and has previously held a different management contract.
Participant 6	Lease	Medium	Holds leases with several local governments in multiple states.
Participant 7	Management	Medium	Holds management contracts with a council - has looked at opportunities with other councils.
Participant 8	Management	Medium to Large	Has management contracts around the country

6 | Thematic Analysis

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

Across the interviews, operators did not describe management contracts and leases as a simple choice where one model was always better than the other. Instead, they evaluated each opportunity by considering four connected factors: entry barriers, operational control, risk exposure, and financial return. This reflects the broader logic of contract design in public–private service arrangements, where the allocation of risk, incentives, and decision rights can shape performance outcomes (Iossa & Martimort, 2015). Therefore, the attractiveness of a contract depends less on whether it is formally labelled as a "management contract" or a "lease", and more on whether the structure gives operators enough authority, financial incentive, and security to run the park effectively.

The main advantage of management contracts is that they reduce capital barriers. For operators who do not have the financial capacity to buy or heavily invest in a leasehold business, management contracts provide a more accessible pathway into the industry. Participant [Lease] explained that, under a management agreement, operators usually do not incur capital costs, while leasehold arrangements involve rent, operating expenses, and often capital improvement obligations. This suggests that management contracts can attract capable operators who have operational experience but limited capital capacity.

However, the interviews also show that management contracts are only attractive when operators are given enough authority to run the park as a real business. Several management-contract operators were concerned that excessive council control can reduce business responsiveness and limit performance improvement. Participant [Management] explained that earlier management-contract arrangements gave operators limited strategic control and mainly focused on day-to-day tasks such as bookings, cleaning, mowing, and general maintenance.

"You didn't have a lot of operational control at the strategic end."
– Participant [Management]

Participant [Management] also argued that staff management and health and safety should involve full operator control, while pricing and marketing should operate as a two-way relationship with the owner. Participant [Management] similarly emphasised that operators need more power to manage repairs, maintenance budgets, small capital works, pricing, booking policies, and day-to-day procedures.

These comments show that operators do not want to be treated only as service providers; they want to be recognised as business partners with the ability to improve park performance. This is also consistent with self- determination theory, which argues that autonomy is an important driver of motivation and goal- directed behaviour (Deci & Ryan, 2000).

By contrast, leases were generally associated with stronger autonomy and greater commercial upside. Lease operators described this model as giving them much more freedom over staffing, pricing, marketing, maintenance, and business strategy. Participant [Lease] stated that, under a lease, the lessee has full control over staffing, pricing, and marketing, and described the level of day-to-day autonomy as around 99%.

"You would have full control of staffing, pricing, marketing."
- Participant [Lease]

Participant [Lease] similarly explained that, under their lease model, council is not involved in the day-to- day running of the business. For operators who want to run the park independently and capture the benefit of their own improvements, this level of control is a major attraction.

At the same time, lease arrangements involve much higher risk and require stronger capital capacity. Lease operators usually need to pay rent, cover operating costs, fund maintenance, and invest in capital improvements. Participant [Lease] explained that, under the lease model, they are responsible for capital improvements and receive no financial contribution from the council.

Participant [Lease] also emphasised that serious capital investment usually requires a much longer lease term, suggesting that a minimum lease length of around 21 years is needed to make substantial investment worthwhile. Therefore, leases are not necessarily better for all operators; they are more attractive to operators with the capital, confidence, and long-term security required to take on greater financial exposure.

The interviews, therefore, suggest that operator preference depends strongly on the operator's business model. Operators with larger capital capacity or a stronger investment focus are more likely to favour leases because leases provide autonomy, control, and the opportunity to build long-term business value. In contrast, smaller operators or operators seeking lower capital exposure may prefer management contracts, but only if the agreement includes sufficient autonomy, fair remuneration, clear responsibility boundaries, and a genuine partnership with council.

Participant [Management] summarised this clearly by identifying reward, autonomy, management structure, tenure, and park size as key factors in deciding whether an opportunity is attractive.

This also means that councils should avoid assuming that one operating model is automatically more attractive than the other. A poorly designed lease can become unattractive if the rent, capital obligations, or tenure risk are too high. Similarly, a poorly designed management contract can become unattractive if the operator has too little control, unclear responsibilities, or weak financial incentives.

The strongest theme across the interviews is not a universal preference for either lease or management contract, but a preference for contracts that balance control, responsibility, risk, and reward in a commercially realistic way.

Within this context, the idea of a "quasi-lease" should be presented carefully. It was explicitly raised by Participant [Management], not by all interviewees. Participant [Management] described an ideal management contract where the operator would receive the revenue with full transparency, carry more operating costs, and then pay council a commission "like a lease," while council would still retain responsibility for capital investment and broader financial oversight.

"I call it a quasi lease"
- Participant [Management]

This idea is useful because it reflects wider interview themes: operators want more autonomy, stronger incentives, faster access to operational funds, and clearer responsibility allocation. However, it should not be framed as a universal operator preference. Rather, it should be understood as an emerging hybrid option that responds to repeated concerns across the interviews.

For councils, any hybrid or quasi-lease structure would need careful governance. If operators are given more discretion over revenue and spending, councils must still protect public assets and maintain financial transparency. Therefore, such a model would only be practical with clear financial reporting, open-book accounting, agreed KPIs, regular audits, and strong council oversight. This would allow operators to gain more autonomy and respond faster to business needs, while ensuring councils retain visibility and control over major financial and asset-related decisions.

Overall, the interviews show that operators do not simply prefer one model over the other. Their preference depends on whether the contract matches their capital capacity, risk appetite, desired level of control, and expected return. For councils, the key message is that contract attractiveness comes from the design of the agreement, not from whether it is labelled as a lease or a management contract.

6.2 | Contract Length, Tenure & Renewal

Across all interview transcripts, there was a clear and consistent preference for longer contract tenure when operating parks. Participants viewed longer agreements as essential because they provide enough time to stabilise operations, recover investment, and plan improvements. Short contracts were seen as creating uncertainty and discouraging strategic decision-making.

Participant [Management] was particularly direct, stating

"Absolutely longer."
- Participant [Management]

They explained that when taking over a holiday park, operators often spend the first year fixing issues left by the previous operator, meaning shorter contracts reduce the time available to generate returns. They (management contract holders) suggested that:

"a minimum length would be five years… up to 10 years,"
- Participant [Management]

indicating that meaningful operational improvement takes time.

Similarly, participant [Management] noted that earlier industry contracts were often too short, such as two-year terms with one-year options. He said he would not consider a short arrangement, explaining that

"it'd have to be a minimum of five years plus an option… longer if possible."
- Participant [Management]

This reflects the broader industry's belief that operators need security before committing their resources, staff, and reputation to a site.

Longer tenure was also strongly linked to investment incentives. According to participant [Lease] who is a large-scale park operator and have been in the business for more than a decade, they explained that operators are less likely to spend money on upgrades when nearing the end of a lease if renewal is uncertain. He observed that

"when I get to the last 10, five years in a lease tenure, if I'm not going to get a renewal…
I'm not going to spend any capital on that deteriorating asset."
- Participant [Lease]

This suggests that short remaining terms can lead to declining asset quality, as operators avoid investments they may not recover. Early or mid-term lease renewals/extensions may address this issue.

While initial contract length was the strongest priority, renewal options were described as almost equally important.

Renewal rights extend the effective life of a contract and reduce the risk of stranded investment. Participant [Management] emphasised that the problem is often not the option itself, but the uncertainty surrounding whether it will be granted. They noted that councils commonly retain sole discretion, creating a major risk for operators. In practice, this means a five-year contract that has a good chance of being renewed can be almost as appealing as a longer contract from the start. Participant [Management] has linked tenure and options to better long-term thinking. They explained that shorter agreements can make operators focus only on immediate issues, while longer contracts encourage broader planning and performance improvement.

Overall, interviews demonstrated a universal preference for longer tenure because it enables operators to recover costs, improve parks, and run businesses strategically. Renewal options are almost as important because they provide future certainty and preserve incentives to invest. Without a long enough starting contract or a reliable chance to renew it, operators face more risk and therefore are less likely to fully improve the asset.

6.3 | Remuneration Structures & Financial Attractiveness

Remuneration was consistently identified as a major factor influencing whether park opportunities were considered commercially viable by operators. Across the interviews, participants emphasised that financial arrangements must reflect the level of operational responsibility, business risk, and long-term investment required to successfully manage a park. Rather than focusing solely on income, operators evaluated opportunities based on whether the structure provided a fair commercial return relative to the effort and risk involved.

Participant explained that operators are ultimately driven by return on investment, stating:

"What return are you chasing? … if I can get a twenty percent return, that's generally what people are looking for."
- Participant [Lease]

This highlights the importance of financial sustainability and demonstrates that operators assess remuneration structures through a broader commercial lens rather than simply focusing on turnover or wages.

For management agreements, participants generally preferred performance-based remuneration models over fixed-fee arrangements. Fixed payments were often viewed as restrictive because they provide limited incentive for operators to improve occupancy, increase revenue, or invest in business growth. In contrast, revenue-linked or profit-sharing structures were considered more commercially attractive because they directly reward operational performance. Participant explained:

"If you're growing the business, you should share in that growth."
- Participant [Management]

This reflects a broader industry view that remuneration should align operator effort with financial reward. Several participants also noted that while a base fee is important for covering operational stability, incentives tied to revenue or profit growth are necessary to maintain long-term motivation and commercial attractiveness.

A recurring concern throughout the interviews was the disconnect between revenue expectations and operating cost flexibility. Operators explained that while councils or owners often expect increasing occupancy and stronger financial performance, operating budgets for labour, cleaning, and maintenance frequently remain fixed. This was seen as unrealistic from an operational perspective and often created pressure on service quality.

Participant described this challenge directly, stating:

"All the staffing, all the marketing and all the other costs associated with running the business are my expenses."
- Participant [Management]

This highlights how many operators absorb rising operational costs without corresponding adjustments to remuneration structures, reducing the financial benefit of business growth.

Profit-sharing arrangements were generally viewed more favourably because they encourage both revenue generation and cost management. Several participants suggested that profitability is a far more meaningful measure of business performance than revenue alone.

Participant noted that lease opportunities are often evaluated based on:

"a multiple of EBITDA."
- Participant [Lease]

Similarly, operators repeatedly referred to the importance of maintaining sustainable profit margins rather than simply increasing turnover. These findings suggest that financially attractive arrangements are those that allow operators to balance revenue growth with operational efficiency and long-term profitability.

For lease agreements, financial attractiveness was strongly linked to risk exposure and capital investment obligations, along with immediate uplift opportunities such as revenue generating assets (cabins or additional sites) or operational efficiencies like online bookings where they don't currently exists. One participant explained:

"Always going to be around … what value you can leverage out of the particular property or park. … what capital improvements you can make on the land to create additional value. … you might have a stronger operating model that … could apply … and get higher valuation or higher value back."
- Participant [Lease]

Participants explained that lease arrangements often involve significant financial commitment, including rent payments, infrastructure upgrades, and long-term asset maintenance responsibilities. Participant explained the financial reality of leasehold operations, stating:

"To improve the business, you spend the capital."
- Participant [Lease]

They further noted:

"Any improvement costs me money."
- Participant [Lease]

These comments reinforce the view that lease operators take on substantially greater financial risk and therefore expect stronger commercial returns and longer terms in exchange for that exposure.

Overall, the findings demonstrate that remuneration structures play a significant role in influencing operator behaviour, investment decisions, and long-term park performance. Models that prioritise cost minimisation over commercial sustainability were generally viewed less favourably by operators.

In contrast, flexible, transparent, and performance-based remuneration structures were consistently identified as more effective in attracting capable operators, encouraging investment, and supporting long-term growth within the park industry.

6.4 | Operational Control & Autonomy

Across interviews, operators consistently emphasised the importance of operational control and autonomy as a key factor influencing their decision to engage in management contracts. This is particularly evident in three areas: pricing control, staffing and budget flexibility, and involvement in capital improvement decisions.

Firstly, operators highlighted the need for pricing control, as the ability to adjust rates in response to market conditions is critical for maximising revenue and maintaining competitiveness. Without such control, operators are constrained in their capacity to optimise financial performance, with one operator noting that as a key advantage:

"We have full control over rates."
- Participant [Lease]

Secondly, flexibility in staffing and budgeting was identified as essential for efficient operations. Operators noted that the ability to allocate labour and manage costs dynamically enables them to improve operational efficiency, with one interviewee highlighting that:

"We are able to save a lot of money in budgets."
- Participant [Management]

Finally, operators emphasised the importance of having input into capital improvement direction. Where operators are excluded from strategic decision-making, they may lack the ability to align asset development with operational goals, as reflected in the view that:

"Operators didn't have a lot of operational control at the strategic end."
- Participant [Management]

Overall, these findings suggest that operational control is a critical mechanism shaping operator behaviour. Limited autonomy may reduce incentives for proactive management and performance optimisation, whereas greater control enables operators to act more entrepreneurially and deliver stronger operational outcomes.

6.5 | Capital Works and Maintenance Responsibility

The division of maintenance responsibility between operator and council is one of the most significant elements of both models. There is widespread agreement that owners are responsible for underground infrastructure, while operators manage above-ground improvements; however, unclear contractual definitions of this boundary frequently lead to disputes.

Under management contract arrangements, responsibility for capital works is consistently retained by local councils, while operators are primarily responsible for day-to-day maintenance activities. However, evidence from multiple participants suggests that this division of responsibility can lead to operational inefficiencies and reduced service responsiveness.

"At the moment, it's pretty much all council, so we log a job and then they've got their in-house maintenance team, and then they've got external contractors who are pre-vetted."
— Participant [Management]

This arrangement was perceived as restrictive, with contractors treating the council as the primary client, rather than the on-site operator. As a result, response times were often slow, and there was a lack of alignment with guest experience expectations.

Similar concerns were raised by another participant, who highlighted the loss of operational control under management contracts:

"The one thing there is you lose control... you need that response all the time, even if it's not dangerous. It needs to be fixed. The customer focus is not there."
— Participant [Management]

The participant further emphasised that even minor maintenance issues require council approval, involving formal request submission, internal review, and scheduling processes. This process was considered unsuitable for a 24/7 hospitality environment, where rapid response is crucial to customer satisfaction.

Participants also emphasised the need to clearly define responsibility for underground services within management contracts:

"Underground services are the responsibility of the asset owner, which is council. So we would not take on responsibility for plumbing or power supply or sewer."
— Participant [Lease]

Despite this clarity, concerns were raised regarding the financial implications when councils fail to deliver agreed works or meet contractual expectations. One participant noted:

"If expectations aren't met in the contract, that can cause financial harm to each side... there is a compensation mechanism in place."
— Participant [Management]

These findings indicate that while management contracts establish a clear division of responsibilities, they can be operationally misaligned with the responsiveness and service standards required in a hospitality setting.

Under lease arrangements, operators take on a substantially broader range of responsibilities, including both capital works and ongoing maintenance. Participants consistently identified this expanded scope as a defining feature of the lease model, with one participant describing the general allocation of responsibilities as follows:

"If it's under the ground it's probably going to be the council or the lessor. If it's above the ground improvements, it's going to be the lessee. That's a very generalised approach of how that works."
— Participant [Lease]

Although this principle provides a useful baseline, participants identified areas of legal ambiguity, particularly regarding capital improvements made by lessees. One participant highlighted the risks associated with lease clauses that allocate ownership of all improvements to the lessee, noting that this type of provisions can lead to impractical outcomes at lease expiry, including disputes over fixed infrastructure (e.g., installed facilities such as pools).

It was suggested that, in practice, ownership of sunk infrastructure should revert to the lessor upon handback to minimise conflicts.

Another participant confirmed that lease arrangements typically involve comprehensive responsibility for the operator:

"Under lease, you'll find that the lessees are responsible for everything."
— Participant [Lease]

Although these obligations are extensive, participants did not view them negatively when supported by appropriate financial conditions.

One participant emphasised that lease viability is closely tied to the park's underlying revenue base, which means if revenue is sufficient to cover maintenance and capital requirements, the model is workable; however, if financial capacity is constrained, the arrangement may become unsustainable.

Furthermore, the importance of upfront asset condition transparency was strongly emphasised. A participant recommended that councils conduct and disclose comprehensive condition assessments prior to releasing leases for tender:

"You need to provide all the information — the electrical work, the hydraulic work — so that the operator comes in knowing the energy stuff's all good... That's the other thing — and then having a master plan."
— Participant [Lease]

This highlights a broader concern that the absence of clear and comprehensive information on asset condition and infrastructure requirements increases financial and operational uncertainty for operators. Taken together, the findings indicate that while lease arrangements afford greater control and autonomy, they also shift substantial risk onto operators, rendering financial feasibility and contractual clarity critical to their success.

6.6 | Council Relationship, Communication & Bureaucracy

The nature of the council–operator relationship varies considerably across participants, spanning from highly collaborative and synergistic to procedurally slow and bureaucratic. This theme highlights the differences between the two models: management contract operators maintain frequent and intensive engagement with councils, while lease operators generally experience minimal interaction beyond annual compliance inspections.

Under management contract, participant responses emphasise the pivotal role of relationship quality and communication frameworks in shaping the effectiveness of operator–council arrangements. A participant outlined a highly integrated and long-term partnership with the local council, describing it as a co-management model that has evolved over more than a decade:

"I run these parks and I do, but I run them with the council representative. We work so close together, we're like one organism. If we don't know what the other one's doing, then it doesn't work."
— Participant [Management]

The relationship spans both operational and strategic domains, including budgeting, marketing, capital planning, and rate management. Frequent communication and daily interactions supported by monthly meetings reflects strong alignment between the operator and council.

Structural risks linked to council governance were also highlighted. One participant noted that changes in leadership, staffing, and election cycles can disrupt otherwise effective arrangements:

"There's been a change of management and hierarchy, and this is part of the ongoing problem — councils change, staff change, they have elections every four years. Their motivations and their vision can change."
— Participant [Management]

This reflects the vulnerability of these partnerships to shifting institutional conditions.

In terms of preferred communication frameworks, participants emphasised the importance of structured and shared information exchange. One participant described a model based on regular reporting and formal engagement:

"From a business relationship we would have at least monthly meetings with the contract partner and monthly reports going back and forth on status and business activities."
— Participant [Management]

Another participant stressed the need for both rapid operational response and longer-term strategic review:

"Having daily, an ability on a daily basis to call people, to react to immediate issues... beyond that, looking probably monthly... and then periodic six-monthly performance reviews."
— Participant [Management]

These findings suggest that effective operator–council relationships under management contract rely on a combination of frequent operational communication, formalised reporting structures, and long-term strategic alignment. However, these arrangements remain vulnerable to council instability, reinforcing the need for governance frameworks that support continuity and clarity.

Under lease arrangements, the operator–council relationship is generally arm's-length, compliance-driven, and self-directed:

"I don't deal with council on a day-to-day basis. They're not part of our business. We meet with council every year for our approval to operate and if we want to install new assets."
— Participant [Lease]

This reflects a model that operators hold considerable autonomy over day-to-day operations, with council involvement mainly limited to approvals and periodic oversight. However, participants also noted bureaucratic complexity within council structures is a key challenge:

"We're meeting with four or five people. One's from planning, one's from plumbing, they all have a job. It's not like just one-to-one and say, okay, this is what we want to do. They go, oh, we'll have to take that back to Fred, who's not here today."
— Participant [Lease]

This multi-layered approval structure was reported to contribute to significant delays. The same participant mentioned that a lease application process for a park extended over seven months, including a prolonged negotiation period even after preferred operator status had been granted. These delays were identified as obstacles for operators, especially those who prioritise speed, certainty, and efficiency in commercial decision-making.

Participants also noted issues with council staff turnover disrupting institutional knowledge and weakens consistency in the relationship:

"I have one site in the last 12 months — about 100% turnaround of staff. There's no continuity, there's no understanding of our history."
— Participant [Lease]

To address these challenges, the participant suggested that CPAQ act as intermediaries between councils and operators, helping to share information on upcoming lease opportunities and improve market engagement.

Overall, the findings suggest that although lease arrangements offer operators greater independence, they are often marked by limited engagement with councils and increased exposure to bureaucratic processes, which can lead to inefficiencies and reduced operational certainty.

6.7 | Tender and Information Adequacy

All participants described the tender process as frequently inadequate, both in terms of the quality of information provided upfront and the timeframes allowed for response. These shortcomings force operators to bid with limited information and deter stronger bidders, making lower-quality bids more likely to succeed.

Under management contracts, participants noted that reliable pre-tender information is critical for decision-making, particularly revenue and occupancy data over a sufficient historical period:

"From the council, you just need revenue and you need occupancy. You need 12 months, or 24 months of revenue. That's what you need to know where the business has been."
— Participant [Management]

This participant further mentioned for experienced operators, relatively short on-site inspection periods (e.g., 30 days) may be sufficient, but argued that these inspection windows should be formally embedded within tender processes to ensure informed decision-making.

Other participants extended this requirement into a broader due diligence framework, identifying essential information including multi-year occupancy data, asset condition reports, planning overlays, utility costs, park registration documentation, and fire safety compliance records:

"Occupancy levels in the park for the last three years, an asset list and their condition reports, and planning overlays. Those are the first three things we would look for."
— Participant [Lease]

Despite these expectations, participants raised concerns about the reliability and integrity of data provided during tender processes. One participant described a case where historical revenue data was significantly understated due to unreported cash transactions by a previous operator, distorting the perceived financial performance of the park and compromising the fairness for bidders.

Participants also mentioned variability in tender quality across councils, often linked to institutional experience. One participant observed:

"The ones we've been exposed to, yes — it's very detailed. If they've been doing it for a while, they usually get it right. It's maybe a new one that hasn't been done for a while."
— Participant [Management]

This highlights the role of organisational learning in improving tender design and execution. Furthermore, the same participant advocated for the implementation of pre-market engagement strategies, where councils provide advance notice of upcoming tender opportunities, allowing operators sufficient time to allocate resources and develop competitive submissions.

Participants also raised concerns about the heavy weighting of price in tenders, with one noting that 65–85% emphasis on cost can undermine the selection of high-quality operators:

"I think the price weighting in a tender document needs to be lessened. It can't be over 50. It should be the tender considered holistically, not on the lowest price."
— Participant [Management]

This problem was widely perceived as a fundamental weakness within existing frameworks. Over-prioritisation of financial offers may incentivise short-term revenue maximisation at the expense of long-term operational performance, service quality, and sustainability outcomes. Moreover, such an approach can deter experienced operators. Collectively, these findings underscore the importance of transparent, high-quality data provision and balanced evaluation criteria in designing effective and competitive tender processes.

From a lease perspective, participants emphasised that tender processes are complex, resource-intensive, and require sufficient time, transparency, and data quality to enable informed decision-making. One participant described the lease tender process as a long-term project:

"If a council wanted to take the park to lease, it's a twelve- month project. You start at the beginning, prepare all the information, take it out to market, review the applications, finalise the contract."
— Participant [Lease]

This highlights the need for thorough early preparation in lease procurement, especially accurate information. The same participant further emphasised the importance of disclosing detailed infrastructure condition reports upfront to ensure that prospective operators are not exposed to unknown risks upon lease commencement.

Concerns regarding data completeness were reinforced by another participant, who noted that councils often fail to provide sufficient trading information from previous operators:

"I've had to tender on buying parks with no documentation or no evidence as to how the park was actually trading."
— Participant [Lease]

A lack of reliable financial and operational data limits accurate valuation and risk assessment, deterring capable operators from tender participation.

In addition to data transparency, participants highlighted the importance of allowing sufficient timeframes for tender responses. One participant argued that a minimum of 60 days is necessary to conduct appropriate due diligence:

"You need a couple of months, 60 days, because you've got to go to the park, assess the figures, look at the infrastructure, get some quotes, and then you've got to write the submission." — Participant [Lease]

This view was supported by another participant, who emphasised the central role of financial records in the evaluation process:

"The financial reports are critical — to be looking at the finances, the historic finances of the park. 60 days is the original time." — Participant [Lease]

Collectively, these findings suggest that effective lease tender processes depend on early-stage preparation, full disclosure of operational and infrastructure data, and realistic response timeframes, typically in the range of 45–60 days. Without these elements, operators face uncertainty and risk, which may reduce participation and ultimately limit the quality of tender outcomes.

6.8 | Risk Allocation

Risk differentiates the two models: management contract operators carry operational and reputational risk, while lease operators assume full financial, capital, operational, and environmental risk. Participants also noted gaps where risk is unclear or unfairly allocated.

Under management contracts, participants identified risk allocation as a critical weakness within management contract structures, particularly in relation to cost escalation, revenue volatility, and limited operational flexibility. One participant highlighted cost-escalation risk as the most significant structural issue, especially in contracts with fixed or low incentive- based returns:

"The rising expense against a low incentive percentage is our biggest risk. Rising cost to us as an operator against a low incentive of return." — Participant [Management]

This imbalance between rising operating costs and constrained revenue share was viewed as a key factor undermining the financial sustainability of management arrangements. In addition, participants emphasised the absence of adequate provisions for force majeure events. One participant mentioned that in circumstances such as floods, cyclones, or pandemic-related disruptions, operators may face a complete loss of revenue while still bearing ongoing costs under unchanged contract terms:

"If there's a flood in a park and there's no revenue, but we still have to carry costs, there needs to be in a contract mechanism for unforeseen events and sharing of risk."
— Participant [Management]

A further example was provided in the context of the COVID-19 pandemic, where operators tied to pre-agreed commission structures despite rising costs. One participant described this as a consequence of the ambiguous positioning of management contract operators:

"We are unique. We are almost like quasi-council employees because we work as all-business partners. We're not service suppliers that do a job and send you an invoice. We are so close to the council, but we're not council."
— Participant [Management]

This hybrid status leaves operators inadequately protected, as they are neither fully independent contractors nor council employees.

Operational flexibility was also raised as an emerging concern. One participant highlighted that councils' restrictions on pricing and marketing decisions, such as requiring prices to be set well in advance, limit the ability of operators to respond to market conditions:

"We need to have some pricing input and that flexibility in marketing, promotions and pricing. Without it, that's a risk."
— Participant [Management]

Participants also noted reputational and legal risks tied to council ownership, with one highlighting increased exposure to liability claims due to perceived public resources:

"People see that it's a council park... it's like ambulance chasers. They see council and it's like, oh, I've fallen over, we'll sue council."
— Participant [Management]

Collectively, these findings suggest that management contracts often fail to adequately address key risk dimensions, including cost escalation, external shocks, operational flexibility, and reputational exposure. This highlights the need for more adaptive and balanced risk-sharing mechanisms within contract design.

From a lease perspective, participants highlighted environmental and macro-economic risks as critical considerations in lease arrangements, while also identifying circumstances in which council involvement can mitigate certain exposures.

One participant who operates in a coastal context, emphasised that environmental risk is a constant factor but noted that leasing from council can provide access to insurance arrangements otherwise unavailable to independent operators:

"Sharing the risk with council in that regard is very, very, very positive. It is when you can't get insurance any other way."
— Participant [Lease]

This suggests that council-backed insurance frameworks can play a significant role in enabling operations in high-risk locations where commercial insurance is either overly expensive or unavailable.

However, environmental risk was identified as a key factor in investment decisions. One participant noted that exposure to hazards such as fire, flood, and cyclones (particularly in regions such as Far North Queensland) can act as a deal-breaker unless offset by sufficiently high expected returns. In this context, site size and overall commercial viability were also highlighted as critical factors in assessing whether a lease opportunity is financially justifiable. In addition to environmental risks, participants identified broader macro-economic conditions as an emerging concern. One participant noted that cost-of-living pressures and rising fuel costs are reducing demand for regional parks:

"Right now they can't afford to do it. Cost of living crisis, fuel crisis — those risks are real about getting our customer."
— Participant [Lease]

These external economic pressures were seen as reducing occupancy potential and increasing revenue uncertainty for operators.

Finally, participants emphasised the importance of risk resolution prior to market engagement. One participant argued that councils should address known environmental and infrastructure risks before issuing lease tenders, rather than transferring these uncertainties to operators:

"You don't want to be taking on someone else's risk... Council needs to fix all that stuff at the beginning."
— Participant [Lease]

Collectively, these findings indicate that while lease arrangements expose operators to a wide range of risks, council involvement can both mitigate and exacerbate these risks depending on how responsibilities are structured. Ensuring that key risks are transparently disclosed and resolved before tender is therefore critical to supporting viable and attractive lease opportunities.

7 | Stakeholders Research and Internal External Analysis

7.1 | Stakeholders Research

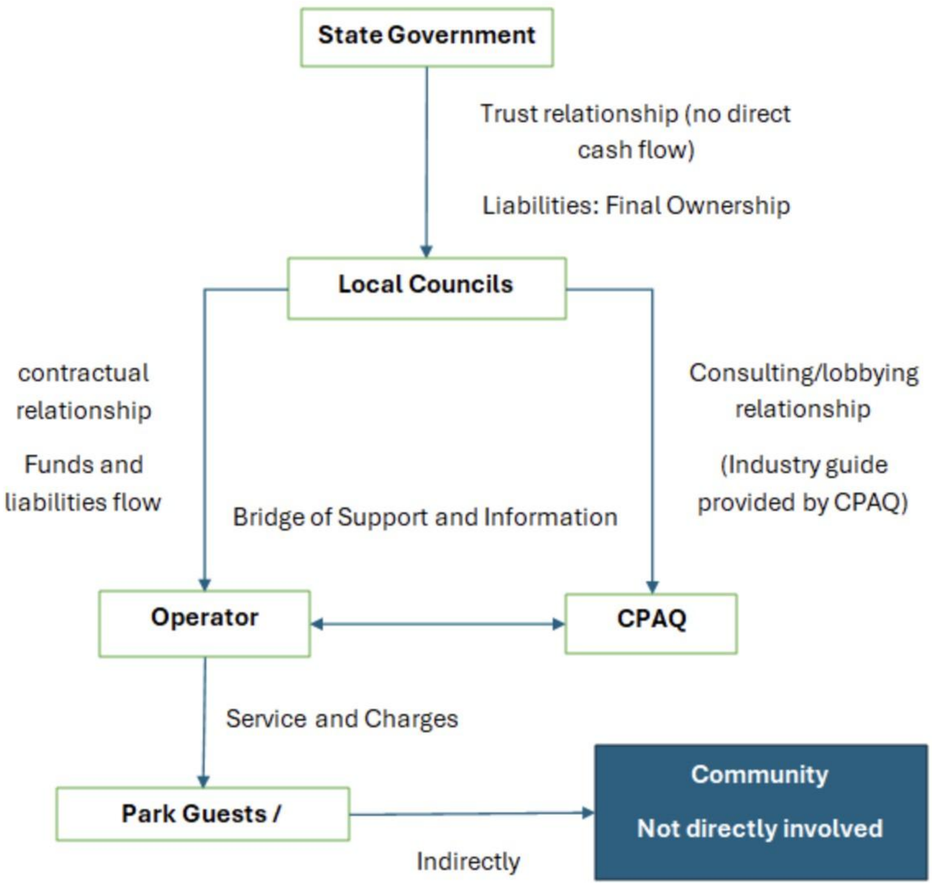

Figure 1. Stakeholder Relationship Framework for Council-Owned Park Governance

The stakeholder mapping highlights a clear structure of power and interest across the project ecosystem, which provides a foundation for understanding the deeper tensions and alignments between stakeholders.

At the centre of the project are CPAQ and local councils, both positioned as high-power and high-interest stakeholders. CPAQ, as the client, not only directs the project but also acts as an industry intermediary, translating operator concerns into actionable guidance for councils.

Local councils, on the other hand, hold decision-making authority over contract design, procurement processes, and operator selection. This makes them the primary implementers of any recommendations. Their alignment is therefore critical to ensuring that the project outcomes are both practical and adopted.

In contrast, park operators represent a high-interest but low-power group. While they are directly affected by contract structures and ultimately determine whether parks are commercially viable, they lack formal influence over council decisions. However, their insights are crucial, as they reflect the real market response to procurement and contract design. This creates a structural dependency: councils design the system, but operators determine whether it works.

Meanwhile, the state government holds high structural power due to its role as landowner and regulator, controlling legislation and approvals. However, its low direct involvement in the project means it plays a more passive role, primarily shaping the constraints within which councils operate. Other stakeholders, such as park guests, residents, and local communities, have relatively low power and interest, influencing outcomes only indirectly through demand, regulatory implications, or social expectations.

7.2 | Internal Analysis

To complement the operator interview data, an internal analysis was conducted using a SWOT framework to evaluate both the leasing and management contract models from the council's perspective. This analysis examined each model's structural advantages and limitations in terms of financial exposure, asset control, operational risk, and long- term value creation.

Overall, the SWOT analysis indicates that the core issue is not which contract type— lease or management—is better, but rather whether the existing contract structure can strike a balance among governance needs, operator flexibility, investor confidence, and long-term business sustainability.

7.2.1 | Leasing Model

Strengths

The lease model provides a stable and predictable income stream for councils through fixed rental payments. This financial certainty is particularly valuable for public-sector asset management, where revenue stability supports long-term planning and budgeting.

At the same time, the lease structure offers operators a high degree of autonomy over day-to-day operations, including pricing, staffing, and service delivery.

This autonomy enhances the attractiveness of lease arrangements for experienced operators, as it allows them to apply their expertise to optimise revenue and operational efficiency. Additionally, operational risks such as demand fluctuations and routine maintenance responsibilities are largely transferred to the operator under a well-structured lease. This reduces the council's direct exposure to commercial and operational risks.

Weaknesses

Despite its advantages, the lease model reduces the council's direct control over operational decisions, including service quality, pricing strategies, and broader social outcomes (QCA, 2025).

This may create challenges in aligning commercial operations with public-sector objectives. Long-term lease agreements can also limit flexibility. If an operator underperforms, it may be difficult for the council to intervene or replace the operator without significant contractual or legal constraints (QCA, 2025). Furthermore, the financial viability of the lease depends heavily on rent calibration (Investopedia, 2024). If rent levels are set too high, the operator may struggle to sustain operations; if set too low, the council may not fully capture the asset's value.

Opportunities

There is significant potential to improve the effectiveness of lease arrangements through more sophisticated contract design. For example, hybrid rental structures combining a fixed base rent with a revenue linked component can better align incentives between councils and operators.

Performance based clauses, such as service quality benchmarks, customer satisfaction targets, and asset maintenance standards, can also help balance operational autonomy with accountability. In addition, offering longer lease terms or rental concessions can attract high quality operators willing to invest in capital improvements, such as upgraded accommodation and facilities.

Finally, incorporating risk-sharing mechanisms, such as revenue- adjusted rent structures, can enhance resilience in the face of market uncertainty and improve the overall attractiveness of lease agreements.

Threats

The lease model is vulnerable to external market volatility. Factors such as fuel prices, tourism demand fluctuations, and broader economic conditions can impact operators' ability to meet fixed rental obligations, potentially leading to financial distress or default. Disputes may also arise over maintenance responsibilities, asset condition at lease expiry, and ambiguities in contractual terms. These issues can create operational inefficiencies and increase legal risks. Moreover, misalignment between lease duration and the operator's investment horizon may discourage capital investment. If lease terms are too short relative to the payback period of major upgrades, operators may be unwilling to commit significant resources.

7.2.2 | Management Contract Model

Strengths

The management contract model allows councils to retain a higher degree of control over key aspects of operations, including pricing policies, service standards, and strategic direction. This is particularly important in ensuring that public assets deliver both commercial and community outcomes. Shorter contract durations also provide greater flexibility, enabling councils to replace underperforming operators more easily and adapt to changing market conditions.

Weaknesses

Under this model, councils typically bear a greater share of commercial and asset- related risks, including revenue variability and maintenance obligations. This increases financial exposure and requires more active management. Effective implementation also depends on strong contract management capabilities, including the ability to monitor performance, interpret data, and enforce key performance indicators (KPIs).

Without these capabilities, the intended benefits of the model may not be realised. In addition, management contracts may appear less financially attractive compared to leases in the short term, as councils are responsible for operational funding and must pay management fees, even if long term outcomes are comparable or superior.

Opportunities

The management contract model offers opportunities to design more flexible and collaborative partnerships. For example, incentive structures combining base fees with performance-based bonuses can attract high quality operators while aligning interests.

This model also enables closer collaboration between councils and operators in areas such as product development, pricing strategies, branding, and marketing. This type of partnerships can help balance commercial performance with broader social and community objectives. Furthermore, hybrid models that integrate elements of both management contracts and performance incentives can provide a more balanced approach, combining operational control with improved alignment of incentives.

Threats

A key challenge of the management contract model is its lower attractiveness to some operators, particularly those who prefer the autonomy and profit potential associated with lease arrangements. This may limit the pool of potential applicants. Additionally, poorly designed KPIs and performance frameworks can undermine the effectiveness of the model. If performance measures are unclear, misaligned, or difficult to enforce, councils may retain significant financial and reputational risks without having effective mechanisms to address underperformance.

7.3 | External Analysis - PESTEL Analysis

To situate the two operating models within the broader environment in which Queensland parks operate, an external analysis was conducted using the PESTEL framework to examine the caravan and tourism industry across Australia, with a particular focus on Queensland. The PESTEL analysis indicates that external market and environmental pressures may exacerbate the internal weaknesses identified in the SWOT analysis. As the business environment becomes increasingly uncertain,

Traditional contract arrangements may face greater challenges in maintaining long-term sustainability.

Political Factors

Government policy in Queensland and Australia strongly supports the development of tourism infrastructure, particularly in regional and nature-based accommodation sectors such as caravan and camping parks.

Long-term strategies, including the Queensland Government's tourism legacy planning for 2032, emphasise the expansion and upgrading of accommodation facilities to enhance tourism capacity and regional economic development (Queensland Government, 2023; QCA, 2025).

In addition, the "Destination 2045" strategy prioritises infrastructure investment in remote areas and promotes the commercialisation of campgrounds through targeted funding programs such as the Tourism Experience Development Grant (Queensland Government, 2025). Governments are also increasingly encouraging public private partnerships, supporting the continued use of lease and management contract models on public land (Expert Market Research, 2025).

However, competing land-use priorities particularly between tourism and residential development create uncertainty for park operators. In some cases, park sites have been repurposed for housing, reflecting shifting planning priorities and higher economic returns from residential development (Queensland Government, 2012). This may lead to shorter lease terms and greater contractual flexibility, potentially discouraging long-term private investment.

Furthermore, many parks operate on Crown land managed by local councils, resulting in a multi-level governance structure involving both state and local authorities. This can increase bureaucratic complexity, slow decision-making, and complicate contract design and variation processes.

Economic Factors

The Australian travel accommodation sector has demonstrated strong recovery and growth, with a market value of approximately AUD 18–19 billion in 2025 and continued expansion forecast (Expert Market Research, 2025). Demand for caravan and camping experiences remains robust, supported by increasing domestic tourism. Recent data indicate that domestic overnight trips increased by approximately 6–7%, with visitor expenditure rising by around 9% year-on-year (Modern Campground, 2025).

Caravanning continues to be an attractive and cost-effective travel option, with 88% of Australians planning to engage in camping or caravanning activities within a 12-month period despite ongoing cost-of-living pressures (Modern Campground, 2025). However, operators face rising operational costs, including labour, insurance, land tax, and council rates, which place pressure on profitability and influence their willingness to accept lease terms with high fixed rents or significant capital expenditure requirements (QCA, 2025). As a result, investment decisions are influenced not only by demand, but also by risk-return considerations, especially in a sector exposed to seasonality, cost volatility, and climate risks (Investopedia, 2024).

Access to financing also remains a constraint, especially for smaller operators, making upfront capital requirements a critical factor in determining participation (World Bank, 2023). Despite these challenges, industry projections indicate continued growth, with caravan and camping contributing significantly to national GDP and average daily rates expected to increase (Caravan Industry Association of Australia, 2026).

Social Factors

Caravan and camping holidays hold strong cultural significance in Australia and are widely perceived as affordable and flexible travel options for families and younger consumers. This is reflected in the sustained growth of domestic caravan and camping trips and strong consumer intention to continue participating in such activities (Tourism Research Australia, 2025; Modern Campground, 2025).

At the same time, consumer expectations are evolving. Travellers increasingly demand high-quality amenities, reliable Wi-Fi, and well-maintained facilities, and are more likely to spend extended time within accommodation rather than using it solely as a base (RAS360, 2025).

This shift places greater emphasis on service quality and operational flexibility. Operators may need the ability to tailor services to different customer segments, such as short-term tourists and long-term residents. However, rigid contractual arrangements may limit this flexibility and reduce operators' ability to respond effectively to changing consumer needs (UNWTO, 2023).

Technological Factors

The accommodation sector is undergoing rapid digital transformation, driven by the adoption of online distribution platforms, digital guest engagement tools, and data- driven revenue management systems. As a result, lease and management contracts increasingly need to address issues such as technology standards, data ownership, and information-sharing requirements (OECD, 2023; RAS360, 2025).

Furthermore, clear contractual provisions regarding data access and revenue management rights are becoming critical, as these directly impact operators' ability to optimise pricing and performance. In addition, infrastructure developments such as the Queensland Electric Super Highway are influencing operational requirements. Parks are increasingly expected to provide facilities such as electric vehicle charging stations, while the adoption of smart energy systems (e.g., solar storage and smart meters) can significantly reduce operating costs and improve sustainability outcomes (Queensland Department of Transport and Main Roads, 2025).

Environmental Factors

Parks are highly exposed to environmental and climate-related risks, including floods, storms, and coastal erosion. These risks are exacerbated by increasing insurance costs and, in some cases, reduced availability of coverage for high-risk locations (UTS, 2013). At the same time, environmental sustainability is becoming an increasingly important consideration for consumers, with growing demand for responsible practices in waste management, water usage, and energy efficiency (Expert Market Research, 2025).

Government policies also emphasise the protection of natural and coastal environments while promoting sustainable tourism development. This creates a need for low-impact infrastructure and environmentally responsible operations (WA Government, 2023). These factors highlight the importance of clearly allocating environmental risks within contractual arrangements. Under lease models, operators typically bear greater operational risk, while management contracts may require councils to retain more responsibility and incorporate mechanisms such as contingency clauses and insurance cost-sharing arrangements (IPCC, 2022).

Legal Factors

Park operations in Queensland are subject to a range of legal and regulatory requirements, including local laws governing site design, safety standards, amenities, and operational practices. These regulations ensure minimum standards but also increase compliance costs and operational complexity (Brisbane City Council, 2000; Cairns Regional Council, 2016).

In addition, public sector procurement processes are often complex and time- consuming due to probity requirements. This increases transaction costs and uncertainty, potentially discouraging participation from private operators (OECD, 2023). Lengthy and complex tender processes, combined with limited access to reliable data, can further reduce the attractiveness of opportunities and hinder effective competition.

8 | International Benchmarking

This section provides an international benchmarking analysis of park operating models across key overseas markets, including the United States and Europe, to identify structural differences and transferable lessons for Queensland. By examining market characteristics, governance arrangements, and operator–government relationships, the analysis highlights institutional practices that may inform more effective park management frameworks.

8.1 | The US Market

8.1.1 | The US Market: Overview

An RV (Recreational Vehicle) Park, campground, or outdoor hospitality park is typically the closest thing to an Australian park in the United States. RV parks and campsites are categorised as lodging/accommodation businesses by U.S. statistics agencies, although manufactured-home or mobile-home parks are considered a distinct real estate category (Department of housing and Urban Development, 2018; 2016). This distinction is important because, whereas U.S. regulations and industry organisations distinguish vacation parks, residential parks, and relocatable-home parks more clearly, many Australian talks blend them together. In contrast to residential park models, recreational vehicles are not considered permanent dwellings under U.S. federal regulations (United States Census Bureau, n.d.).

Particularly in terms of demand, the U.S. sector is doing well. According to KOA's 2025 outdoor hospitality research, camping brought in $61 billion annually, more than 11 million extra households camped in 2024 compared to 2019, and camping is now a part of about one in four leisure excursions. The RV Industry Association projected 342,220 RV shipments in 2025, up 2.5% from 2024, demonstrating the resilience of RV demand. 8.1 million American families own an RV, the median owner age has dropped to 49, and 36% of owners are first-time purchasers, according to separate RVIA study (RV Industry Association a, n.d.; RV Industry Association b,n.d.).

The market is big and dispersed on the operator side. According to data from the U.S. Census, 4,513 employer RV parks and campgrounds made $3.1 billion in sales in 2017, and 7,218 non-employer enterprises made an additional $471.3 million in 2018. The industry is still dominated by small owner-operators rather than just chains, as evidenced by the fact that over 71% of employer enterprises had fewer than five employees.

The census also points out that many public parks and campgrounds managed by federal, state, or local organisations are not included in these statistics, meaning that the total supply base is more than what the company counts alone would indicate (United States Census Bureau, 2020). Listed U.S. operators exhibit substantial recurring-income characteristics at the upper end. According to Sun Communities, it operated 436 MH/RV facilities in North America, with a 97.9% occupancy rate at year-end 2025. The purposeful combination of annual RV, seasonal RV, transient RV, and membership camping sites in Equity LifeStyle's portfolio disclosures is significant because it demonstrates that the U.S. model is more than just nightly camping; it is a yield-managed lodging and real estate platform with recurring site-rent products (United States Securities and Exchange Commission, 2025; SUN, 2026).

8.1.2 | The US Market: Operator and Council Relation

City and county local government is the closest U.S. counterpart to Australian councils; however, the link is often budgetary and regulatory rather than ownership based. In other words, rather than using a council landlord or operating model, the majority of private RV parks in the United States deal with local government primarily through zoning, planning approval, health regulations, utilities, fire/life-safety regulations, and local taxes.

In addition to obtaining planning and development clearances, operators on private land usually have to go by county or state technical regulations regarding site layout, water, sewage, and inspections. New RV Park construction and modifications in Oregon require an Area Development Permit. Florida's regulations outline specific standards for county health permits and inspections, drinkable water, sewage disposal, and site design. Public health, drainage, water, sewage, and road impacts are the main topics of Polk County, Texas's RV park rules (Florida Administrative weekly, 2009; Polk County regulations, 2022).

RV parks and campgrounds are treated like other short-term lodging in many areas when it comes to taxes. RV parks and campgrounds in California are subject to transient occupancy taxes; operators must register, collect the tax from visitors, and submit it to the county (Mono County, n.d.).

The situation is different on public land: the park is often run by a federal land manager, not a local council, under a concession contract or special-use permission. The operator does not obtain permanent land rights; instead, they are granted the right to occupy and operate tourist services for a predetermined period, subject to operating plans, maintenance, and environmental criteria (National Park Service, n.d.).

8.1.3 | Difference between the US s Australia

Although its institutional structure is different, Australia's caravan and vacation park industry is likewise robust. About 90% of the 15.2 million caravan and camping trips, 57.1 million nights, and $14.0 billion spent in the year ending in 2024 were in regional Australia, according to Tourism Research Australia. Caravan Industry Association of Australia claims that there are over 2,500 parks in the nation and reported record demand through 2025, including all-time December occupancy highs (Caravan Industry Association of Australia, n.d.; Tourism Research Australia, n.d.).

Australia has a far more noticeable council and Crown-land presence in the industry, which is the primary distinction. Operating a park requires a specific permit from Brisbane City Council, which also enforces local laws governing facilities, upkeep, and cleanliness (Brisbane City Council, n.d.). In addition to becoming regulators, other Australian councils and public organisations can also be owners, lessors, Crown-land managers, or contracting principals. Examples include the parks owned by Byron Shire Council, the six parks run by Sunshine Coast Council, the four coastal parks owned by Fraser Coast, the five parks managed by Lake Macquarie, and the use of NRMA Parks & Resorts by Kempsey under a management agreement on Crown-administered sites. Another organisation supported by the public sector that oversees vacation parks on Crown property is NSW's Reflections Holidays.

Additionally, Australia seems to have a more defined legal framework for residential rights and longer-term occupancy in park-like environments. The Manufactured Homes (Residential Parks) Act, Residential Tenancies & Rooming Accommodation Act in Queensland and the Holiday Parks (Long-term Casual Occupation) Act in NSW both outline site agreements, records, and rights and obligations for park owners and residents (Queensland Government, n.d.). On the other hand, unless another land-use or housing regulation applies, the U.S. RV Park concept is more frequently predicated on the fundamental idea that an RV is temporary lodging (RV Industry Association b, n.d.).

Additionally, commercial structures differ. There are networks in Australia, however they are typically portrayed as branded, licensed, cooperative, or managed vacation parks. G'day Parks boasts over 300 privately owned and licensed parks, NRMA owns parks and administers parks for councils, and BIG4 promotes itself as a collection of independently owned and run parks. The institutional REIT and membership-camping tier is deeper and more noticeable than its counterparts in the United States (United States Securities and Exchange Commission, 2025; NRMA Parks & Resorts, n.d.; BIG4 Holiday parks, n.d.).

8.2 | The European Market

8.2.1 | The European Market: Overview

In the European context, the closest concept to the Australian park is usually campsite or holiday park. The European Union Joint Research Centre, in its technical report on Tourist Accommodation and Campsite Services, explicitly distinguishes campsite services as a separate category of tourist accommodation, different from general tourist accommodation. This indicates that campsites are a formally defined and sizable market component in Europe (Garrido et al., 2014). Furthermore, the report points out that France has a significant number of campsite operators within the European ecolabel system, further demonstrating France's representativeness in the European camping market (Garrido et al., 2014). In addition, research on the European outdoor accommodation industry shows a vast campsite network, with the Eurocampings platform alone covering over 9,700 campsites, reflecting the industry's breadth and maturity (Cvelić-Bonifačić, 2022).

From a market development perspective, the European camping industry is undergoing significant business upgrading and structural transformation. French market data shows that the camping industry's revenue has reached approximately €3.8 billion, with an increasing number of campsites shifting from the traditional tent/caravan model to higher-yield products such as mobile homes and cabins, indicating that the industry is moving towards higher-value accommodation formats (Le Monde, 2024). At the same time, the entry of capital and chain brands has also driven increased industry concentration, meaning that operators entering the market tend to focus more on long-term investment returns and asset utilisation, rather than just short-term operating profits (Le Monde, 2024).

8.2.2 | The European Market: Operator and Council Relation

Regarding the relationship between operators and governments, European experience also offers valuable insights. The European Commission points out that cooperation between the public sector and private enterprises is typically achieved through concession contracts or public contracts, arrangements that are essentially a form of public-private partnership (European Commission, 2023). In this structure, the government usually retains ownership or control of assets, while the operator is responsible for day-to-day operations and service provision—a logic somewhat similar to the lease model and management contract model in Australian projects (European Commission, 2023).

8.2.3 | Difference between the Europe & Australia

Compared to Australia, a significant characteristic of Europe, particularly France, is stronger public control coupled with more standardised institutional arrangements. In Australia, councils may simultaneously play multiple roles, including regulator, landowner, and contracting party, potentially leading to unclear boundaries of authority and responsibility or ambiguous risk allocation in practice. In Europe, concessions or similar public service delegation models generally operate within a legal and institutional framework, making the relationship between the government and operators clearer (European Commission, 2023). Furthermore, Europe places greater emphasis on the public asset attributes of its infrastructure, meaning that operators must balance public responsibility with business objectives when making investment or operational decisions.

Moreover, OECD research indicates that the attractiveness of tourism investment depends not only on market demand but also on the broader investment climate, including land-use policies, government coordination capabilities, infrastructure conditions, and information transparency (OECD, 2018). The research also points out that unclear land-use policies and cross-government coordination issues are significant obstacles to tourism investment (OECD, 2018). These issues are highly relevant to the challenges faced by councils in managing parks in this project, demonstrating the crucial importance of institutional clarity in attracting operators.

9 | Recommendations

9.1 | 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.	✅	✅

9.2 | 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.		✅

9.3 | 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.	✅	✅

	Management	Lease
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.		✓

9.4 | Operational Control & Autonomy

	Management	Lease
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.	✓	
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.	✓	
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.	✓	✓

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.	✅	

9.5 | 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.	✅	✅

9.6 | 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.	✅	✅
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.	✅	

9.7 | 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.	✅	✅
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.	✅	✅

	Management	Lease
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.	✅	✅

9.8 | 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.	✅	✅

	Management	Lease
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.	✅	✅

10 | Conclusion

This report examined the key differences between management contracts and lease agreements within the park industry, with a particular focus on operator experiences, financial arrangements, operational control, contract structures, and long-term sustainability. Through the analysis of industry interviews, several recurring themes emerged, including the importance of balanced risk allocation, flexible remuneration models, transparent tender processes, and stronger collaboration between councils and operators.

The findings showed that operators generally favour arrangements that provide greater commercial flexibility, fair financial return, and opportunities for long-term growth. At the same time, concerns were consistently raised regarding short contract durations, limited operational autonomy, inflexible budgeting, and tender processes that prioritise cost over capability. These issues were seen as barriers to investment, innovation, and overall park performance.

Overall, the report highlights the need for councils and industry stakeholders to adopt more balanced and commercially sustainable contract models. Improving transparency, introducing performance-based remuneration structures, and recognising operators as strategic business partners would likely strengthen relationships, improve operational outcomes, and support the long-term success of the park sector.

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