

## **INQUIRY INTO TOURISM IN LOCAL COMMUNITIES**

**Organisation:** Australian Caravan Club Limited

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**Submission to:**

**General Purpose Standing Committee No 3  
Inquiry into Tourism in Local Communities**

***Background***

The Australian Caravan Club Limited (ACC) is a National body representing the interests of all types of Recreational Vehicle (RV) Owners in Australia.

A recent poll has indicated that 78% of the membership of the ACC would be over 55 years of age and therefore fall into the category of "Grey Nomads". These RV travellers will generally travel outside the peak holiday periods however, many will travel to coastal destinations during peak summer holiday period to be part of extended family groups.

Our submission is therefore focussed on the contribution made by and the needs of the "Grey Nomad" RV traveller.

***Economic benefits created by the "Grey Nomad" RV traveller***

With the baby boomer generation entering retirement the RV industry is expected to substantially expand. Currently in excess of 20,000 new RV units are sold annually and it is expected that there will soon be in excess of 100,000 RVs on the road at any given time.

Modern RV travellers are consistent spenders needing to purchase a wide range of household products and services during their travels. Towns that provide a good sized supermarket and a reasonable range of other shops and services, including motor vehicle servicing, stand to significantly benefit from the RV travellers. A sample of data collated from ACC membership indicates that an RV traveller will spend in excess of \$100 per day; a breakdown of this expenditure shows these general categories:

Accommodation (camp fess/Caravan Parks etc.)	17%
Fuel	30%
Provisions (Groceries etc.)	21%
Eating out	6%
Tourist items (Tours /entrance fees etc.)	5%
Vehicle Maintenance	14%
Incidentals	7%

This expenditure break down clearly shows that RV travellers spend their money on a wide range of goods and services and not just camping fees. Therefore many businesses within Regional Australia can benefit from servicing the needs of the RV traveller.

Many RV travellers will seek out budget camping facilities rather than staying in caravan parks that provide facilities that are not wanted or needed. Regional towns that provide budget camping facilities and a good level of goods and services are generally more attractive to the RV traveller and the small business within those towns are positioned to be able capture a greater share of the RV tourist dollar.

In the current economic climate every tourist dollar that a regional town can capture will not only benefit the business that provides the goods and services but also the town as a whole with better employment prospects.

Currently industry estimates suggest that at any one time there is approximately 80,000 RV touring Australia. Based upon this estimate and our daily spending findings these travellers spend in the vicinity of \$8m per day (nationally). If NSW can capture 25% of this market that equates to \$2m per day or \$720m annually

### ***Impacts of the RV Traveller on Local Government Areas***

Modern RVs and the expectations of their users have outpaced the capabilities and willingness of the traditional camping industry to satisfy changing demand. The newer generation of RV tourists seeks an experience that offers freedom of choice along with new options to satisfy all expectations.

Modern RV travellers are looking for a unique experience; something more than the average tourist. They seek a cultural, social and environmental adventure that is unique to regional Australia. It is critical that the demands of those wishing to explore Australia in a modern RV are matched by facilities developed to meet those demands in a responsible and sustainable manner.

This new breed of RV users seeks experiences that offer freedom of choice along with new options to meet their desires, wants and needs. ACC does however; recognise that any provision of new options providing freedom of choice must be done in an environmentally and economically sustainable manner and meeting the interests of all concerned.

### ***Caravan Parks***

ACC believes that economically viable Caravan Parks are a critical component of meeting the needs of the independent traveller. While many ACC RV travellers consistently use caravan parks there is a growing number who prefer the freedom of the informal or non-commercial campsites. It is the ACC view that both are necessary. However, there is growing concern that modern caravan parks no longer meet the needs of the over 55 traveller. We believe it is worthy to also mention that IBIS WORLD Caravan Parks and Camping Grounds Market Research Report dated October 2012 states:

*"The Caravan Parks and Camping Grounds industry has partly reinvented itself over the past ten years, moving further away from its original core services, towards offering more premium accommodation. Operators have improved facilities for its major market, families, and now provide a greater number of self-contained cabins and units. The industry now makes up a more significant component of total tourist accommodation in Australia and competes fiercely with other forms of budget accommodation such as motels and backpacker hostels. The industry survived the recent economic slowdown in better shape than other tourist accommodation providers by offering a combination of low-cost and high quality accommodation."*



It makes good business sense for Caravan Parks to adjust their business model to meet demands of their major market segment; however, we believe this move has alienated the "Grey Nomad" RV traveller who generally seeks simple basic types of facilities. Their argument is that many of the modern parks provide services that they do not want or need and consequently they are not prepared to pay a premium for these services and facilities. This category of RV traveller accounts for 21% of caravan park revenue and 35 % of occupancy.

The needs of the self-contained RV traveller are generally simple and only require a safe place to stop for the night and access to a dump point. Depending upon their circumstances they may utilise the availability of power, potable water, and at times laundry facilities to recharge their systems. They have no issue with paying a reasonable fee to the Caravan Park when these additional facilities are utilised.

A further factor ACC encourages the NSW government to consider is the appropriateness of the current legislative regulations applied to Caravan Park developments. We believe that Caravan Park developers should be able to provide self-contained RV sites without access to amenities blocks and other services not required by self-contained RV's. Depending on the model settled upon this has the potential to assist Caravan Park developments reduce infrastructure costs with applied tariffs to cover the facilities provided.

### ***Non Commercial Camp Sites***

Growing dissatisfaction by the RV traveller community with modern Caravan parks has seen the growth in use of non-commercial campsites. The increased use of these facilities is a consequence of Caravan Park operators abiding by the NSW (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005 (the *Regulation*), providing facilities that are not needed or wanted by the grey nomad RV traveller, consequently these travellers object to paying a premium for facilities they do not want or use and are looking for simple alternatives.

It is ACC's view that at the very least; greater consideration needs to be given to the provision of "Primitive" camp sites (this is an alternative already permissible under the above Regulation), or develop another category for the self-contained RV traveller, within the regulations.

ACC believes that showground's, race courses, etc. should be given permission to establish "*Primitive camping facilities*" permissible under the Regulation (alternatively the government should consider establishing an additional self-contained RV category within the regulations) that will meet the needs of RV travellers. At most, Primitive camp sites, need only supply water, power and access to a dump point to meet the needs of two thirds of these travellers. If hot showers and toilet facilities were also available the needs of the remaining one third would be met.

Such a move provides the Budget Camping experience many on today's RV travellers are looking for and as an added bonus provides the opportunity for many rural showground's to develop an additional source of revenue that would help their local community.

Experience has shown how the local community can be the big winner benefiting from increased and happy RV travellers spending in their town. As previously mentioned these tourists will generally spend \$100 and more per day within local communities. If the RV traveller is forced to spend their money on high caravan park fees their time in the town will need to be reduced and expenditure on other items within the community will be commensurately reduced

ACC seeks the provision of more "Budget Camping" facilities to meet the needs and wants of our members and the RV traveller generally. In this regard we encourage the government to review the legislative regulations to provide appropriate health and safety requirements at these non-commercial campsites rather than restrict their existence.

A further consideration is that these budget campsites should be accessible to older RVs that do not have modern facilities.

### ***Roadside Rest Areas***

ACC fully supports the road safety concept of roadside rest areas being available for RV travellers to be able to break their journey as soon as fatigue becomes apparent. The ACC believes that better and consistent sign-posting of these rest areas is highly desirable in particular placing a sign stating the distance to the next rest area at the departure point of the rest area will allow travellers better plan their rest stops. The ACC also believes there should be no impediment to overnight resting. We believe overnight resting falls within the reason these site are provided, i.e. roadside resting. We see no difference between

someone "resting" overnight in a motor vehicle, heavy motor vehicle (an OH&S requirement) or an RV.

In support of this ACC has developed its **ACCESS** and **Resting Policies** governing the behaviour of its members when using roadside rest areas for overnight resting. (A copy of these policies is attached).

The ACC policy draws a clear distinction between Resting and Camping and in this regard we place an 18 hour limit on the use of roadside rest areas; any longer period we consider being camping.

ACC seeks government recognition of its' policies as acceptable behaviour for the RV traveller when using roadside rest areas and other designated and non-designated budget campsites.

### ***Self-Containment***

Developments within the RV industry are seeing many more self-contained RVs. A survey of the ACC membership indicates that in excess of two-thirds of our membership travel with self-contained RV's this development coupled with RV travellers choosing non-commercial campsites has the potential to create environmental issues where RV travellers do not abide by appropriate behaviours to protect the environment. In this regard the ACC has developed its ACCESS policy (Australian Caravan Club Environmentally Safe Scheme). The intent of this policy is to require members to adhere to a voluntary code of conduct to protect the environment. (A copy of this policy is attached for reference).

The ACC ACCESS policy does not require all RVs to have inbuilt black and grey water retention tanks. Instead it requires the RV to have appropriate sealed containers in which black and grey water (in those situations where the controlling authority requires it to be retained) for appropriate disposal at a dump point. This approach has been taken as many older RVs and many newer 'self-contained' caravans are not fitted with on board holding tanks.

The ACC has also developed a camping policy (another voluntary code of conduct) with the intent of regulating its member behaviour when using non-commercial campsites (A copy of this policy is also attached for reference).



The ACC recognises and supports the need for environmentally sustainable practices for all camping in non-commercial campsites and is keen to work with government to develop appropriate and sustainable practices for the appropriate disposal of waste. We believe our voluntary codes of conduct demonstrate that we take these issues seriously.

## **Conclusion**

Expected projections indicate that the RV and camping market is likely to double by 2020. As caravan parks introduce more cabins to meet the needs of the family market results in less camping sites available for the RV traveller. This situation coupled with caravan parks being sold for redevelopment and the use of some regional caravan parks by itinerant workers is impacting the available tourist sites. Some caravan parks also give preference to the itinerant works over the RV traveller.

The ACC firmly believes there is a need to provide more budget camping facilities for RV Travellers who want freedom of choice and facilities to continue with this lifestyle. An RV traveller will not utilise a caravan park in those instances where local authorities do not address the requirements for "budget" facilities they will simply move on to a town or region that does provide the type of facilities that they want. As a result some communities will not realise the benefits of the increasing number of "Grey Nomad" RV travellers.

The Australian Caravan Club would welcome the ability to work with Government to facilitate the establishment of budget camping facilities that provide basic facilities appropriate to the modern self-contained RV traveller, i.e., a safe environment with access to power and water and a dump point, and offered at a price that recognises the cost of providing and maintaining such facilities.

Please do not hesitate to contact us should you require clarification or want to further discuss any aspect raised. We also look forward to being able to discuss these issues with appropriate members of government.

Yours sincerely,

**Tom Smith**  
**Chairman**  
20 June 2013