

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: Caravan and Camping Industry Association NSW
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The Director,
General Purpose Standing Committee No. 3
Legislative Council,
Parliament House, Macquarie Street,
SYDNEY NSW 2000

Inquiry into tourism in local communities

The Caravan, Camping and Touring Industry and the Manufactured Housing Industry Association of New South Wales (Association) comprises over 650 members who are owners and operators of caravan and holiday parks, manufactured home estates, manufacturers, dealers and retailers of manufactured homes, caravans, motorhomes, camper trailers, camping equipment and accessories and their service industries.

As the peak industry body representing these operators, the Association is a significant participant in relation to the General Purpose Standing Committee No. 3 enquiry into the value and impacts of tourism on local communities. Please find below our submissions from the perspective of our industry.

Tourism is enormously valuable to NSW communities, particularly regional, rural, inland and coastal communities. Caravanning and camping has been one of the tourism industry's fastest growing sectors, with NSW having a 33% share of visitor nights. In the last year, there were 10.1 million domestic visitor nights spent camping and caravanning in NSW, delivering over \$1.5 billion in economic value to the State.

Caravanning and camping provided over 26% of the visitor holiday nights in regional NSW making it a vitally important part of the local tourism infrastructure. As well as providing accommodation, caravan and holiday parks are employers of local people and are major contributors to their local economies.

Research commissioned by the Caravan, RV & Accommodation Industry of Australia (CRVA) in 2012 indicates for every \$1 of income in a commercial caravan park, \$1.38 of local economic activity is generated - a figure which does not include the flow on effect of visiting tourists spending direct with other businesses whilst visiting in a local region.¹

Commercial caravan and holiday park businesses are therefore not only a vital part of the tourism infrastructure in regional areas, but also provide valuable stimulus to their local economies.

A major issue facing regional, rural and coastal caravan parks is non-compliant camping aided by the provision of free or deeply discounted camping grounds at ovals, showgrounds and reserves

¹ Caravan, RV & Accommodation Industry of Australia Economic Benefit Report – Commercial Caravan Holiday Park to a Local Community October 2012.

under the control of local councils who are seeking to attract more recreational vehicle tourists to their regions.

Governments at all levels normally provide services where there is a market failure, or when it is not financially viable for commercial businesses to provide these services. However, in many instances of non-compliant camping there is no market failure.

NSW legislation sets stringent laws under which commercial caravan parks need to operate. These laws help ensure the preservation of the environment and the safety of guests/customers.

Non-compliant camping areas escape these requirements and local councils that fail to levy charges to recover the cost of providing these camping areas and provide free dump points or other amenities such as water and electricity, run the risk of breaching competitive neutrality guidelines. There is a cost for the installation, monitoring, maintenance and insurance of dump point and water facilities used by travellers at these non-complaint camping facilities, and ultimately it is the local ratepayer that is bearing the associated costs.

Councils providing free or heavily discounted services in direct competition with local caravan and holiday parks are extremely detrimental to these businesses, and pose serious threats to local tourism. Caravan and holiday park owners invest significant capital into their businesses to provide an environment and facilities that enhance the appeal of the local township. If they cannot be provided with an equal paying field, these small businesses will not be able to compete, resulting in a loss to the town of valuable tourism infrastructure. Employees will also lose their jobs and the economic benefit that would have otherwise flowed through to the local economy, as highlighted above, will be lost.

Another recent study commissioned by CRVA demonstrated that commercial campers spend an average of \$576 per stay compared to an average of \$213 spent by free campers. This means commercial campers inject 2.7 times more money into the local town than free campers. As such, creating a business environment that allows small businesses such as caravan and holiday parks to flourish should be a priority for local councils.

In terms of providing regional tourism businesses with opportunities to improve their product offering, a priority for state and federal government should be the continuation of funding programs to increase the quality and range of visitor experiences in regional areas. Programs such as the Federal Government's Tourism Industry Development Fund are providing valuable assistance to help regional tourism businesses lift their standards and services. The Association is keen to see a continuation of such programs, as improvements in infrastructure attract increased visitation to regional NSW.

Also instrumental in attracting increased visitation to regional NSW is the improvement of road infrastructure, requiring investment at all levels of Government. As a predominantly self-drive tourism market, better quality roads are essential to the caravan and camping industry.

Finally, as set out in the NSW Government's *"Final Report of the Visitor Economy Taskforce: A Plan to Double Overnight Visitor Expenditure to NSW by 2020"* the Association agrees that there is a need to establish a sustainable revenue source to fund locally based investments and initiatives across the visitor economy. As such, the Association supports the utilisation of special rate variations to support local tourism initiatives provided there is strong agreement from local businesses.

Our Association has an established regional network across the State where members meet regularly and discuss issues of relevance to our industry. We ask that local representatives of the caravan and camping sector be engaged actively in by Councils when issues impacting the local tourism economy are considered.

We are available to discuss this submission further and look forward to our involvement in the consultation process.

Yours sincerely,

Lyndel Gray
Chief Executive Officer