

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: Campervan & Motorhome Club of Australia Ltd
Date received: 28/06/2013



ABN 16 095 568 157

28 June, 2013

**Submission to the Legislative Council inquiry conducted by the
General Purpose Standing Committee No. 3,
Tourism in local communities**

The recreational vehicle (RV) and camping market continues to be one of the fastest growing segments of the tourism industry in Australia. With over 65,000 Members, the Campervan and Motorhome Club of Australia (CMCA) is the largest RV Club in the Southern Hemisphere and the 6th largest organisation of its type in the world.

As a not for profit organisation, CMCA works with a variety of stakeholders to promote and enhance sustainable and environmentally responsible RV tourism. CMCA is focused on working with local, state and federal governments to grow domestic RV tourism at all levels.

CMCA works with two of the major caravan clubs in Australia; the National Association of Caravan Clubs (NACC) and the Australasian Touring Caravan, Motorhome and Camping Club (ATCMCC) under the banner of MoTOURing Australia. Potentially, this group represent 500,000 RV owners and consumers, and meets regularly to discuss relevant industry issues.

1. The value of tourism to New South Wales communities and the return on investment of Government grants and funds

CMCA conducts two Rallies per year, one National and one Anniversary, held in rural and regional areas. These Rallies attract around 1,000 vehicles carrying an estimated 1,800 Members. CMCA Rallies generate a significant financial boost to communities, estimated to be between \$2 to \$3 million before and during the event. The economic benefits generated are not only significant at the time of the event, but can continue to boost the local economy through repeat visitation long after the Rally has concluded.

Recent CMCA Rallies held in NSW included the 25th Anniversary Rally in Deniliquin (April 2011) with 1,884 participants and the 25th National Rally in Port Macquarie (October 2010) with 1,741 participants. In October 2013 the CMCA 28th National Rally will be held in Narrabri and in October 2014 the 29th National Rally will be held in Nelson Bay.

Dump points address serious health and environmental issues, allowing safe disposal of grey and black water. In addition, self-contained RV tourists seek out locations with dump points, bringing tourism dollars with them. Dump points are an integral part of the infrastructure for the RV tourism industry.

Since 2008, CMCA has subsidised the placement of 'Dump-Ezy' dump point units throughout Australia using grant funding provided by various state governments. The Club has also provided financial assistance to a significant number of councils for the construction of these facilities. To date, there are 68 CMCA subsidised dump points across NSW and 294 nationwide.

2. The value of tourism to regional, rural and coastal communities

Introduced by CMCA in 2006, the RV Friendly Town™ (RVFT) Scheme is provided for all RV travellers as they journey throughout Australia. An RVFT is one that meets a series of guidelines and provides the type of amenities RV tourists require. These include low cost short and long term rest areas, access to a dump point

and potable water. CMCA research has found that Members are more inclined to stay in an RVFT than a town not participating in the program. To date, there are 34 RVFTs across NSW and 165 nationwide.

NSW can be seen as a 'pass through' state during the winter months as a large number of RV tourists travel north to Queensland. Local government and tourism operators could capitalise on this market by trying to capture their visitation for a short period as they travel and then enticing them to extend their stay for multiple nights in the area. As this segment of the tourism market travel year round, their visitation can be particularly valuable in the off season months where local communities could offer incentives for RV travellers to stay.

3. The impacts of tourism on Local Government Areas, including:

(a) Infrastructure services provision and asset management

The evolution of the modern self-contained RV, and the shifting expectations of RV tourists, has outpaced the capabilities and willingness of the traditional camping industry to satisfy growing demand. The newer generation of RV tourists are seeking an experience that offers freedom of choice along with a range of new options to satisfy their needs.

RV tourists are looking for a unique experience; something more than the average holiday. They are now seeking 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 needs in a responsible and sustainable manner.

The social and economic advantages associated with RV tourism include strengthening the ability of regional areas to attract the ever-expanding RV tourist market, thus creating a financial boost to local economies; and the fact that it requires minimal infrastructure and therefore a relatively small amount of time and money to implement.

(b) Social impacts

The RV tourist market plays an important role in the promotion of Australia's cultural capital through its ability to access remote areas of Australia's geography which are often home to significant historical, cultural and indigenous sites. The growth of this market with both domestic and international travellers alike indicates the importance of this role and the potential impact on Australia's tourist industry.

Research has shown that the recreational pursuits travellers enjoy are bushwalking, visiting heritage sites, national parks and museums. This places a responsibility on the RV market to ensure the protection of these unique areas of Australia's heritage and local culture to ensure the sustainable development of both the RV market and tourism industry.

(c) Unregulated tourism

In 1994, CMCA introduced the Leave No Trace® (LNT) scheme, which is now available to owners of all qualifying self-contained RVs who are a member of an RV club. Participants sign a declaration to abide by an 11 point Code of Conduct whilst travelling and are identified by a logo affixed to their vehicle. It is also available to those companies that hire self-contained RVs in Australia.

To qualify for this Scheme, vehicles must be self-contained, meet strict requirements for fresh, grey and black water holding capacity, as well as storage capacity for garbage waste. It also requires that self-contained vehicles retain all waste on board and 'Leave No Trace' of their visit to a site, aiming to leave only tyre tracks. There are currently over 5,800 LNT accredited vehicles in Australia and many participants endeavour to leave a site cleaner than when they arrived.

Councils throughout Australia have embraced this Scheme, and many have been more amenable to opening up new rest areas for self-contained RV tourists who cause little or no impact on the environment.

(d) Employment opportunities

RV tourism has remained one of the most resilient markets during the recent economic downturn and anecdotal projections indicate that the RV tourist market is likely to double by 2020. CMCA commissioned research into the value of this market force and the report clearly shows that the RV community gives preference to organisations and towns that consider the needs of the RV tourists.

Local businesses receive economic benefit from the traffic and volume of visitors staying overnight in local and regional areas. Stopovers at rest areas generate expenditure at nearby shopping facilities. CMCA research shows that, while travelling, RV tourists make purchases in the towns they stop in with the estimated average spend of \$787 represented by the following breakdown: fuel \$255; vehicle repairs and maintenance \$171; groceries food and drinks \$190; tourist attractions and services \$75; other \$96.

RV tourism also brings skills and labour pools into rural and regional areas. Research has shown that almost 50% of travellers participate in voluntary work of some kind. Travellers provide a potential 'mobile' workforce in regional areas and communities where seasonal demands or other factors contribute to shortages of labour or skills in regional areas. The self-containment factors of the vehicles also eliminate the necessity for the provision of accommodation for seasonal workforces.

4. The marketing and regulation of tourism

The key objective of CMCA is to develop new experiences and freedom of choice for RV tourists. This includes greater access to state and national parks, the development of regional and rural rest areas, and access to community land. There are many showgrounds, racecourses and reserves that are currently being underutilised as overnight accommodation access to them is restricted due to government legislation.

These types of facilities make exceptional rest areas for self-contained vehicles and the subsequent economic injection provides supplementary income to assist in the maintenance and upkeep of the property. In order to maximise the financial benefits of the growing RV tourist market, it is imperative that current legislation be reviewed so that these facilities can be made available.

RV tourists are consistent spenders who purchase a range of household products and services. CMCA's most recent research shows that CMCA Members spend an average of \$572 per week when on the road. Their estimated spend per vehicle per year, based on an average of 197 days travel, is approximately \$16,000 or \$81 per day. It is important to remember that the RV tourist spends his/her money on a wide range of goods and services in a region and not just on camping fees alone.

Feedback from CMCA Members is that they want freedom of choice when planning their overnight stays. Recent correspondence received from caravan club members confirms that RV tourists in general are looking for a variety of overnight camping options and are firmly against caravan and camping industry efforts to have council owned rest areas and showgrounds closed to the travelling public.

5. The utilisation of special rate variations to support local tourism initiatives

Self-containment allows travellers to enjoy the outback or more remote areas where facilities are not always available. Self-contained RV tourists want to live the dream depicted in magazines which show travellers camped in an idyllic location, alongside a lake or river, enjoying the view. Vehicles that are fitted out with their own power, toilet, shower, water storage, and communications only require access to a dump point and potable water occasionally.

Many RV tourists choose to stay at caravan parks and utilise toilets, showers and power options part of the time, but they want freedom of choice and value for money in the places they choose to stay. They are not prepared to pay for products and services they do not require. A self-contained vehicle owner will begrudge having to pay for services they do not require and will go further out of town to find a low or no cost alternative. Councils and caravan park operators must therefore consider the impact and loss of trade on

other local businesses from self-contained RV tourists bypassing a town which does not provide a low cost or freedom camping alternative.

If a rest area, showground or caravan park site provides access to water, rubbish bins and a toilet a minimal cost of around \$5 to \$10 per night, based on the level of facilities provided, would be appropriate. Caravan park sites and campgrounds with greater facilities such as power, showers and a waste water dump point could afford to charge a higher rate, based on the level of service provided and comparing like for like facilities.

CMCA Members, when travelling, spend two nights per week in caravan parks. Right now, if 10,000 self-contained RVs are on the road, about 3,000, or 30 percent of them are staying in caravan parks. This indicates that a portion of market will always choose to stay in good quality caravan parks that offer value for money.

Making Crown Land available for use by self-contained RV tourists would allow outback and regional towns to capitalise on the financial benefits this segment of the tourism market brings. Setting up sites with low levels of facilities would require little financial investment by local councils. These would provide RV tourists with low cost camping options which are highly desirable in this increasing market segment.

CMCA are committed to developing and maintaining a productive, working relationship with the New South Wales Government in order to implement initiatives that are mutually beneficial for government, local communities and RV tourists. Should you require any further information, please do not hesitate to contact me at our National Headquarters on [redacted] CMCA Director and National Consumer Representative of MoTOURing Australia, Ken Kipping on [redacted]

Regards,

Richard Barwick
General Manager
Campervan & Motorhome Club of Australia Ltd