



CARAVAN INDUSTRY ASSOCIATION OF AUSTRALIA

2023-2024 FEDERAL PRE-BUDGET SUBMISSION

Prepared for:

Australian Federal Treasurer: The Hon Dr Jim Chalmers MP

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ABOUT US

The Caravan Industry Association of Australia is the peak national body for the caravanning and camping industry in Australia. Our organisation's vision is, "To lead and champion a safe, compliant and sustainable caravanning and camping industry in Australia" while working under our operation pillars.

The Caravan Industry Association of Australia (CIAA) operates as a not-for-profit organisation with a membership base comprising the individual state caravanning and camping associations with whom we work collaboratively.

There are over 6,000 businesses across the entire caravan supply chain including 2000 Caravan Parks. They are responsible for generating \$27.1bn in measured annual economic impact across manufacturing, trade, retail, rental and caravan park revenue including visitor expenditure.

Many of these industry businesses financially support the organisation by making voluntary contributions towards a cooperative fund that aims to support the sustainability of the greater industry.

We are proudly the largest holiday accommodation provider in Australia and the largest provider of regional accommodation across Australia irrespective of the purpose of travel.

Our industry is also the largest remaining automotive / trailer manufacturing sector in Australia, leading the world with our innovative and durable design.

CIAA's operational pillars span across data and research, advocacy, compliance, accreditation and marketing - working to lead and champion a safe, compliant and sustainable caravan and camping industry in Australia.

A successful and safe caravan and camping industry is good for Australia. It is good for governments, communities and businesses alike, and provides respite for all Australians looking for a holiday to reconnect with families and friends in a variety of contexts.

The Residential Land Lease Alliance (RLLA) is Australia's peak advocacy group for Residential Land Lease Communities. The RLLA is a sub-committee of the Caravan Industry Association of Australia. The Alliance's vision – through our national Caravan Industry association - is to make housing more affordable - and more obtainable - for more Australians.

EXECUTIVE SUMMARY

Caravan Industry Association of Australia welcomes the opportunity to offer a submission to the Australian Government Treasury office for the 2022-23 Federal Budget.

In the lead-up to the May 2022 federal election, our lead, peak organisation outlined in a detailed document, 4-policy priority areas for Australia's \$27.1bn caravan and camping industry seeking direct engagement and where necessary, support from the Australian Government.

Source: <https://www.caravanindustry.com.au/policy-priorities>

Our industry arguably remains one of the true sustainable, future facing industries for Australia. In strategic collaboration including partnerships with the Federal Government, departments and stakeholders, we seek to build an even stronger, job and enterprise-creating future.

Our now four-policy platforms remain absolutely relevant for this next upcoming federal Budget.

- **Supercharging Australian Tourism**
 - Refocusing Tourism Australia
 - Labour Force Solutions
 - Insurance Reform
- **Future Proofing the Caravan & Camping Industry**
 - Residential Land Lease Communities
 - Regional Investment
 - Caravan & Camping Net-Zero
 - Energy Uplift Scheme for Caravan Parks
- **Improving Safety Outcomes**
 - Assist Industry's Transition to RVSA & Safer Vehicles
 - National Caravan Safety Check Program
 - Safer Drivers

KEY RECOMMENDATIONS:

1. **\$10M for Round 2 of Caravan Parks Grant Program & \$500,000 for Partnership Agreement with CIAA for Engagement & Marketing**
2. **Future Fuel Transition: Market Readiness Report for Caravan Industry Future-Proofing Around Net-Zero - \$1.5M**
3. **Assist Caravan Industry's Transition to RVSA & Safer Vehicles – A \$375K (\$1.5M over 4 years) National Industry Education Program in Cooperative Partnership with Commonwealth.**
4. **Insurance Reform - Affordable & Accessible Insurance for Our Industry Participants**
5. **Tourism Australia Funding & Activity – A Continuing Role in the Domestic Market for Tourism Australia as Part of Annual Funding & Partnerships in Operational Planning**
6. **Land Lease Communities**

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OVERVIEW

OUR POLICY PLATFORM PRIORITIES

In the lead-up to the May 2022 Federal Election, our lead, peak organisation outlined in a detailed document, 4-policy priority areas for Australia's \$27.1bn caravan and camping industry seeking direct engagement and where necessary, support from the Australian Government.

Source: <https://www.caravanindustry.com.au/policy-priorities>

Our industry arguably remains one of the true sustainable, future facing industries for Australia.

In strategic collaboration including partnerships with the Federal Government, departments and stakeholders we are seeking to build an even stronger, job and enterprise creating future.

Our now four-policy platforms remain absolutely relevant for this next upcoming federal Budget.

- **Supercharging Australian Tourism**
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 - National Caravan Safety Check Program
 - Safer Drivers

THE STATE OF OUR INDUSTRY

As a \$27.1bn industry, the holistic caravan economy includes over 6,000 businesses and at least 50,000 jobs across its wide supply visitor economy, manufacturing, retail and rental supply chain. In Australia there are now 2600 caravan parks, approaching 500 RV and component local manufacturers and in excess of 2000 retail and rental operators. There are over 840,000 registered caravan and RVs on Australian roads.

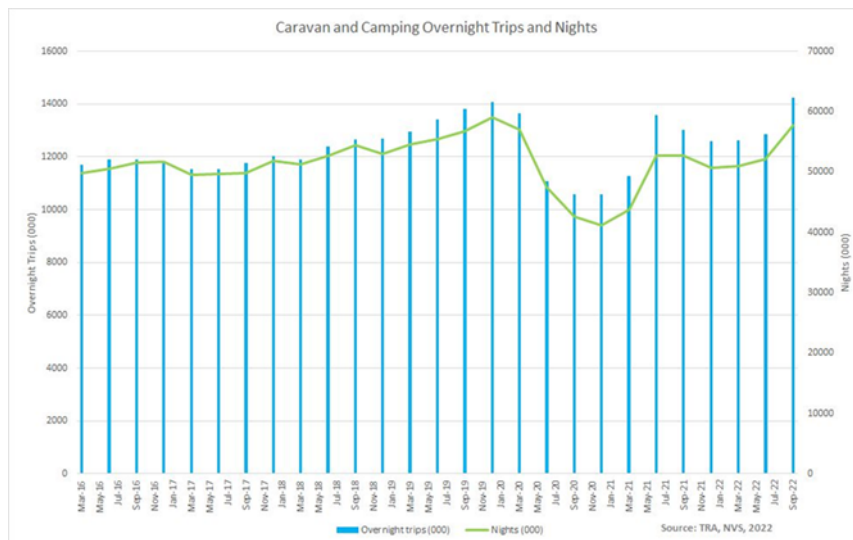
Our industry continues to earn the right through our performance for greater recognition, strategic partnerships and ongoing collaboration, including shared data and insights and the enormous economic contribution we now make. Not just through the \$27.1bn in annual economic value it delivers, but also in social and cultural impact.

A recent study by BDO has shown that every \$1M in caravan park 'tourism' revenue supports 12 FTE jobs, many of which are located in regional communities.

Despite the fluctuating economic challenges, the caravan and camping industry continues to thrive; generating millions of visitor nights and trips and billions (at least \$7.4bn in annual visitor expenditure). In fact, the caravan industry has consistently remained the largest provider of holiday nights or any accommodation offering according to Tourism Research Australia and within Austrade.

Our industry notably achieved record heights under a backdrop of COVID-19 travel restrictions, state border closures, business lockdowns, international supply chain disruptions and a reduced labour force, underscoring its sustainable and future-facing attributes.

Based on latest published data, a record 14.2M caravan and camping trips were taken in the year-ending September 2022 along with over 57 million annual visitor nights. This well exceeds comparative September 2019 year end and pre-COVID tourism volumes.



Caravanning continues to remain Australian domestic tourism’s largest regional and rural visitor cohort by a substantive margin.

Australia is a global leader in RV manufacturing and the segment continues to significantly evolve in a growing consumer market. Manufacturing of local RV product has increased post COVID-19 levels and remains the largest remaining part of automotive manufacturing in Australia.

On average 23,000 annual vehicle units are manufactured locally, principally for the Australian retail market, supporting 55% of domestic sales along with meeting niche export opportunities. This is despite the supply and labour challenges in market which could have seen even greater activity than that recorded. Imports support approximately half of the remaining caravan and RV volumes.

On road safety, our industry has fostered significant innovation to also become a global leader in towing related road safety technology. This includes developing and welcoming the world’s first anti-lock braking system (ABS) for trailers into our market in 2020 and into many new makes of caravans. Other key safety technologies, like sway control and electronic stability control, are being continually improved upon and adopted across the sector.

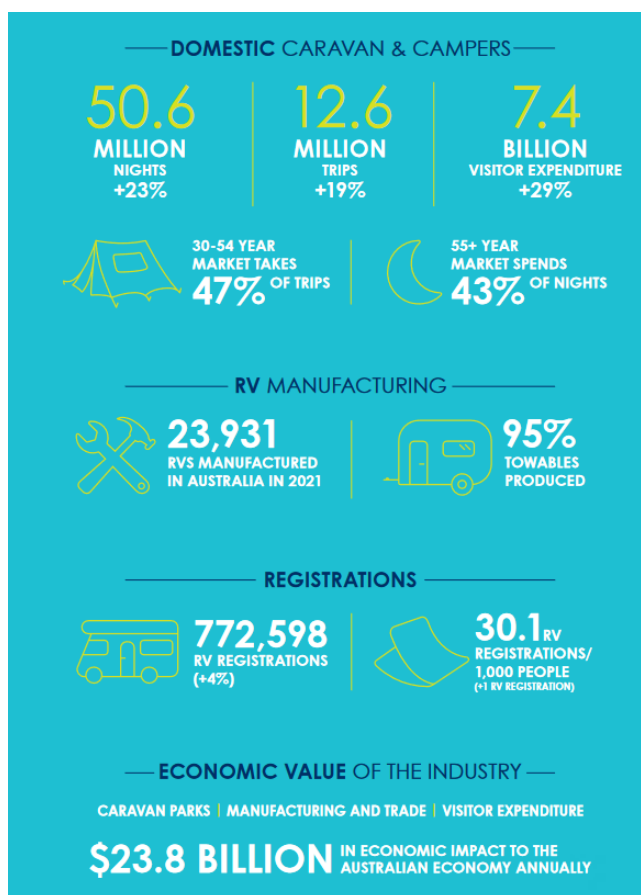
The Caravan Industry Association of Australia (CIAA) has been a proactive and a consistent advocate for continual improvement in safety regulations and education of our wider industry and consumers. Improving road safety outcomes of heavy mass vehicles is a policy priority in Australia. It is also one of the only sub-sectors where safety can be influenced at the point of manufacture.

CIAA works closely with Vehicle Safety Standards (VSS), part of the Federal Department of Infrastructure, Transport, Regional Development, Communications and the Arts to educate members of the industry about their obligations under the new Road Vehicle Standards Act (RVSA).

Before the transition period closes, the RVSA takes full effect in July 2023. CIAA continues to believe it is necessary to significantly increase (ideally collaborative of industry and government) promotional efforts to capture manufacturers' as well as consumers attention upon the full implementation of the critical RVSA reforms.

The continued emergence of further corporate and institutional investment and direct interest across our sector also identifies great confidence in our sustainability moving forward. This is manifested by example in such companies as Camplify and thl (through its merger with Apollo), both now listed on the Australian Securities Exchange, the expansion of the G'Day Group including iconic Australian luxury resorts and retreats, through to the significant ongoing investment in manufacture.

CIAA, with our detailed data sources, produces an annual State of the Industry financial year Report, showing the full scope and scale of our broad industry. Last year's outline of our wider industry KPIs are presented depicting a then \$24bn industry.



<https://www.caravanindustry.com.au/caravan-industry-continues-to-weather-covid-storm-with-record-activity>

Key Resource:

<https://www.caravanindustry.com.au/wp-content/uploads/2022/04/Caravan-Industry-Policy-Platform-Driving-Australia-into-the-Future.pdf>

1) CARAVAN PARKS GRANT PROGRAM – ROUND 2

KEY BUDGET AREA

\$10M for Round 2 of Program & \$500,000 for Partnership Agreement with CIAA for Engagement & Marketing

The Caravan Industry Association of Australia (CIAA) strongly welcomed the targeted federal infrastructure support package of \$10M out of the October 2022 federal Budget which recognised the growing and critical value of caravanning to Australia's tourism and visitor economy.

The \$10M Caravan Parks Grant Program was in close alignment with one of our industry's 4-strategic policy pillars, to evolve world leading caravan park product across the nation and extract private capital expenditure support up to 3 times over.

During the rollout of 'Round 1', our Association has worked in genuine collaboration with Austrade, as managers of the Grant Program, to ensure there is strong engagement, volumes of quality applications and clear information on how to participate, ahead of its future rollout.

The Program 'Round 1' is on track for strong success, where projects will be announced during 2023 and must be completed by May 2024. Importantly, we will be proactive in working with Austrade to show the Return on Investment (ROI) outcomes from successfully completed Round 1 projects.

The Program was never intended as an COVID-economic recovery package. Rather, a genuine recognition that the resilience and sustainability and economic generation of the caravan industry over many years, in particular its 2600 caravan parks, is actually core to the nation's tourism and visitor economy as the strongest accommodation sector in the domestic market and the largest offering in regional and rural Australia.

The current Round 1 of the Program appears well-targeted to co-fund new improved and leading caravan park product across the nation, in particular across regional and rural Australia. It and a further Round 2 can extract substantive private capital expenditure support, which we measure as at least 3 times over the Commonwealth grant component.

To support further sustainable recovery and growth in Australian tourism, caravan parks need to remain incentivised to provide more attractive visitor amenities and appealing product, particularly whilst the international inbound visitor market takes further time to recover.

Ongoing rounds of the Federal Caravan Parks Program can also support strategic, medium to long-term product evolution in Australian caravan parks to better meet an evolved and dynamic market.

This in particular includes areas such as accessible tourism and returning international visitors, which pre-pandemic had represented 7% of overall caravanning bed nights across Australia. At the time these included Chinese national visitors, plus international backpackers on Working Holiday or international student visas.

Round 2 – of an additional \$10M allocated to the Caravan Parks Grant Program – would further deliver strong benefit – as well as stimulate industry confidence to even further invest and fast-track more infrastructure improvements – where for every \$1 of Commonwealth grant monies – we have modelled up to \$3 of private sector investment in improved product and visitor amenities.

Under Round 2 – areas such as the size of the grants – and possibly additional focus on accessible tourism and international visitor readiness – could be additionally considered in the final criteria. Round 2 could then seamlessly follow Round 1.

We also believe an allocation of \$500,000 towards strategic industry communications, an information portal/hub and marketability of the Grants Program should be considered. To ensure effective leverage, reporting and drive ongoing interest in the Program as it evolves, such as establishing an information portal/hub as well as ROI / Equity research be conducted to define the Program's success.

\$10M in new grant allocations for 2023/24 financial year with an additional \$500,000 to be split between administration, marketing and measurement of the Program, totalling \$10.5M.

This includes:

Co-operative industry/government marketing of the Program Round 2:	\$250,000
Independent ROI Measurement of effectiveness of Program Round 1 / 2:	\$125,000
Austrade management of Program Round 2:	\$125,000

The Caravan Industry Association of Australia would look to be a 3rd party provider with the Commonwealth under a service agreement to run the Program and through our existing and historic data and research capture, work with a leading research provider to demonstrate the ROI/ROE on such tourism infrastructure initiatives to build product.

2) POLICY PLATFORM: FUTURE PROOFING THE CARAVAN & CAMPING INDUSTRY

KEY BUDGET AREA

Market Readiness Report with an integrated industry procurement strategy for Caravan Park Industry advancement to electrification and carbon net zero; with significant additional regional community benefits, - \$1.5M

REQUEST FOR FUNDING

The Caravan Industry Association of Australia seeks funding into a **Market Readiness Report** for the industry – estimated at a cost of \$1.5M. This will enable the industry, as a whole, to identify and meet the future challenges of electrification, which will require infrastructure upgrades and continuous operational cost increases. Thus, allowing the industry to act proactively and ensure the operation of these important community and regional centric facilities do not close due to the challenges of rising costs.

Caravan Industry Association of Australia has commenced procurement within the development of a wider strategy for the caravan industry towards carbon neutrality and fleet electrification, and are ready to engage the Market Readiness Report to be undertaken.

The Market Readiness Report is estimated to be a six to nine month-project, covering all Australian States and Territories, and would be conducted with findings by the end of 2023 calendar year.

Federal funding for this is required due to the cost and the required timeframe the report is needed, to ensure we can act on this as soon as possible, seeking to alleviate commercial pressures associated with electrification and carbon emission reduction, for our vital regional caravan parks.

The report will allow action that will benefit wider regional communities, including the challenges we face in moving to net zero carbon emissions and attracting travellers to regional Australia.

The Market Readiness Report will demonstrate commercial options for the industry to reshape the electrification of regional and rural Australia with revised approaches for caravan parks to capturing the future challenges of electrification and carbon neutrality; to become an opportunity to reshape the approach to regional electrification.

This is vitally important for caravan parks and is also as important as a contributor to the regional communities supported by the parks.

It is envisaged that this project can provide a significant pivot point in the electrification for regional and rural Australia and significantly contribute to the carbon neutral pathway for the nation.

Benefits will be for all Australians and international tourists, with a specific focus of benefit to the regional communities where the Caravan Parks operate.

KEY DRIVERS

1. Rising Costs of Electrification

Caravan Parks have a significant challenge with the electrification of everything which brings with it two aspects which are financial burdens that Parks are not in the position for and have not been able to plan for. These include:

- a) Increased power costs combined with increased power use.
- b) Required capital costs for increasing site electrical capacity for the move to electrification of everything.

Out of the control of Caravan Parks, there is now growing demand for electricity which has the two-pronged impact of capital and ongoing operational budget pressure.

Electricity use is a Caravan Park's highest single expense, and it is significantly increasing.

Combining these issues is the movement of consumers to caravans and camping with more electrical devices, increasing temperatures increasing air conditioning use and the growing impact of electric vehicles. For more detail on this issue there is the recent 2021 report commissioned by the SA Government which is on [the electrical challenges of motels and holiday parks and the challenges of electric vehicle charging integration](#).

Besides the financial burden, if the Caravan Parks are unable to service tourists with electric vehicles, now and in the future, then we will see a growing disparity in visitation between city and regional locations for tourists, and so a continual decline in regional tourism as the world electrifies transportation. The impact on regional/rural long caravan touring, an integral part of the major Australian visitor economy backbone, cannot be understated if not effectively addressed .

This is a serious adverse outcome borne from the transition to a lower carbon and emissions economy.

The Market Readiness Report will review the sample sites in detail with full details on the energy use and also the available electrical connection infrastructure to meet future challenges. The report will look at restructuring of electrical provision for customers as well as efficiencies and avenues to a net zero pathway for the sites.

2. Charging Infrastructure & Caravan Parks

Drive tourism accounts for 75% of all tourism in regional Australia. Vehicle charging infrastructure and activating the accommodation sector to install charging points will be crucial in supporting a long-term and sustainable regional tourism industry.

Caravan parks around Australia are ideally placed - and sometimes the only accommodations in regions - to provide future EV charging points to travellers, and they can serve as an EV charging a hub for the wider communities they service.

Some Park sites have already implemented EV charging, albeit at a small scale and for Park patron use only. However, the development of a national network to service regional Australia is not possible with this piecemeal approach, nor without a detailed national understanding of the current Park associated challenges in implementing such a strategy.

This Market Readiness Report will audit a sample number of Parks in each State and Territory, to provide the basis for decision making at a national caravan association level and ensure that any approach is the optimum for the stakeholders, including the Caravan Parks and the regional communities they service.

The report will provide an analysis and will detail actions to be taken to maximise the financial, environment and social benefits for regional tourism and associated road infrastructure planning for the nation.

Regional tourism's biggest barrier is access; providing a pathway for commercial viability for electrification access on our regional road infrastructure will create the opportunity to improve regional community outcomes.

With no action in this area the risk is that regional and rural tourism continues its financial struggle, and more caravan park sites reduce services or close under ever-increasing financial pressures. With a significant negative follow-on impact for their local regional communities.

OVERALL OUTCOMES

The Market Readiness Report would entail a packaging up of the challenges and opportunities, and with the insight of government in the review process, inclusive of the parameters of both the national caravan park network for future fuels and a fast-charging public electric network, as we move towards a net zero caravan park strategy.

The scope includes how to facilitate and address the challenges of future sustainable regional travel via caravanning through appropriate EV infrastructure, including charging points and battery technology. As well as, the potential role of private investment to extend the electric vehicle charger network well into regional Australia.

The Report will consider real site parameters and examples of sites in each State and Territory, to ensure tangible actions can be assessed and be able to be implemented with a strategy towards improved regional outcomes and carbon neutrality for the caravan park industry. As well an alignment to traditional regional/rural caravan touring routes and new visitor economy market development.

The Market Readiness Report will also provide a procurement strategy for the suggested market approaches, with timeframes, estimated benefits and costs to implement. This includes looking at the review of renewable energy site solutions, private investment into a public charging network and reallocation of energy use to a user pay integrated system for site use directly from an energy company, should those options be viable in the report findings.

The Report will allow a complete revision of the approach of tackling the challenges of electrification. By segmenting current challenges and components into new markets this will ensure a best fit assessment for capital investment and market activation. This will enable financial structures to improve the financial outcomes for investors, the Caravan Parks, regional carbon neutral goals and the government.

Above all this revision of approach for a new energy market will improve the economics of the Caravan Parks and their associated regional communities, providing for a more just transition to a future carbon free society.

VALUE FOR MONEY

The outcomes of the Report will provide a pathway for procurement which is not individually available for Caravan Parks, so cannot be undertaken except at a national industry

coordinated level.

The national coordination provides for the best utilisation of the location of the Parks across the country for the opportunity of a national regional electric charging network and consideration of options for implementation. It can also accommodate an integrated commentary around visitor economy impact, risk and/or opportunity.

Individually, the Parks will be provided value with the opportunity to move to a lower carbon future and a more profitable outcome for regional communities.

Given the size and scale of the Australian caravan industry – generating \$27bn in annual economic output, including 57 million annual visitor nights – the value of this Report is significant for the industry and associated communities.

WHY DO WE NEED TO DO THIS NOW?

The coming years will see the most radical changes to the way that Australians drive, in particular into and through our regions and rural Australia. This includes drive holidays and the towing of their caravans with the progressive take-up and transition to electric vehicles.

These have acute future impacts on regional and rural communities, including their local tourism economies/visitor and Australia's cumulative domestic visitor economy where caravanning is a primary sector and largest provider of visitor overnights.

Public policy remedies and collaboration between industry and the Federal Government thus must be recognised and needs to occur to ensure the right outcome for all stakeholders in a just transition to a carbon free society.

Caravan Industry Association of Australia (CIAA) recognises that the transition to a future fuels environment holds with it plenty of opportunity, both for accommodation and manufacturing sides of our industry.

It also holds with it immense challenges - in infrastructure, suitable vehicles, cost, access and with these come serious visitor economy impacts – hence, the need for market readiness.

Our industry's Market Readiness will become all-critical, and this must start now with the Market Readiness Report for our nation's Caravan Park sites.

ADDITIONAL ENERGY DATABASE

There is also the opportunity to have a national database for the electricity consumption, carbon tracking and performance metrics with upgrade opportunities for caravan parks. This may be a circa \$4m setup and would integrate very well with the roll out of an energy efficiency rating tool for caravan parks under the National Australia Built Environment Rating Scheme, NABERS. Such a tool is demonstrated to save money and drive efficiency and would at the same time drive economic development in low carbon technologies in regional and remote areas.

This project is now being designed and would flow directly with or following the Market Readiness Report. We would also welcome discussions with the Federal Government on this program that is designed to assist Caravan Parks to deliver net carbon zero outcomes over time.

3) IMPROVING SAFETY OUTCOMES

KEY BUDGET AREA

**Assist Caravan Industry's transition to RVSA and safer vehicles – A \$375K (\$1.5M over 4-years)
National industry Education Program in cooperative partnership with Commonwealth.**

OVERVIEW

Improving the road safety of heavy mass vehicles is a policy priority in Australia.

Caravanning and RVs, as the largest remaining part of automotive manufacturing in Australia, is also one of the only sub-sectors where safety can be influenced at the point of manufacture.

A significant percentage of Australian road users are recreational vehicle users with over 840,000 RVs registered on Australian roads today. This figure represents a 4.5% annual increase and is the 10th successive year of growth of over 4% (ABS, Motor Vehicle Census, 2021).

Today, recreational vehicle users are estimated to travel more than 1 billion kilometres annually on Australian roads, making them a vital part of the road safety solution.

**Assist Caravan Industry's transition to RVSA and safer vehicles – A \$375K (\$1.5M over 4-years)
National Industry Education Program in cooperative partnership with Commonwealth.**

- A \$375K per annum grant and cooperative service agreement (total \$1.5M over 4-years) with the department will provide the resources necessary to support B2B industry safety education and product implementation of this key reform, with more agreed regulatory oversight.
- Caravanning and RVs, as the largest remaining part of automotive manufacturing in Australia, is also one of the only sub-sectors where safety can be influenced at the point of manufacture.
- Caravans and Recreational Vehicles (RVs) today travel more than 1 billion kilometres per annum on Australian roads.

THE NEED FOR EFFECTIVE COMMUNICATIONS & ENGAGEMENT WITH INDUSTRY

Before the transition period closes, and the RVSA takes full effect in July 2023, it remains our astute observation of the necessity to significantly increase promotional efforts.

We continue to believe the CIAA can be a partner and critical advocate so our industry can support the best effectiveness for the RVSA's implementation. This can be achieved through collaboration between the Albanese Government, including the Department of Infrastructure, Transport, Regional Development, Communications and the Arts and the caravan industry – and through the CIAA.

We need the RVSA reforms (to ensure its 1 July 2023 implementation) to rapidly improve elements of our industry and improve safety outcomes and safer vehicles. We acknowledge and support the need now for greater regulatory oversight to support a safer, better and more sustainable industry.

The approach needs to include B2C and particularly B2B engagement, via targeted marketing and deep communications to capture manufacturers' attention at a time when industry is only recently recovering with its focus on commercial survival out of the throes of COVID-19 public health and border lockdowns.

CIAA sees itself being able to play a key and strategic role to ensure effective implementation of the RVSA across the whole of the Australian caravan industry supply chain to which it holistically represents.

A \$375K per annum grant and cooperative service agreement (total \$1.5M over 4-years) between the Caravan Industry Association of Australia and the department will provide the resources necessary to support industry safety education and implementation of this key reform, but admittedly more regulatory oversight.

Caravan Industry Association of Australia already works closely with Vehicle Safety Standards (VSS), part of the Department of Infrastructure, to educate members of the industry about their obligations under the new Road Vehicle Standards Act (RVSA).

The RVSA takes full effect in July 2023. There has been an initial 12-month (later extended to 24-month) transition period and then subsequent implementation over 2023/24.

As an industry so close to the RVSA reforms, it remains necessary to significantly increase promotional efforts to capture manufacturers' attention ongoing. Many areas of industry still remain primarily focused on commercial sustainability, but with the new RVSA there is the ability to underpin local manufacturers and address poor quality from some imports and some local suppliers.

4) INSURANCE REFORM

AFFORDABLE AND ACCESSIBLE INSURANCE FOR OUR INDUSTRY PARTICIPANTS

- Tort Reform National Review
- ASBEFO Response & Responsibility
- Expansion of Cyclone Reinsurance Pool

Access to affordable and viable insurance is a fundamental need for all Australian businesses. It is vital in stimulating investment from the private sector, including the caravan industry, into developing and building tourism-related infrastructure that creates jobs and puts value into local communities.

Many caravan industry businesses have faced annual insurance-product rate hikes ranging from between 40% up to 500%, which is unsustainable. The business insurance product offering is in major need of reform to allay both the current cost and ability to obtain relevant levels of property and public liability insurance cover.

Obtaining property and public liability insurance remains the single biggest issue currently facing caravan park operators. Caravan parks across Australia, from northern Queensland

to Victoria, top end, Central and Western Australia are collectively struggling to find or afford public liability and/or commercial property insurance.

Our industry has long-argued on this issue and has provided many examples over a long-period to all sides of federal politics of communal facilities and leading product being closed in caravan parks (such as jumping pillows, swimming pools, etc.). This is simply due to these parks inability to obtain appropriate insurance cover.

This type of product is easily accessible for Australians when travelling abroad but has become increasingly restricted if choosing to caravan holiday at home in quality Australian-based caravan parks. The medium-term market disadvantages we face are immense.

Caravan Industry Association of Australia has also worked closely with the Insurance Council of Australia, insurers and industry businesses to seek practical solutions.

The issue was equally well-recognised in the Australian Small Business and Family Enterprise Ombudsman's (ASBFEO) 2020 Report. It continues to be reinforced by the current ASBFEO as a major issue for business and yet there appears no market or regulatory intervention or redress on the horizon.

TORT REFORM – URGENT NATIONAL REVIEW

Deliver a national review of tort law, funded in Budget 2023/24, which will examine the impact current legislation is having on small and medium businesses, including the caravan park sector, in particular their ability to access appropriate insurance.

Fund training and education programs to improve risk management and national standards across industry sectors experiencing a higher frequency of personal injury liability claims.

A Commonwealth funding allocation is needed to meet both of these initiatives.

ASBEFO RESPONSE & RESPONSIBILITY

Obtaining property and public liability insurance has long been a recognised issue. The ASBFEO Insurance Inquiry (the 'Carnell Report') highlighted recommendations which Caravan Industry Association of Australia has been strongly advocating for many years:

- Liability for personal injury should be subject to statutory caps.
- Where there is only one or no insurers left in a professional indemnity market, the Federal Government should provide an insurance scheme of last resort for SMEs.

- Expand the Australian Reinsurance Pool Corporation to provide reinsurance for all-natural disasters for commercial property insurance (see below)
- Decisions about claims should be shortened: For general time frames from 4 months to 3 months. For 'extraordinary catastrophes' from 12 months to 4 months.

Source: ASBEFO Report

<https://asbfeo.gov.au/policy-advocacy/policy-insights/insurance-inquiry-2020>

5) POLICY PLATFORM: SUPERCHARGING AUSTRALIAN TOURISM

STATE OF AUSTRALIA'S TOURISM & VISITOR ECONOMY

Prior to the pandemic, Australian tourism serviced record numbers of international inbound tourists, as well as record numbers of Australian overseas outbound trips.

Similarly, Australia experienced record domestic tourism, strongly driven by caravanning, and more broadly road-tripping. Australia had seen record levels of outbound international travel in the past, a significant but underestimated competitor to local tourism, and this trend is fast returning.

Our industry does not ignore or oppose this market reality, but instead strives to capture a greater share of Australia's household travel, leisure dollars, and time spent on discretionary activities, here in Australia.

Over 2020, through 2021 and into early 2022, Australian tourism was adversely and dramatically impacted by the direct and indirect responses by government and the market towards the pandemic.

LARGEST DOMESTIC TOURISM MARKET SEGMENT

Australia's caravan and camping industry was the biggest domestic tourism market segment pre-COVID. In today's 'new COVID-economy' it has only extended that margin of difference as the largest domestic tourism sector. This is an impressive and important outcome.

According to Tourism Research Australia and Austrade the caravan industry has consistently remained the largest provider of holiday nights or any accommodation offering across the nation.

This historic, long-term trend of our performance can be sustained into the future and support Australian Tourism's sustainable recovery, underpinned by federal strategies like THRIVE 2030.

AUSTRALIAN DOMESTIC TOURISM RECOVERY – SPENDING LIFT, MORE CARAVAN NIGHTS

CIAA notes the national long-term visitor economy strategy, THRIVE 2030, has indicated that at the commencement of the pandemic, the pre-COVID \$166bn Australian Visitor Economy was made up of \$107bn spending (domestic) and \$59bn (international).

Today our industry is at the front and centre of Australia's domestic tourism recovery despite the immense hurdles of hard domestic and international borders and public health restrictions placed before it throughout 2020 and 2021 at the initial height of the COVID-19 pandemic.

The caravan industry's performance over these periods however has been far superior. A record 14.2M caravan and camping trips were taken in the year-ending September 2022 along with over 57 million annual visitor nights. This well exceeds comparative September 2019 year end and pre-COVID tourism volumes.

A CONTINUED PARTNERSHIP BETWEEN AUSTRALIAN CARAVANNING & THE FEDERAL GOVERNMENT

It is why our industry argues for a continuing series of partnerships including with Austrade, Tourism Australia (TA) and across the wider visitor economy.

A record 14.2M caravan and camping trips were taken in the year-ending September 2022 along with over 57 million annual visitor nights, has exceeded comparative September 2019 year end and pre-COVID tourism volumes. It is destined for stronger forward growth and performance over Summer 22/23 and based on its sustainable elements.

Our long-term public policy argument to better recognise the critical role caravan parks now play in providing affordable, quality holiday accommodation for travellers, including families, was recognised with the \$10M Caravan Parks Grant Program to support upgrades and new facilities at caravan parks. This was announced as part of the 2022-23 federal Budget.

It follows upon successful, strong ROI outcomes from Australian Caravan Industry of Australia and Tourism Australia on joint-marketing collaborations during the 2020 and 2021 high-pandemic years, a feature of their 'Holiday Here this Year' domestic tourism initiatives.

KEY BUDGET AREAS

Tourism Australia funding & activity – A continuing role in Domestic for Tourism Australia as part of annual funding and Partnerships in Operational Planning

- Tourism Australia funding & activity
- A continuing role in Domestic for Tourism Australia as part of annual funding. Includes additional domestic funding - \$50M additional over 4-year forward estimate
- Industry Partnership with Caravan industry as part of TA's Annual Operations Planning

A CONTINUING ROLE IN DOMESTIC FOR TOURISM AUSTRALIA

The 2022/23 net resourcing for Tourism Australia was \$179.8M which included \$161.7M in total from the Federal Government (which included related entities) within TA. Remaining funds through industry and TA business activity totalled \$18.1M.

This not only needs to be maintained, but also grown in the competitive global and domestic tourism market now experienced subsequent to the COVID-19 pandemic.

A dedicated funding program of additional funds of \$50M could run over a 4-year forward estimate (additional \$12.5M per annum) and above the existing TA budget

Historically, Tourism Australia has played a strategic role and has funded domestic tourism marketing and coordination initiatives. Our industry strongly believes this needs to be retained.

Tourism Australia's core reason for being, including in its legislation and corporate planning make-up, includes a direct focus on both international AND domestic tourism outcomes and direct engagement with industry.

A Ministerial direction to TA to undertake levels of both domestic marketing and supply side initiatives should and can occur through their annual corporate and operating plan process. Guidance and instruction can then occur from the Trade and Tourism Minister.

Since TA's initiation from 2004, has previously conducted many high-profile and successful national domestic campaign initiatives including 'No Leave No Life' – a very successful campaign to unpick Australia's record hoarding of holiday / recreation leave; through to T-QUAL (promoting quality tourism & quality assured product), to the latest marketing initiative

in COVID-19 pandemic response – 'Holiday Here This Year'.

Australian tourism's performance, post peak-pandemic, warrants a continued domestic funding model as well as an ongoing strategic commitment by Tourism Australia to the domestic market. This is in line with its governing legislation and in support of sustainable market recovery.

Recent domestic visitor spending, which include inflationary and supply-side drivers, have risen a significant 11% in the past year and above +30% over the comparative September 22 / September 21 quarters. (Source: TRA)

However, domestic visitor recovery hasn't similarly bounced back with September 22 / September 21 quarter to quarter comparisons on visitors down (2%), with visitor nights on trip (flat) for the comparative quarter. These are overall down (8%) year on year. (Source: TRA).

Whilst this will most likely move into positive growth territory for visitors in the December 2022 quarter and into 2023 the figures ignore the massive losses in spending and visitation which occurred over 2020 and 2021 at the height of pandemic lockdowns and visitation levels have not yet normalised off a soft base.

Corresponding international market recovery also remains very slow and well behind pre-pandemic levels at approximately 750,000 a month less per month. The Australian Bureau of Statistics latest international arrivals/departures (October 22 data) still remains the majority of international visitors (56%) arriving in Australia for VFR purposes – Visiting Friends and Relatives – and not for holiday and leisure purposes. This means our domestic market must overperform with the building blocks in place to reach its fullest potential. (Source: ABS)

All domestic and supply side initiatives and outcomes would be measured by the usual Corporate and Strategic Planning process and via Budget Estimates.

INDUSTRY PARTNERSHIP WITH CARAVAN INDUSTRY AS PART OF TA'S ANNUAL OPERATIONS PLANNING - COOPERATIVE MARKETING & DIGITAL OFFERING

TA is strategically well-placed and well-resourced to support important supply-side initiatives for our domestic industry going forward.

For the Caravan Industry, which delivers overwhelmingly the most visitor nights across regional and rural Australia (at least 90% in total), the opportunity for strategic, ongoing partnership activity with TA, such as around Journeys and Road Trips, is significant and not fully tapped.

Past examples of sound industry partnership activity involving TA and tourism enterprises include *Great Golf Courses of Australia*, *National Landscapes*, *Discover Aboriginal / Indigenous experiences* to more coordinated alignment around *Luxury Lodge* offerings. These previously all possessed domestic elements.

Under the former Morrison Government, additional one-off funding to TA for Domestic Tourism Marketing and Partnerships came out of a response to the Summer 2020/21 bushfires. These however should continue to be proactively explored and committed to as part of TA's Annual Operating Plan and budget allocation.

Domestic partnerships (such as between Tourism Australia and the Caravan Industry) in areas such as Great Australian Journeys and/or Great Australian Road Trips, which traverse multiple State and Territory borders. These would ideally be at least dollar for dollar (TA/industry partner) or through a through a \$1 / \$2 or another ratio. Such partnerships have proven successful because they best leverage dollars and marketing power and generate more media and supplier buy in and ultimately attract greater audience.

Further, TA's prowess in digital marketing and campaigns is unrivalled in our country, let alone on a global scale amongst national tourism marketing agencies. They should be tapped to help address the still low digital capability across many of our nation's predominant tourism SMEs including some caravan parks. We continue to argue this should be explored through a partnership model.

ADDITIONAL SOURCES

TA Annual Report (noting 20/21FY)

<https://www.tourism.australia.com/content/dam/digital/corporate/documents/ta-annual-report-fy21.pdf>

TA Current 3-Year Corporate Plan

<https://www.tourism.australia.com/content/dam/digital/corporate/documents/corporate-plan-fy22-aug-21.pdf>

6) POLICY PLATFORM: LAND LEASE COMMUNITIES

ABOUT LAND LEASE COMMUNITIES

Land Lease Communities promote a safe and welcoming community for residents and guests, providing quality affordable homes today for well over 100,000 Australians (a number which is rapidly expanding).

Land Lease Communities provide a range of benefits to their residents supporting mental health and physical wellbeing and deliver a strong sense of community, ease of access to health services and living independently. Today they number over 900 and are located throughout the nation.

They facilitate independent and supportive living environments for tens of thousands of Australian families, semi-retirees and retirees. They deliver community benefit and affordable and obtainable housing solutions, especially for older Australians, on a national scale.

The continued growth of Land Lease Communities across Australia is being driven by positive social outcomes within a community environment and asset level performance of purchased households. The 2021 National Census results also conveyed further sustainable growth of more people residing in a Land Lease Community.

Residential Land Lease Communities also can enable key Federal Government policy and programs in areas such as housing, health, mental health, economic and social development, with some inputs into urban planning.

Our Communities aim to suit the different lifestyles and pursuits of Australians at least over 50 and predominantly over 55 years. Critically our Communities cater for an important demographic set.

The average age of a resident is estimated at ~ 67 years, with an average tenure in an owned home in a Community of at least 15 years. Just over half of today's residents are married (54%), the remaining 46% are single and critically 70% of these residents are female.

Our communities attract a high portion of single females who value the security and peace of mind of living in a supportive environment while preserving their independence with comfort and confidence through ageing in place.

Moving forward, the residential Land Lease Communities sector will expand and be better placed to support housing affordability priorities of Governments with access to greater land supply.

ABOUT RESIDENTIAL LAND LEASE ALLIANCE

The Residential Land Lease Alliance (RLLA) is Australia's peak advocacy group for Residential Land Lease Communities. The RLLA is a sub-committee of the Caravan Industry Association of Australia.

The Alliance's vision – through our national Caravan Industry association - is to make housing more affordable - and more obtainable - for more Australians.

KEY BUDGET AREAS

- Federal Housing Initiatives
- Finance reform for Land Lease Community Households
- Commonwealth Rental Assistance

Role of Land Lease Communities in Federal Housing Initiatives

The role of Residential Land Lease communities should be recognised and expanded under the suite of Albanese Government federal housing reforms and initiatives which are now being put in place.

HOUSING AUSTRALIA FUTURE FUND

Residential Land Lease delivers affordable housing already for tens of thousands of Australian households and in particular senior Australians. They can play a key role in assisting the Commonwealth and through States and Territories sustainably meet such targets as to build 30,000 new social and affordable housing properties through the Housing Australia Future Fund.

We urge the government to best explore how they can leverage the capital, business model and expertise of Residential Land Lease providers.

HOME GUARANTEE SCHEME

In retaining the Home Guarantee Scheme, potential or future homeowners in Land Lease Communities are presently ineligible to participate in such programs. We believe this should be reviewed in light of the continued housing accessibility and affordability pressures.

NATIONAL HOUSING SUPPLY & AFFORDABILITY COUNCIL

In the Federal Government establishing a National Housing Supply and Affordability Council, to ensure the Commonwealth plays a leadership role in increasing housing supply and improving housing affordability, we urge for a stronger role and recognition of Land Lease Communities in their future work.

In overall residential construction, Land Lease Communities now make up an important, growing niche area and we have the ability to improve housing affordability and solutions, in particular for older Australians.

HOUSING AUSTRALIA

Housing Australia will be the home of the National Housing Supply and Affordability Council.

Housing Australia will also be the home of key national housing programs including the Housing Australia Future Fund and existing programs currently run by the National Housing Finance and Investment Corporation.

We urge the Government to best explore how they can leverage the capital, business model and expertise of Residential Land Lease providers.

NATIONAL HOUSING & HOMELESSNESS PLAN

Our national body through the RLLA, firmly believes the Plan needs to acknowledge and understand the role Land Lease Communities are already playing in housing and household affordability through Australia when developing short, medium and long-term reforms for greater Australian housing policies and initiatives.

Finance reform for Land Lease Community households

In a Residential Land Lease Community, people own their home but lease the land upon which the home sits.

Our growing sector continues to seek to work more closely with both the financial industry and the Commonwealth in addressing existing hurdles to enable both finance or refinancing for homeowners in a Land Lease Community.

This includes Federal Treasury around policy reform areas associated with draw down facilities on Residential Land Lease properties.

Further, those owning homes in Land Lease Communities, cannot presently participate in Commonwealth programs such as Home Guarantee Schemes (HGS), the previous HomeBuilder initiative of the former government and now Help to Buy (HTB) initiative.

The RLLA believes an optional financial solution, to support levels of borrowing or refinancing by Land Lease Community homeowners where they have adequate equity in their homes, can sustain greater ageing in place in these Communities and not unduly force long-standing resident / owners to leave preferred living arrangements back into limited public housing or prohibitive private rental accommodation.

The RLLA has presented a policy paper on several occasions to the Federal Treasury and seeks to facilitate debate and a desire to reform a financial product offering for eligible households throughout the Land Lease sector.

Commonwealth Rental Assistance

In a Residential Land Lease Community, people own their home but lease the land upon which the home sits.

While they don't own the land, people still get the capital appreciation on their home. Because they lease the land, these owners are exempt from property taxes, such as Stamp Duty, and are eligible to receive Commonwealth rental assistance (CRA).

The role of CRA is acknowledged and remains very important to those eligible, low income households which receive this Assistance.

There remains bipartisan support for the clear role currently plays around residential land lease and wider housing.

REFER TO ATTACHMENT

- 'Driving Australia into the Future' – Policy Priorities for a Safe, Compliant and Sustainable Caravanning and Camping Industry Published April 2022

END

CONTACT:

Stuart Lamont

Chief Executive Officer

Phone: 0415 596 424

Email: stuartl@caravanindustry.com.au

Luke Chippindale

General Manager – Government Relations & Corporate Communications

Phone: 0429 636 154

Email: lukec@caravanindustry.com.au

www.caravanindustry.com.au