Caravan Industry
Association of Australia

The Road Ahead: A view to the future

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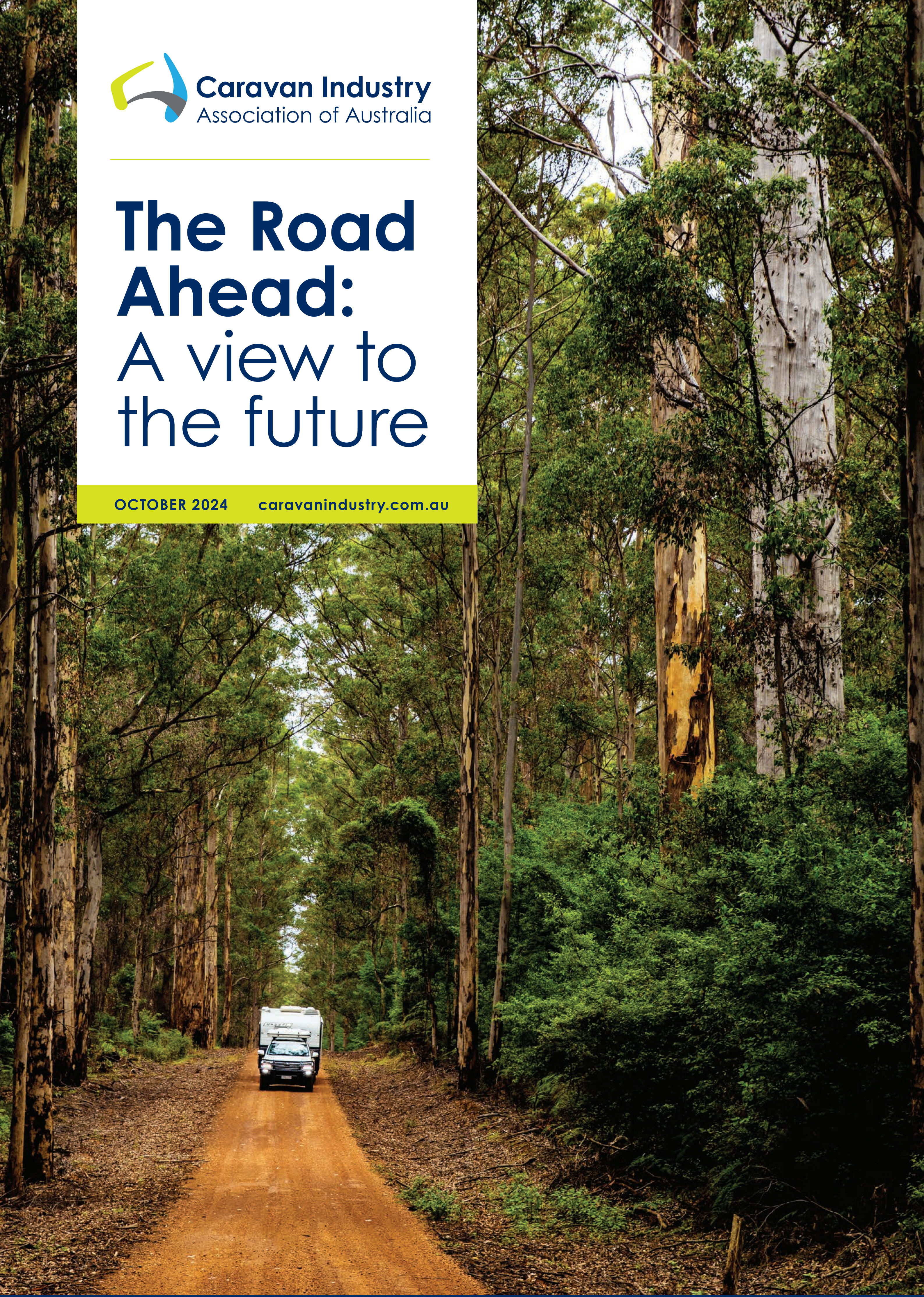


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TABLE OF Contents

Caravan Industry Association of Australia

Working collaboratively with member state associations on advocacy that benefits the caravan and camping industry.

CARAVANNING NT

CARAVAN INDUSTRY ASSOCIATION WESTERN AUSTRALIA

CARAVAN INDUSTRY VICTORIA

CARAVANNING TASMANIA

Caravan & Camping INDUSTRY ASSOCIATION NSW

CARAVANNING QUEENSLAND

CARAVAN & CAMPING SA

VIC Parks VICTORIAN CARAVAN PARKS ASSOCIATION

SA PARKS

CEO Statement

The past couple of years has highlighted the resilience and adaptability of the caravan and camping industry. Despite economic hurdles, the sector delivered record achievements in manufacturing, tourism, and overall economic impact. The challenges faced by our industry, such as rising costs, shifting market dynamics, and logistical disruptions, have only reinforced our commitment to continuous improvement and innovation.

As we look beyond 2024, our focus remains on fostering a sustainable and safe industry that serves the needs of all Australians. With 96% of domestic caravan and camping trips taking place in regional areas, the sector continues to be a pillar of support for regional economies and communities. This policy document represents our forward-looking strategy, leveraging data, partnerships, and government collaboration to drive the sector's long-term growth. I look forward to working with all stakeholders in making these initiatives a reality.

Stuart Lamont

Executive Summary

The purpose of this policy refresh is to advocate for targeted initiatives that strengthen the caravan and camping sector's economic, environmental, and safety performance.

The proposals outlined in this document reflect the Caravan Industry Association's commitment to aligning with broader national priorities such as sustainability, regional development, and road safety. Through collaborative engagement with government, industry partners, and local communities, we aim to enhance the industry's contribution to the national economy while ensuring the safety and satisfaction of consumers.

This Policy Refresh Seeks To

1. **Support** innovation in manufacturing processes
2. **Enhance** road safety for caravan users
3. **Promote** eco-friendly practices in parks and manufacturing
4. **Advocate** for improved infrastructure and compliance standards

Delivering Strong Industry and Consumer Outcomes Through Greater Compliance & Enforcement

Our Position

Strengthen compliance enforcement through a targeted funding increase for the RVSA's enforcement activities.

Recommendations

1. INCREASED DEPARTMENTAL Funding

Allocate an additional **$3 million annually** to DITRDCA specifically for enhanced compliance audits and enforcement actions within the caravan industry.

2. Public REPORTING

Establish a **public compliance reporting portal** to increase transparency and consumer confidence, leveraging existing government digital platforms for ease of implementation.

3. Private AUDITING

Provide **$2 million** over the next 2 years to provide interim funding to the RVMAP program to assist in alerting DITRDCA towards allegations of non-compliant vehicles.

Lifting the Bar

The caravan manufacturing industry, which historically has had limited government intervention from a compliance perspective, has been working with the DITRDCA to push for improved regulation of domestic and imported caravans. This led to the implementation of the Road Vehicle Standards Act (RVSA), which has ultimately led to an improved level playing field for all manufacturers.

As it stands, industry has little vision on the Departments monitoring and enforcements activities of the RVSA, limited effect is being felt across the industry. This is coupled with the limited public communication on the enforcement activities and outcomes from the Department. This action is largely due to the confined resource scope of the Department – this has a direct flow on to the level of response by industry.

Despite efforts to increase the standard of compliance within the industry via industry betterment programs such as RVMAP, it will be critical to both consumers and manufacturers that government and industry work together to enforce a rigorous RVSA.

Much of this work will be as a result of improvements to the practical application of compliance and enforcement, with a simplified certification process for manufacturers as well as improved transparency for bad faith actors who show complete disregard for the safety of consumers. We look forward to work with the incoming government to develop a sustainable method of funding and fostering a premium product for all consumers.

Support for Industry

One of the primary responsibilities of government regulation is to ensure that consumers are protected. The caravan sector is growing in popularity, with more Australians embracing caravanning for domestic travel. However, the increasing demand for caravans raises significant safety concerns, especially as more products flood the market, both domestically and internationally. A $3 million investment would translate into more frequent audits, increased inspections at both domestic manufacturing sites and ports of entry for imported caravans, and the hiring of additional expert staff to identify and rectify safety risks before they result in consumer harm. This would also support enhanced enforcement actions against manufacturers and importers who openly flout regulations, acting as a deterrent to others.

Transparency is a cornerstone of consumer confidence. The introduction of a public compliance reporting portal would act as a powerful accountability tool for the caravan industry. While we aren't necessarily advocating for information to be published regarding companies who have had allegations made rather than findings, manufacturers and importers who are found to be non-compliant with the RVSA or ADRs would be publicly identified, ensuring non-compliance is stamped out. De-identified data outlining the number of complaints, and the areas of concern raised will also assist industry in implementing improved betterment programs.

Over the past five years, we have inspected over 6000 vehicles, with compliance issues dropping by more than 25% in the last 18 months. In 2023, the team travelled nearly 25,000 km, attending 15 industry shows. RVMAP members, who proudly display the RVMAP accreditation key and receive added education, advice and design assistance in meeting their federal compliance obligations, demonstrate nearly three times fewer ADR compliance issues than non-members. Recently, we expanded inspections to include gas and electrical checks at shows and audits in RVMAP factories to ensure consumer safety in the absence of an active regulator. With a **$2 million compliance fund,** we will be able to inspect an **additional 1,000 vehicles** annually and enhance educational efforts. Given the Department has confirmed consideration of our compliance reports, we hope this grant will ease their workload for an interim period. Depending on KPIs and outcomes assessed as determined by the Department, as well as future capacity of the Department, we would welcome further discussions after the interim period as to how we can best support the Government in their ongoing activities.


12

Supporting Sovereign Manufacturing Through Modernising

Our Position

Modernising manufacturing through targeted financial incentives.

Recommendations

1. TAX WRITE-OFF Extension

Extend the IAWO provisions from a temporary application to a permanent one, allowing businesses to deduct the full cost of capital investments up to **$40,000** per year.

2. R&D INCENTIVES

Introduce a **10% additional tax** offset for businesses in the caravan manufacturing sector investing in R&D projects that focus on sustainable manufacturing processes.

Rolling Into the Future

The caravan manufacturing industry works tirelessly to innovate, however there has been little incentive or support from government to invest in modernising manufacturing processes. The financial pressures of day-to-day operations, coupled with economic uncertainty, mean that manufacturers are hesitant to make long-term investments in their facilities, equipment, or R&D. This lack of investment slows the pace of innovation and reduces industry's ability to compete in an increasingly globalised market. This lack of investment stifles innovation and diminishes the industry's ability to compete effectively in an increased globalised market, while also hindering the critical need for sustainable practices.

Incentivising improved manufacturing processes will not only improve economic activity within industry, it will also add to the national interest. There are clear defence applications for example, with rolling accommodation able to be strategically placed during emergencies and conflict. Manufactured Housing can be transported at a moment's notice, with clear applications such as emergency housing during national disasters and during periods of extreme systematic homelessness.

As businesses struggle to stay afloat amid rising costs and outdated processes, some may be forced to downsize or shut down altogether, leading to job losses and a contraction in the industry. The knock-on effects could be felt across the broader economy, particularly in regions where caravan manufacturing is a key industry. We hope to work with all relevant stakeholders to ensure that we promote an industry that is keenly focused on long-term growth and acting as an active participant of the national economy.

Supporting Sovereign Manufacturing

1.

The Instant Asset Write-Off (IAWO) has been a crucial tax incentive for businesses, particularly SMEs, by allowing them to immediately deduct the cost of capital investments rather than depreciating them over several years. However, the temporary nature of this provision along with delays in the Parliament has created uncertainty and limits the potential for long-term strategic investment. A permanent extension would allow businesses to plan their capital investments with confidence, knowing that the tax benefits will be available when they are ready to make those investments. This is especially important for manufacturers looking to overhaul their production processes or invest in automation and advanced manufacturing techniques.

2.

A permanent extension of the IAWO coupled with additional incentives to support manufacturers investing in R&D projects that focus on sustainable manufacturing processes will ensure that our caravans continue to compete competitively on the global market. We believe that introducing a **10% additional tax** offset for businesses in the caravan manufacturing sector investing in R&D projects that focus on sustainable manufacturing processes, including the development of low-emission materials, energy-efficient production methods, and waste reduction technologies will support the government's commitment to achieving net-zero emissions by 2050 and would drive innovation within a sector that is critical to Australia's tourism and manufacturing economies. This will reduce the barriers of high initial costs and manufacturing's lack of incentives empowering the sector to put forward sustainable technological advancements already acquainted.

Accessible and Sustainable Parks – Caravan Park Infrastructure Upgrades #2

Our Position

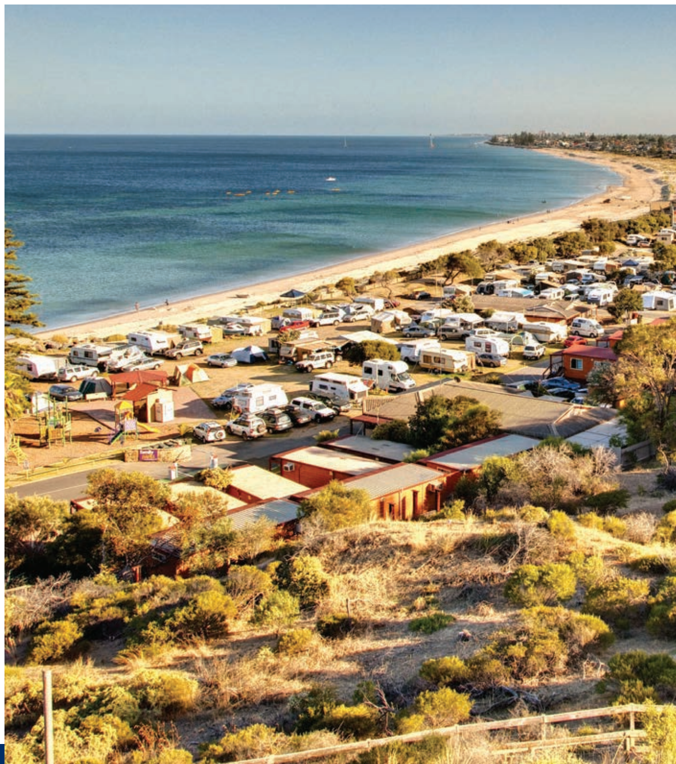
Round 2 - Caravan Park Infrastructure Grant Program funding - $10 million.

Recommendations

1.

CARAVAN PARKS Funding

Funding for the **Caravan Parks Grant Program** - **$10 million** for the 2024-25 financial year, prioritising projects that improve accessibility and introduce sustainable infrastructure.



Delivering Quality Customer Outcomes

Caravan Industry Association of Australia greatly welcomed the federal infrastructure support package of $10 million in the October 2022 Federal Budget, which recognised the growing importance of caravanning to Australia's tourism economy. The Caravan Park Infrastructure Grants Program has been integral to evolving world-leading caravan park facilities nationwide. In Round 1, we aligned this initiative with our strategic goal to leverage private capital expenditure, which successfully delivered three times the Commonwealth's investment.

The original round of funding successfully targeted the modernisation of caravan park infrastructure, particularly in under-served regions. These upgrades have enhanced visitor experiences, boosted local tourism, and contributed to the economic development of rural communities.

These upgrades have not only enhanced the customer experience but also opened new avenues for regional and rural parks to attract a broader audience, fostering inclusivity within the tourism sector. By prioritising accessibility, parks have seen a notable increase in visitation from individuals of all abilities, helping to establish these destinations as welcoming and high-quality options for diverse travellers.

During the implementation of Round 1, the Association collaborated with Austrade to ensure strong industry engagement and clarity on participation. The response was overwhelmingly positive, with numerous high-quality applications. We are committed to continuing this partnership with Austrade to further the program's success and amplify its impact if Round 2 is funded.

Expanding on Australia's Number One Holiday Accommodation Provider

With Round 2, we aim to further this commitment, encouraging caravan parks to continue investing in accessible infrastructure while also promoting sustainability through eco-friendly facilities, such as energy-efficient amenities and water-saving systems. This dual focus on accessibility and sustainability will ensure that parks remain at the forefront of inclusive, environmentally responsible tourism, enhancing both customer experiences and regional appeal.

Round 2 – $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. A private-to-public investment ratio of either 1:1 or 2:1 should be required for capital project investments to optimise the use of public funds. This approach mirrors the co-funding model currently employed by the Building Better Regions Fund (BBRF).

Overall, we believe this program would see over 100 parks across Australia to expand their accessible and sustainable customer offerings. Another key outcome will be improved resourcing to implement eco-friendly infrastructure and practices, including water-saving measures, renewable energy sources, and smart waste management systems, in all participating parks.

These eco-friendly efforts will expand to reduce energy expenditure at caravan parks across Australia where a large ROI would be achieved making the grant program highly cost effective in the medium-long term future.

This policy ask is a practical extension of an existing successful program, making it a reasonable and feasible request. The emphasis on accessibility and sustainability aligns with broader government priorities around inclusion and environmental responsibility.

Safer Roads, Safer Drivers

Our Position

Develop a comprehensive regional and road safety campaign focusing on safe towing, integrating it with existing national road safety initiatives.

Recommendations

1. NATIONAL Safe Towing CAMPAIGN

Allocate $2 million over three years to develop and implement a National Safe Towing Campaign as part of the broader National Road Safety Strategy.

2. SUBSIDISED Towing Courses

Provide **$3 million** for subsidised towing courses, integrated into the existing programs/schools, with a target of training **10,000 individuals** annually.

Safer Roads for Drive Tourism

Our industry is only as strong as our people, and that includes the families that use our product to travel across Australia and the world. Australians are increasingly taking to the roads, currently over 900,000 registered vehicles across the country, with caravans and camper trailers, particularly in regional and rural areas where road conditions can vary significantly.

This trend brings with it heightened risks for drivers and other road users. In fact, recent statistics reveal that road incidents involving vehicles that tow have been on the rise. According to the Australian Transport Safety Bureau (ATSB), towing-related accidents contribute to a significant portion of crashes on rural roads, which already account for two-thirds of all road deaths in the country.

With two in three road deaths occurring on regional roads, new research from the Australian Road Safety Foundation (ARSF) has detailed why all Australians have a personal responsibility to take greater action. It's incredibly important to everyone in our industry that those who enjoy our products can do so safely, and we are committed to doing our part in creating safer roads for all who use them.

The **National Road Safety Strategy 2021-2030** outlines the government's commitment to reducing road trauma, particularly in regional and rural areas. The strategy includes a focus on improving road safety through education, enforcement, and infrastructure improvements. Reducing the frequency and severity of towing-related accidents would not only save lives but also contribute to reducing the $30 billion annual economic cost of road crashes in Australia. Every avoided crash translates into fewer medical expenses, reduced property damage, and less disruption to the flow of traffic, all of which have significant economic implications.

Supporting Safer Roads Through Safer Towing

1.

Allocating $2 million over three years to develop and implement a National Safe Towing Campaign as part of the broader National Road Safety Strategy is a critical investment in improving road safety across Australia. With a $2 million allocation over three years, the campaign would be able to reach a wide audience through a combination of digital outreach, public service announcements, partnerships with driving schools, and targeted educational materials.

This initiative would fill a critical gap in driver education, ensuring that towing safety is prioritised alongside other road safety measures. Many drivers are unaware of the specific risks associated with towing, such as the impact of wind, vehicle weight limits, and the need for appropriate towing equipment. The National Safe Towing Campaign would aim to reduce these accidents by providing drivers with the knowledge and resources they need to tow safely.

2.

Building upon the above, it will be imperative that practical training is provided to motorists, particularly prior to peak travel periods. We seek to introduce two safety check-up days, just before Easter and Christmas holidays, where consumers can take their caravans for a safety check-up. These are the most popular dates for consumers to go caravanning and camping, with a large portion of the 900,000+ RVs registered in Australia out on the road.

The safety check-up days will provide an additional method for caravan owners to check the weight of their caravans and tow vehicles to ensure they are safely setting out for their trip. As part of this integrated approach, the campaign would work alongside other road safety initiatives, such as vehicle safety standards, driver education programmes, and enforcement measures, to create a comprehensive framework for reducing road fatalities and injuries.

Supporting Small Business

Our Position

Enhance support for small businesses within the caravan industry through expanded tax concessions and targeted digital transformation grants.

Recommendations

1.

Reducing RED TAPE

Introduce a **Small Business Red Tape Reduction Fund** with an allocation of **$5 million** over four years, aimed at reducing compliance costs and administrative burdens for small businesses in the caravan industry.

2.

Digital TRANSFORMATION

Provide $1 million annually for a Digital Transformation Grant, offering up to $10,000 per small business to improve digital infrastructure and capabilities, aligned with the government's Digital Economy Strategy 2030.

3.

Simplifying TAX

Simplify tax filing requirements for small businesses with a turnover under $2 million, potentially through expanded use of the Single Touch Payroll (STP) system.

Caravanning is Underpinned by Small Business

Small businesses are the backbone of the Australian economy, particularly in niche sectors like the caravan industry. The industry has seen a surge in domestic travel, with more Australians embracing caravanning as a preferred mode of holidaying. Despite this growth, small businesses in the caravan industry face unique challenges. Compliance costs, administrative burdens, and the need to adapt to the digital economy are significant hurdles that often inhibit growth and innovation.

Small businesses contribute over 30% of Australia's GDP and employ nearly half of the private sector workforce. Recognising their importance, successive governments have introduced and expanded tax concessions and other support measures to assist small businesses in overcoming the unique challenges they face, such as limited access to finance, regulatory compliance costs, and the need to adapt to changing market conditions.

Supporting the Backbone of the Industry

1.

Introducing a **Small Business Red Tape Reduction Fund** with an allocation of $5 million over four years specifically aimed at reducing compliance costs and administrative burdens for small businesses in the caravan industry is a targeted approach that can deliver tangible results. Given the scale of the caravan industry and its importance to regional economies, the return on investment from this fund could be substantial. The fund would also have multiplier effects, as businesses that save on compliance costs can reinvest those savings into hiring new employees, expanding operations, or improving their products and services. This, in turn, would contribute to the overall health of the economy, particularly in regional areas where the caravan industry is a major economic driver.

Coupled with current industry productivity stagnation, this reduction would lead towards an increase in operation efficiency driving productivity gains. From a manufacturing perspective this will reduce the time to market for new and sustainable caravan innovations increasing profits. For the government this will allow the industry to gain economic resilience, receive higher taxes due to the higher output and the creation of new jobs, evidentially for the larger part in both regional and rural communities. The implementation of this fund over a four-year period ensures long term sustainability and industry growth strengthen the sector.

2.

The **Digital Economy Strategy 2030** outlines a vision for Australia to be a leading digital economy, underpinned by initiatives that support businesses in adopting digital technologies. The proposed Digital Transformation Grant aligns directly with this strategy by providing targeted support to small businesses in the caravan industry, helping them to embrace digital tools and processes that are critical for their long-term success overcoming the challenges faced by limited financial and human resources. This strategy will reduce the barrier of entry to allow businesses to gain productivity and efficiency to remain competitive and enhance their economic contribution.

3.

The **expanded use of the STP system** offers a practical solution to the issue of onerous admin obligations caused from tax systems. STP simplifies payroll reporting by allowing businesses to report wages, superannuation, and tax obligations directly to the ATO through their payroll software. While we believe that expansion of the STP is the most effective method of alleviating these issues, ultimately, we support any action that the incoming government takes to ensure that small businesses are not unfairly disadvantaged, and we welcome ongoing consultation as further consideration is made in due course.

Future Fuels and Decarbonisation

Our Position

Establish a National Caravan Industry Sustainability Fund to support carbon-neutral initiatives, leveraging existing government commitments to emissions reduction.

Recommendations

1. SUPPORTING Sustainable PRACTICES

Allocate $40 million over five years for a National Caravan Industry Sustainability Fund, supporting renewable energy installations, EV infrastructure, and carbon-neutral practices in the caravan industry.

2. TAX Incentives

Provide a 5% tax rebate for caravan parks that achieve certified carbon neutrality, aligning with the government's broader climate goals.

3. Success MEASURING

Develop a national database for tracking and reporting on the environmental impact and progress of funded projects, integrated with the existing National Greenhouse and Energy Reporting (NGER) scheme.

Move to Net-Zero

In recent years, Australia has intensified its efforts to combat climate change. The government's Climate Change Act 2022 is a landmark commitment to reducing emissions by 43% by 2030 and achieving net-zero emissions by 2050. These ambitious targets necessitate widespread shifts across industries, and the caravan industry is no exception. Complementing these efforts, the National EV Strategy is aimed at accelerating the adoption of electric vehicles across the country, which will have direct implications for caravan owners and manufacturers, especially as the demand for electric tow vehicles and charging infrastructure grows.

Given the current trajectory of government policy, the caravan industry is uniquely positioned to contribute to Australia's emissions reduction goals. However, this transition will require significant investment in renewable energy, EV infrastructure, and sustainable practices within the industry. We look forward to working with the incoming government to ensure regional communities are not left behind during the transition and are instead key beneficiaries of any changes that impact regional dispersal.

Supporting Industry Transition

1.

Allocating $40 million over five years for a **National Caravan Industry Sustainability Fund** is a strategic investment in Australia's transition to a low-carbon economy. Investment in EV infrastructure is critical as Australia moves towards widespread electric vehicle adoption. The National Electric Vehicle Strategy underscores the importance of building charging infrastructure to support the growing number of EVs on Australian roads. Caravan parks and key travel routes must be equipped with EV charging stations to cater to this emerging demand. Without this infrastructure, the caravan industry risks falling behind in the shift towards electric mobility, limiting opportunities for dispersal and contributing to ongoing emissions from traditional fuel-powered vehicles.

2.

Providing a 5% tax rebate for caravan parks that achieve certified carbon neutrality is a powerful incentive to drive sustainability within the industry, while also aligning with the Australian Government's broader climate goals. This measure would encourage caravan parks to adopt carbon-neutral practices, ensuring that the sector contributes to national emissions reduction targets under the Climate Change Act 2022, while also ensuring that regional parks are further incentivised to invest in areas of eco-tourism – catering to a growing market which will lead to improved dispersal.

3.

Developing a national database for tracking and reporting on the environmental impact and progress of government funded projects, integrated with the existing NGER scheme, is **a critical step in ensuring transparency, accountability, and the success of sustainability initiatives** within the industry. Caravan parks, manufacturers and businesses that already report under the NGER scheme would benefit from streamlined processes, reducing administrative overhead while ensuring that environmental reporting remains rigorous and consistent across the industry. This approach would also ensure that smaller operators, who may have fewer resources for compliance, can still participate in sustainability initiatives without being overwhelmed by reporting requirements.

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