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submission



**project title**

**Caravan Industry Association of Australia  
Reimagining the Visitor Economy**



**prepared for**

**The Hon Martin Ferguson and the Expert Panel  
Reimagining the Visitor Economy Expert Panel**



**prepare date**

**06/06/2021**



**prepared by**

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**Government Relations Executive**

The Hon. Martin Ferguson  
Chair  
Reimagining the Visitor Economy Expert Panel

Dear Mr. Ferguson

**RE: REIMAGINING THE VISITOR ECONOMY**

Thank you for the opportunity to provide feedback to the Expert Panel establishing the next long-term strategy for Australia's visitor economy. The coming decade is going to be a vital period for businesses in the sector as the rebuild from the devastation of COVID-19 occurs and international borders begin to gradually reopen.

However, these are not the only challenges that will impact on the sector, with the looming challenge of climate change bringing more natural disasters that have already had a dramatic impact on insurance premiums and risk to business viability. Further to this, the increasingly likely prospect of Australia setting a goal of net-zero emissions by 2050 will require extensive research & planning by government and businesses about how they can adapt to a carbon neutral future.

Building a strong and adaptive labour force by developing the attractiveness of the industry, particularly for young people, remains a crucial cog in the broader success of the industry. Improving the social license of the sector will raise the profile of the industry amongst young Australians who are increasingly looking for purpose alongside profit in their careers.

Significant co-investment in tourism infrastructure for private businesses will assist regional areas in continuing to diversify their product offerings and allow them to attract more markets, however this needs to be coupled with upgrades to road and digital infrastructure to build connectivity between hosts and guests.

The caravan industry in Australia is one of the most important forms of tourism, accounting for 30% of holiday nights, and 35% in the regions. With long lengths of stay and 92% of visitor expenditure occurring in regional Australia; maintaining a resilient caravan and camping sector will pay dividends to Australia's broader visitor economy for decades to come.

We welcome the challenges that the coming decade will bring, and look forward to engaging with government and the broader industry in meeting these and evolving so Australia's visitor economy can once again flourish and be globally renowned.

Please do not hesitate to contact me if you require any additional information.

Kind Regards



Stuart Lamont

Chief Executive Officer

Caravan Industry Association of Australia

## About Us

Caravan Industry Association of Australia operates as a not-for-profit organisation with a membership base comprising the individual state caravanning and camping industry associations, who we work collaboratively with on matters concerning the caravanning and camping industry in Australia. The Association represents over 6,000 businesses including manufacturers, dealers, caravan parks, service suppliers and repairers.

The caravan industry in Australia each year creates more than \$23B in economic value through manufacturing, retail and tourism. \$10B of this is from caravan and camping visitor expenditure, 93% of which is spent in regional areas. In 2020, caravan and camping accounted for 35% of holiday nights in regional Australia, making it the largest contributor by market share, ahead of hotels, apartments and other accommodation types.

## Overview

Caravan Industry Association of Australia welcomes the opportunity to support the Reimagining the Visitor Economy Expert Panel in directing the development of Australia's tourism industry over the coming decade. Most importantly, the coming decade is a once in a generation opportunity to set the tourism industry up for the coming thirty years which will see unprecedented social and environmental change.

### KEY RECOMMENDATIONS

Below are the key recommendations that Caravan Industry Association of Australia sees as the most pressing issues for the tourism industry in Australia looking ahead to 2030.

- Tourism reinsurance pool to cover all natural disasters and extreme weather events across Australia.
- A long-term plan, backed by research, for how the tourism industry can transition to carbon neutrality by 2050.
- Sector specific funding, research and advice be made available to industries most in need of assistance to adapt to a net-zero by 2050.
- Tourism Australia mandate is extended to be in the domestic market until 2030.
- Incentives for businesses to adapt and improve their product offerings to attract more markets.
- Undertake a review of Commonwealth grant funding programs to provide more avenues for co-investment from government & business in tourism infrastructure.
- Investment in improving digital connectivity and reducing black spots around regional Australia.
- Key roads in regional tourism areas in need of upgrading or sealing in order to grow the drive market.
- Removal of age limit for WHM (Visa-class 417 & 462) and the need for a bilateral agreement to be in place for adoption of the program.
- Development of pathways and closer connections between education providers and industry businesses in tourism such as through paid internships and government funded.
- Create an investment mechanism for smart tourism development, supported by policy development and planning.
- DMOs need to shift away from purely marketing and focus on becoming destination intelligence organisations. Their role should be to collect and provide data to their local tourism systems.

## Vision

*Over the longer term, what is needed to build stronger, more resilient businesses, given some of the vulnerabilities of the visitor economy exposed by COVID-19 and the potential for future economic and environmental shocks?*

### Explanation

As climate change continues to lead to more extreme weather events, the institutions that underpin a business need to be reframed and adapted. Insurance is core to this as it provides the necessary confidence to business to invest in products and experiences that attract and retain consumers, while mitigating the risk associated from insurance claims.

Extreme weather events will become more common and damaging in Australia, hence the risk for insurers is becoming untenable, with a significant number of businesses being unable to attain adequate coverage from insurers, particularly in the regions. While insurance is acknowledged to be cyclic, climate change exacerbates the issues of access and cost for businesses.

This can be in part mitigated by the creation of a reinsurance pool similar to that recently announced for Northern Australia. Caravan Industry Association of Australia recommends that a reinsurance pool to cover all natural disasters be available to all insurers that provide coverage for Australian tourism products and experiences and be underwritten by a guarantee from the government.

In addition to this, a long-term plan, underpinned by research, needs to be created to identify how Australia's tourism industry can become carbon neutral by 2050. With global pressure mounting on Australia to formalise net-zero emissions goal by 2050, the tourism industry needs to look at how it can be a part of this seismic shift, and how products, experiences and sector will be impacted.

Caravan Industry Association of Australia recognises that the caravan industry will be arguably the most impacted by this, as the towing of a caravan currently solely depends on combustion engines, however we also recognise that without an established goal, industries will not evolve in this regard.

This goal needs to be supported by a national resource hub that provides funding, guidance and information on how businesses can transition to a net-zero emissions future.

### Recommendations

- 1) Formation of a tourism business reinsurance pool to cover all natural disasters and extreme weather events across Australia.
- 2) A long-term plan, backed by research, for how the tourism industry can become carbon neutral by 2050.
- 3) Sector specific funding, research and advice be made available to industries most in need of assistance to adapt to a net-zero by 2050.

# Driving Domestic and International Visitation

*What needs to be done to ensure the sustainable growth of our domestic market?*

*What needs to be done to encourage domestic visitors to travel for longer, spend more, and diversify the destinations they visit?*

## Explanation

With international tourism in any meaningful size out of the picture for **at least** the coming three to four years, Tourism Australia is needed to continue to promote Australian tourism to Australians for the coming period. As international borders begin to reopen there is a serious risk that Australians will be able to travel internationally prior to inbound tourism coming back. This will hit the visitor economy doubly hard by losing exclusive access to our captive market, and it not being replaced.

For sustainable growth in Australian tourism, operators, industry associations and marketing bodies need to recognise that competition for visitor spend does not only come from other stakeholders in the tourism sector. With household savings at record highs, Australians are increasingly choosing to spend on homes, cars and other products, rather than tourism experiences.

A renewed focus on the domestic market from Tourism Australia, in partnership with key industry bodies, will help keep travel top of mind for Australians, and ensure that trips are not put-off until international borders are reopened and massive economic leakage occurs.

In addition, investment in regional accommodation and product development through an upgrade scheme will help businesses diversify and strengthen their product offerings to a wider range of markets. As new travellers (both international and domestic) emerge, businesses will be better equipped to cater their offerings to these segments and continually improve and evolve.

## Recommendations

- 1) Tourism Australia mandate is extended to be in the domestic market until 2030.
- 2) Co-investment grants for businesses to adapt and improve their product offerings to attract more markets.

## Enhancing our Product Offering

*What infrastructure is needed? What are the barriers to building new, and refreshing existing, tourism infrastructure?*

*What is required to ensure accommodation and attractions, particularly in the regions, meets market expectations and drives high-value tourists?*

*What new products/destinations/experiences/regions should be developed?*

### **Explanation**

Tourism accommodation and experiences in Australia's regions requires investment to be refreshed and adapted to new consumers. In Australian caravan parks for examples, businesses are looking at more bespoke forms of roofed accommodation (such as glamping) as opposed to traditional cabins. Incentives such as the Building Better Regions Fund (BBRF) are a proven way to enhance investment, however it is limited in its current format and, as a result, not bringing the economic impact it could achieve with a refocus and expansion.

While the \$100M BBRF tourism stream was appropriate for local governments, private operators in the regions can also be a source of enabling infrastructure for tourism which create short- and long-term jobs and improve the visitor experience. A core feature of this would be co-investment from business and government.

The establishment of a matched grants program specifically designed for the tourism industry will allow operators to invest in and improve their product, as well as their business, to boost visitation and attractiveness of destinations. This will also enable businesses to invest in infrastructure such as electric vehicle (EV) charging points that will improve coverage of this vital enabling infrastructure and ensure that regional tourism is not phased out as sales of combustion vehicles decrease.

Enhanced digital infrastructure and the reduction in the number of blackspots around regional Australia will also benefit from co-investment and will also improve the visitor experience and ability to book experiences.

Self-drive tourism in Australia accounted for 85% of all trips in 2020, a large increase of 13 percentage points from 2019 (Tourism Research Australia, 2021). A significant way to increase the regional dispersal of these travellers is ensuring that road access and condition is improved and upgraded, particularly through inland corridors, such as linkages to the Newell Highway.

### **Recommendations**

- 1) Undertake a review of Commonwealth grant funding programs such as (BBRF) to provide more avenues for co-investment from government & business in tourism infrastructure.
- 2) Key roads in regional tourism areas in need of upgrading or sealing in order to grow the drive market.
- 3) Investment in improving digital connectivity and reducing black spots around regional Australia.



## Labour and Skills Needs

*How can we attract and retain workers back to the sector, especially to the regions?*

*How do we address labour shortages, including through skills/training programs and accreditation, and through the migration/visa system?*

### **Explanation**

Engaging young Australians in the tourism, hospitality and events workforce need to be done by developing career paths and strengthening linkages between education providers and industry businesses. This can be assisted with targeted government support of internships, graduate programs and work experience placements.

Developing subsidised programs for young people to enter the workforce which removes some of the initial training cost for employers is needed, as is a broader marketing campaign highlighting why working in the visitor economy is a rewarding experience that offers a career.

In regard to low and unskilled work, WHM visa holders (particularly 417 & 462) need to be a focus in the medium-term workforce solution as borders begin to open. A removal of age-limits for this visa type which currently stands at 30 or 35 years old (depending on bilateral arrangements) would open the market to long-staying markets likely to disperse further and work in areas at need.

Additional challenges with the workforce (such as access to affordable accommodation) also requires attention, hence a solution can be the provision of grants for businesses to source seasonal accommodation for their workforce. The caravan and rental RV sector has been instrumental in providing this type of accommodation to agricultural businesses during 2020.

### **Recommendations**

- 1) Removal/expansion of age limit for WHM (Visa-class 417 & 462) and removal of the need for a bilateral agreement to be in place for adoption of the program.
- 2) Expand the roles required for a second year visa to include hospitality roles in regional areas.
- 3) Development of pathways and closer connections between education providers and industry businesses in tourism such as through paid internships and government funded.

# Digital and Innovation

*How can the sector be encouraged to improve its digital offerings?*

## Explanation

At the turn of this century, the fourth industrial revolution (4IR) began. The 4IR is not characterised by any single significant technological advancement as was seen in previous industrial eras. Instead, it is defined by the amalgamation of individual advanced technologies associated with the third industrial revolution that due to ubiquitous and mobile internet, and increasing interoperability between progressively more complex digital technologies, are seen as a distinct catalyst to fundamentally reshape the development of economies, industries and societies.

The individual enabling technologies at the core of the 4IR are mobile phones, social media, cloud computing, the Internet of Things (IoT), Apps, Big Data, and cognitive intelligence (smart technologies). In isolation, these technologies have provided significant advancements, yet have not disrupted global economic supply chain creation more than the original introduction of computer processing during the third industrial revolution. However, it is the combination of any of the enabling technologies that can redistribute an entire tourism industry's competitive landscape. This is evident in Europe, North Asia and North America where they are adopting progressive smart destination development policies and strategies.

Smart destinations can be defined as innovative destinations that integrate smart ICTs into their physical infrastructure to create an improved value proposition through delivering unique and personalised visitor experience. Smart destinations are an interconnection between stakeholders, service providers, infrastructure, and visitors in the tourism system. Thus, the integration of smart technologies into a destination's infrastructure improves innovation, sustainability, and quality of life for the citizens and tourists. The following recommendations are made:

## Recommendations

### Technology Infrastructure

- Create a standardised national tourism platform for the use of the Internet of Things.
- Improves Australia's cloud computing and internet infrastructure across the country including public wifi ad payment technology for businesses.
- Ensure security and privacy systems are in place.

### Governance

- Create an investment mechanism for smart tourism development, supported by policy development and planning.
- Develop assessment and performance capabilities to measure the 'smartness' of Australia tourism system.

### Tourism System

- Interoperable tourism system using standardised ICT infrastructure for the collaboration and sharing of information.
- DMOs need to shift away from purely marketing and focus on becoming destination intelligence organisations. Their role should be to collect and provide data to their local tourism systems.
- Development of national Tourism Intelligence System as a single point of data and insights for the entire industry.



### Technology Platforms and Services

- Mechanism to support investment and creation of smart tourism applications.
- Development of a national smart tourism website.

### Data Management

- A framework for managing and integrating big data into Australia's tourism system.
- Open data policies for businesses to access insights.
- Real Time Synchronization.
- Destination wide privacy policy.

### Innovation and Knowledge Creation

- Encourage international tourism and digital entrepreneurs to locate to Australia.
- Development of a network Tourism Innovation Hubs and Creative Labs across the country.
- Digital Tourism training platforms for business.

## Indigenous Tourism Experiences

*What opportunities can be created to empower local Indigenous communities to get involved in the visitor economy, start-up businesses and provide in-demand authentic travel experiences?*

### **Explanation**

Indigenous tourism is a strong driver of international tourism to Australia historically, however has not been optimised on to draw the domestic market further into Australia's regions. Opportunities to communicate potential collaborations between indigenous owned businesses/experiences and other tourism enterprises should be centralised in a national hub that is accessible to businesses.

Access to indigenous tourism experiences is a key element that will improve visitor access. Similarly, authentic experiences for travellers will provide deeper cultural engagement opportunities. Caravan Industry Association of Australia recommends that the Reimagining the Visitor Economy expert panel engages deeply with First Nation Australians to establish appropriate ways forward and goals for success that can be achieved.

### **Recommendations**

- 1) Creation of an Indigenous Business Hub that investors can tap into and help scale up existing businesses. Learning and business mentorship opportunities can also be a part of this hub.
- 2) Improve linkages between indigenous tourism product and non-indigenous product.

## Sustainability

*What measures can businesses take to strengthen its social license with local communities and position Australia as an environmentally sustainable destination?*

### Explanation

There is no question that businesses need to look towards a more sustainable future, sustainability here meaning an equal consideration of people, place and profit (or the triple bottom line).

To facilitate this transition, a national sustainable tourism resource hub needs to be established to demonstrate best-practice examples for destinations at national, state and regional scales as well as individual operators and professionals. This will require tools that help businesses measure their progress and assist in reporting and improving on their metrics.

This, along with the aforementioned plan for a tourism industry transition to net-zero emissions will help Australia be regarded as a world leader in Sustainable Tourism. Not only will this help attract international travellers wanting sustainable travel experiences, but it will assist in drawing in young and engaged workers who are increasingly searching for purpose alongside profit in their careers.

### Recommendations

- 1) National Resources Hub for Sustainability that provides businesses with tools, case studies and other assistance in adopting more sustainable business practises.
- 2) Introduction of a plan to transition the industry to net-zero emissions by 2050 will increase legitimacy from Australian society.
- 3) Development of measurement tools that are practical and applicable for businesses so communities and the country can better understand impact (negative and positive).

## Contact

For additional information about this submission please reach out to

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