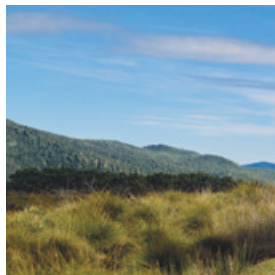


Tourism Tasmania



Caravan and Holiday Park Market Snapshot

October 2009




Tasmania
Explore the possibilities



Tourism Research Australia (TRA) estimates that nationally 8.4 million visitors stayed 41.8 million nights in caravan or camping accommodation in 2007. Further research shows the caravan and holiday-park sector to be one of the fastest growing tourism sectors in Australia, with annual growth rates of more than 10 per cent in the past 12 years.

For a copy of the full report – ‘Tasmanian Caravan and Holiday Park Market and Product Analysis’ – go to www.tourism.tas.gov.au or contact Tourism Tasmania’s Infrastructure and Investment team on (03) 6230 8127.

Both the Caravan Industry Australia (Tasmania branch) and the Tasmanian Visitor Survey (TVS) report significant growth in this sector; with increases of 16 per cent over the last four years in the number of interstate leisure visitors to Tasmania who stayed at least one night in a caravan, cabin or tent. This growth has prompted Tourism Tasmania to look at identifying development opportunities for caravan and holiday parks across the state.

This report aims to provide an initial investigation into the characteristics of this growing tourism market segment and provide up-to-date market information to assist in planning for caravan and holiday park developments and expansions.

It provides an overview of the size and preferences of this growing market, existing product and infrastructure in Tasmania, and an identification of the potential opportunities based on the research findings and the core strengths or points of differences that are unique to Tasmania.

The Market

The TVS indicates that the economic contribution of the caravan and camping sector in Tasmania has risen in the last four years from \$265 million to \$316 million.

In Tasmania 21.6 per cent of visitors stayed at least one night in a caravan, cabin or tent. This included 831,009 nights spent in a caravan, cabin or tent inside a commercial caravan or holiday park and 572,500 nights outside a park in the year to June 2009.

It is predominantly a domestic market, with Australian travellers comprising 91 per cent of market share and international visitors accounting for the remaining nine per cent. Tasmania’s proximity to Victoria provides an opportunity, as Victoria has the largest number of recreation vehicle (RV) owners nationally. The majority of visitation in this sector comes from Victoria, closely followed by New South Wales and Queensland.

Data from the National Visitor Survey (NVS) suggests that caravan parks and commercial camping grounds are also popular with intrastate travellers.

Caravan visitors stay in Tasmania for an average of 30 days, campervan visitors an average of 15 days and cabin visitors 11 days. The average stay is only two nights in a single location indicating a high level of regional dispersal and touring.

Research suggests that mature-age travellers dominate the market, although interstate families are also significant.

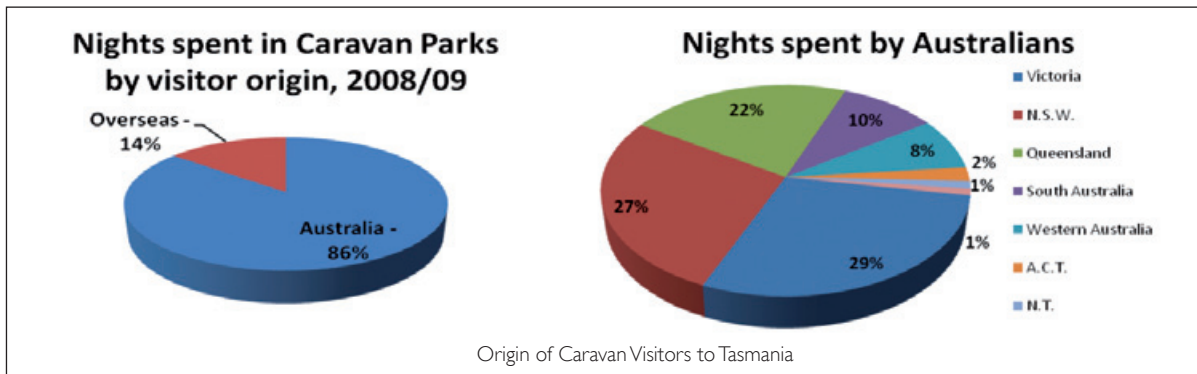
Tourism in Tasmania is generally seasonal and caravan and holiday parks are no exception. While the winter period can be quite low, a seasonal snapshot over the 2009 Easter holidays suggested exceptionally high demand.

A Mercury newspaper article from Easter 2009 reported:

“Local and interstate holiday makers have swarmed to the parks in droves, with owners reporting that they are at capacity and having to turn hundreds of people away.” (Mercury, 13 April 2009).

According to the June 2009 TVS results, Tasmania continues to lead the nation as a domestic travel destination, with the state recording its fourth consecutive period of visitor growth. Visitors to Tasmania are also staying longer and spending more.

These trends are reflected in the caravan and holiday park sector in Tasmania. Although the national market has been relatively flat since 2000, Tasmania has experienced positive growth. This indicates that despite the impact of the Global Financial Crisis, Tasmania continues to grow its appeal as a holiday and leisure destination in the interstate market.



Future Trends

Over the last decade caravan and camping has become a multi-million dollar industry. Trends suggest strong growth will continue in the next 10-15 years.

The national tourism research body, Tourism Research Australia (TRA) predicts that caravans and camping will be the main growth in accommodation between now and 2020. TRA forecasts that nationally the total number of nights spent in caravan and camping accommodation will increase from 37 million to 45 million by 2020.

It is widely anticipated that this exponential growth will be driven by 'baby boomers' who are about to become the next wave of retirees and are already showing a propensity for this type of travel.

The Caravan and Motorhome Club of Australia (CMCA) notes that 'if one in 20 baby boomers decided to buy a self-contained vehicle and head off to see Australia, an additional 200,000 vehicles with 400,000 occupants will hit the roads and spend between \$2-4 billion annually'.

There are other indicators of future growth in this market including:

- A substantial increase in campervan/motorhome registrations;
- An increase of 278 per cent in the manufacture of caravans in Australia since 1995; and
- A phenomenal growth rate of 500 new members a month joining the CMCA.

Some challenges are also noted including the industry's ability to meet evolving consumer expectations, rising fuel costs and Tasmania's island geography.

Experience Analysis – Tasmania's competitive advantage

Tasmania's competitive advantages in the caravan and holiday park sector are similar to those of all holiday markets and are aligned with the state's core appeals of accessible wilderness and nature-based experiences, cultural heritage and quality food and beverages:

- A climate of four seasons that appeals to the traditional older market
- Quieter roads and less traffic;
- Casual relaxed lifestyle;
- Diverse experiences within easy driving distance;
- A destination that is perceived as relatively safe; and
- Good access to free camping.

As Tasmania predominately represents a touring holiday for this sector; with most caravan and camping visitors spending as few as two nights in one location, the focus of caravan and holiday parks should be on providing quality amenities and convenience rather than on-site activities.

Infrastructure Analysis

The provision of appropriate infrastructure is inextricably linked with the quality of the visitor experience – from the reservations process to the physical amenities that make a stay easier and more enjoyable.

In terms of quality, parks vary considerably across Tasmania. Typical complaints often focus on details that can be easily fixed such as lack of cleanliness, lack of attention to detail, poor drainage, clogged air vents, cobwebs, untidy appearance and less than friendly service.

Visitors with self-contained motorhomes that do not always stay in a commercial park are looking for:

- Dump points – preferably with toilets;
- A tap to refill fresh water tanks;
- Good quality visitor information en route; and
- Barbecue facilities.



Research shows that in choosing a caravan and holiday park the following key determinants are a priority:

- Clean toilet and shower facilities;
- A friendly/approachable operator; and
- The general appearance of the caravan park.

Supply Inventory

The Caravan Industry Australia Tasmania (CIAT) lists 91 commercial caravan and holiday parks around the state. These include a mix of powered and un-powered sites, on-site vans, cabins and camping sites.

In total there are 4,915 sites and cabins generating an estimated \$40 million annually (2007). Of these, 70 parks are shown on Tourism Tasmania's TigerTour database of tourism businesses.

Additional cabins and campgrounds are made available through the Parks and Wildlife Service, although the type and level of facilities varies greatly.

Forestry Tasmania provides a number of basic camping sites in the State Forest Reserves, and Hydro Tasmania is also responsible for some sites, particularly in the highlands.

Investment Opportunities

TVS data indicates that within the caravan and holiday park sector, cabins are the most popular accommodation choice with both international and interstate visitors.

Cabins enable a much higher return, approximately \$25,000 (Tasmania) plus tax benefits per annum, as opposed to powered sites which return approximately \$3,000 annually.

Cabins also allow parks to target the fly/drive visitor segment who view them as a more attractive alternative to motel or other lower-cost accommodation.

Several local councils have identified specific new caravan and holiday park development opportunities in their local tourism development plans. These include: Freycinet, Huonville, Oatlands, Bothwell and Central Highlands, Strahan and Sheffield.

For the most up to date information on specific investment opportunities contact Tourism Tasmania's Infrastructure and Investment team on (03) 6230 8127.

