

Sub 57

Queensland Parliament  
Economic Development Committee

Inquiry into developing Queensland's rural and regional  
communities through grey nomad tourism

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**ABOUT THE AUTHOR**

The author of this submission, Frans Hamer (see attached CV), has significant experience in Queensland economic development issues, particularly in North and Regional Queensland.

The author also has an understanding of the workings and the requirements of government in Queensland, having been a Director of various government Corporations, Councils and Committees for over 25 years, some involving directly the State's economic development direction.

The author has been travelling Australia full time for the past 3½ years, and has been to every state as a visitor/tourist. This has afforded the opportunity to compare Queensland's performance in attracting and accommodating the requirements of CCM (Caravan and Camping Market) travellers with those of the other States, and in particular, with current involvement with the West Australia Department of Environment and Conservation, a comparison of the management and access of National Parks and Conservation Areas.

**PREAMBLE**

This is a personal submission.

The issues as described in the Issues Paper are interrelated and consequently, there will be overlap in some of the Issues and the Questions to be answered. Although the submission will generally be confined to the specific issues, the broader consideration of the economic development of the regions or the State will be the primary consideration and consequently secondary Issues are discussed.

The Committee will no doubt receive submissions from parties with particular partisan interests such as the caravan parks wishing to retain or increase Government support in increasing their profits, to member based organisations seeking free camping and other benefits specifically for their members.

The author has previously served for 9 months on the board of CMCA (resigned June 2009), now has no involvement other than as an ordinary member, and therefore is entirely at arms length and independent from the management of that company. There is no affiliation with any other organisation which has an interest in this Inquiry, whether a commercial entity or membership based association.

Consequently, this independence, along with strong interest in Queensland's economic development over the past 25 years, ensures that this submission is intended to effectively address the issues in an unbiased manner in order to achieve the resolution of the various Issues in the best interest of economic development and the expansion of tourism in Queensland.

One issue with a significant adverse affect on the economic growth of regional Queensland is the amendments made to s48 and s52 of the Land Act in 2007. This will be discussed in considerable detail to ensure that the Committee is fully aware that this impediment to regional growth was in fact, a result of misinformation supplied by parties with a commercial interest.

## **CONCLUSIONS AND RECOMMENDATIONS**

In order to present the conclusions and recommendations in context of the issues, they appear in the body of the text.

### **HOW DOES QUEENSLAND COMPARE?**

Queensland has generally been a leader in attracting International visitors and the author has some experience of this by involvement in North Queensland's tourist promotion campaigns, both international and domestic, and leading trade missions to Guam.

Unfortunately, Queensland appears to be underperforming in its ability to attract the CCM (Caravan and Camping Market) travelling visitors. Much of this market utilises the easy access to the various travel experiences of others and "word of mouth", internet forums and internet travel information are the prime source of information about destinations.

With a number of Queensland tourist icons becoming out of reach both accessibility and cost wise compared to those of similar or better quality in other States, anecdotal evidence points to Queensland now losing ground in attracting the CCM travellers.

It is recognised by the CCM travelling community that by far the state which best caters for the CCM traveller is Tasmania, and there are lessons to be learnt from Tasmania's success.

It is also recognised that New Zealand has appropriate legislation and regulations which makes it the stand-out example in the provision of CCM traveller facilities which includes overnight and short term stays known as Park Over Properties (POP). These are on both government and private properties where overnight stays are permitted for no charge or a minimal fee, many have power for an additional small cost and offer free potable water and grey and black water disposal points. These facilities are all over the country and most small towns have at least one. These POPs are now appearing in other more progressive states, namely Tasmania and South Australia who do not have the restrictive Queensland type legislation. This issue is discussed in this submission.

### **GREY NOMADS OR CCM (Caravan and Camping Market) TRAVELLERS?**

This inquiry needs to ensure that there is not a concentration on Grey Nomads alone. The Grey Nomads are a segment of the overall CCM market. Issues such as their contribution to the economies of rural areas, use of public infrastructure, access to attractions, and the subject of camping and caravan parks apply equally to Grey Nomads and to the overall group of CCM travellers. Consequently, these issues must be considered for the whole CCM as is the case in this submission.

2. Question 2 Are the available statistics on grey nomads in Queensland useful, current and accessible?

2.1 "Grey Nomad" Market

It is useful here to address Question 2 before Question 1 as comments regarding the contribution made by grey nomads can not be made until the inaccuracies of the available data is fully understood.

The definitions of "grey nomad" by those bodies collecting the data vary, and examples are

- (a) 60 or over by Tourist Queensland;
- (b) 55 years or older by Tourism Australia;

to a more specific

- (c) "those over 50 years of age who undertake extensive travel within Australia, usually for at least three months with their own vehicles, usually a caravan or motorhome."<sup>(1)</sup>

Unfortunately, there are no accurate or relevant statistics for the "grey nomad" travellers as this segment is included in the overall CCM (caravan and camping market) statistics. The chart gives an example of what may be the case, however, there are no statistics available to give any indication of the size of each component and whether in fact there are other segments of a material size.

Consequently, for the Committee to consider the economic impact generated by visitation to rural and regional areas, the effect of the entire CCM travellers needs to be considered as if this is the "grey nomad" market. To do otherwise and attempt to identify the smaller "grey nomad" segment of the CCM would understate the positive impact of the CCM travellers to the rural and regional areas and not address the total available target market for this Inquiry.

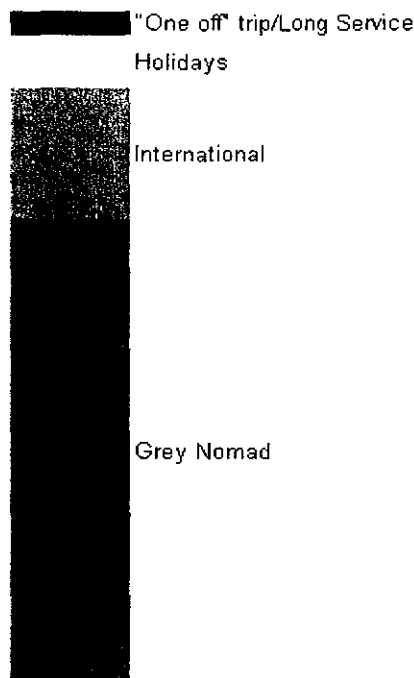
It is acknowledged however, that considering mainly the grey nomad segment and skewing the questions to that segment for this inquiry is a valid process as it is this segment which can be more easily attracted to the regional and rural areas.

Unfortunately, even the information available on the CCM traveller is highly inaccurate when considering the travellers at whom this Inquiry is targeted.

2.2 Inaccuracies in CCM Travellers Statistics

As there are no definitive statistics for the grey nomad segment of the CCM market, and even though it is the entire CCM market which should be targeted to boost the rural and regional area visitation, even this data as published in the Caravan or Camping in Australia Snapshots (Snapshots) is unreliable for the purposes of this Inquiry.

There appears to be an understatement of the number of CCM travellers and consequently the amount of spend of those travellers to regional and rural areas.



## 2.3 Background

There are two (2) main sources of data.

### 2.3.1 National Visitor Survey (NVS)

Respondents are interviewed in their homes using random digit dialling and a Computer Assisted Telephone Interviewing system.

Therefore, information is collected from only those people who:

- (a) Live in a fixed residence
- (b) Are in that fixed residence at the time of survey
- (c) Have a fixed phone line

Which skews the data away from the longer term CCM traveller and particularly the grey nomad who will have a lower probability of being surveyed.

There are also criteria that

- (d) These travellers must not have been away from home continuously for more than 364 days, or in a leap year 365 days,

which precludes those people travelling full time or for a set period more than 1 year (which is a group of specific interest to this inquiry); and

- (e) Single nights away from home also qualifies for inclusion in the survey,

which includes business travel (14% of travellers) and visiting relative and friends (30% of travellers) and skews the figures away from the grey nomad type travel.

Consequently, the results are skewed towards both the average family taking a short holiday and the short term traveller (including business trips) spending very few nights away travelling from home to a specific destination. This makes the Snapshots (data from the NVS) and the National Visitor Survey itself of little value to this inquiry which needs to concentrate on those visitors who are likely to stay longer in rural and regional areas should the legislative restrictions to do so be lifted.

Similarly, the publication of data by the Caravan Park industry is of little value to this inquiry as the data is also sourced from the NVS.

Examples where the NVS reflect more so the short term holiday traveller and not the travel habits of grey nomads include the following:

2008 NVS Average length of trip – 6 nights

2008 NVS Average stays in caravan parks – 5 nights (83% of the total nights of the trip)

The 5 nights stay in caravan parks is particularly misleading for the purposes of this inquiry as it is for all travellers, (not just those travelling with self accommodating recreational vehicles) and includes stays in cabins and on-site vans which now constitute the major part of the caravan parks' income.

Additionally, the NVS expenditure data includes cost items not incurred by grey nomads such as:

- Domestic airfares - \$597
  - Rental vehicle - \$605
- (\$ per visitor over the average 6 days/nights)

A full explanation of the methodology for the collection of NVS data can be found on the DRET website.

### 2.3.2 Other Surveys

There are various surveys done by member based associations but these may not be broad in nature and are specific to the particular travel patterns of their members.

However, a comparison of the results from one of those surveys<sup>(2)</sup> (in this case motorhome rather than caravan based travellers) with that of the Snapshots does give an indication of the limitations of the Snapshots data.

	<u>Snapshot</u>	<u>CMCA</u>
Average length of trip	6 days	153 days
Average stay in Caravan Park	5 nights (83% of trip, )**	1.87 nights per week average (26.7% of trip)

\*\* It must be noted that the 5 nights stay out of 6 nights trip length is for all types of traveller and includes travellers without their own RV accommodation and who stay in caravan parks' fixed accommodation such as cabins and on site vans. These travellers are different to the CCM traveller, who are the subject of this Inquiry and who stay in caravan parks only 30% of the time<sup>(16)</sup>.

Examples of other data of the Snapshot (as \$ per person for the average 6 day trip) which would not be applicable to the grey nomad, and if it were, it would be, on average, negligible are:

Domestic airfares	\$597
Rental vehicle	\$605

Consequently, even the spending pattern data of the Snapshots do not appear to be useful for the purposes of this Inquiry.

### 2.3.3 Industry Publications

Other publications such as Tourism Queensland's Domestic Tourism Snapshot is similarly sourced from the NVS and are also not useful for the purposes of this Inquiry.

The information contained in Queensland Tourism's "Caravan Parks and Commercial Camping Industry" publication is even more problematic. Not only is the information sourced from the NVS, but the data is applicable only to those people "who stayed in a caravan park or commercial camping ground" and we will see further in this submission that this applies to only about 30% of the CCM and grey nomad travellers.

There are various other statistics sourced by member associations which will refer to their type of membership such as caravan clubs, motorhome clubs and various other RV associations which, although referring specifically to their members' travelling patterns and type of vehicle, would most likely be of more value than the NVS information for this Inquiry purposes.

#### Recommendation 2.1

In light of the existing statistics not being useful for the purposes of this Inquiry and in order to assess the number of travellers who will enhance the economic development of rural and regional areas, the whole of the CCM (caravan and camping market) travellers and not just the grey nomad segment as it applies to the target regions should be researched in a targeted manner.

**1. Question 1 What economic contribution do grey nomads make to rural and regional areas of Queensland?**

As shown above, all published data regarding the spend and the length of stay of the CCM traveller is not at all useful for assessing the visitation to rural and regional areas and consequently, the economic contribution can similarly not be determined from these statistics.

For example, from the TRA Caravanning and Camping in Australia Snapshot 2008, we know that the expenditure by a total of 8.63 million domestic and international CCM visitors was approximately \$10.8 billion (\$8 billion domestic and \$2.8 billion international).

Also from Tourism Queensland Data Sheet we know that there were 1.982 million visitor nights in outback Queensland so we could extrapolate that CCM travellers contribute in the order of \$445 million annually.

This however, would be totally inaccurate for the reasons outlined above, such as the 49% of the expenditure not applying to grey nomads, the average trip duration of 5 days is only a fraction of those of grey nomads and the travellers include those on short annual holidays, business trips and visiting friends and relatives.

**Recommendation 1.1**

Considering the demonstrated lack of the available statistics and the apparent understating of total expenditure by CCM travellers, further research should be undertaken to more accurately define the overall value of the CCM traveller spend as applying to regional Queensland.

**3. Question 3. What are the public infrastructure requirements of grey nomads including health services, waste disposal sites and signage?**

Unfortunately, the requirements of grey nomads as determined by some of the RV clubs are the perceived requirements determined by the non travelling staff and management of those clubs and not by the members using those facilities and consequently, that information from some of the clubs may not be reliable.

For example, the CMCA has instituted an "RV Friendly Town (RVFT) program which has a number of criteria a town must meet to receive accreditation. The CMCA has determined that the priority is medical services:

From the CMCA website:

*"The most important criteria for an RVFT is that there be access to 24 hour medical services. This does not mean that there has to be a hospital in the town, but it does mean that there has to be either an ambulance station or a 24 hour community nursing service. In simple terms, there has to be a qualified person available 24 hours a day to give emergency medical attendance.*

*Access to pharmaceutical products is also very important. Due to the age demographic of our Members, and of the RV tourism industry in general, this is a prerequisite of becoming an RVFT."*

These medical requirements appear in fact to be very low on the list of priorities of travellers. Polls were recently conducted on two (2) forums<sup>(5)(6)</sup> asking members to select the three (3) criteria of the RV Friendly Town requirement which were most important to them.

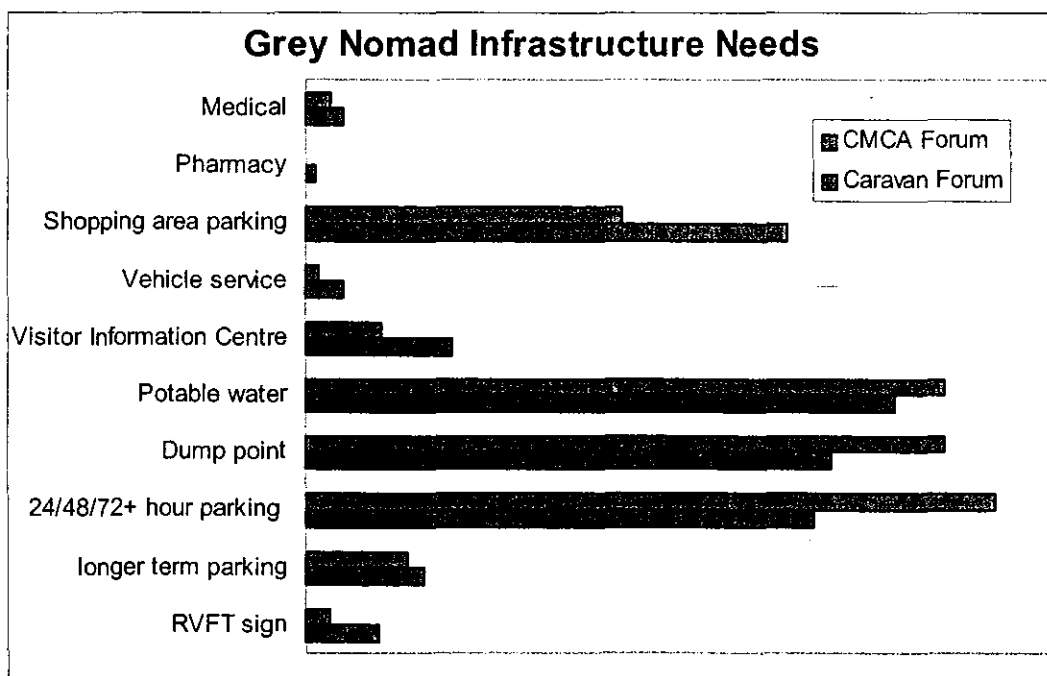
Although these polls involved a small number of members and the results are not statistically valid, clear preferences are shown by both type of travellers.

The results show that for travellers with both motorhomes and caravans, the medical facilities are the least important. It is unrealistic to expect government or private enterprise to establish health infrastructure to meet this requirement of a very small proportion of CCM travellers who in any case arrange their travel in order to stay in the towns with the required facilities.

The following were by far the strongest requirements:

- ✓ Access to potable water
- ✓ Access to dump point
- ✓ Provision of short term (24 hour to 72 hour) parking
- ✓ Parking within close proximity to the general shopping area with groceries & fresh produce

The results of the polls are shown graphically:



The large body of "baby boomers" are only now entering retirement and the number of grey nomad type of traveller is expected to substantially increase. Overwhelmingly, the market which is the subject of this inquiry are healthy retired persons who, as demonstrated by the statistics wish to experience regional and rural Australia.

In the past, the facilities contained within the caravan/motorhome/campervan accommodation was reasonably basic and the required facilities were provided by caravan parks. Increasingly, the vehicles are self contained and not only do they no longer have a requirement for caravan park facilities, but the caravan parks are not set up to take many of these modern units as outlined further in this submission.

To fully appreciate the requirements of the modern day traveller the following needs to be taken into consideration:

1. the facilities contained within modern recreational vehicles which are becoming increasing self contained;
2. the results of surveys undertaken by the CMCA demonstrate that travellers stay in caravan parks only 27% to 29% of the time;
3. CCM travelers spend only 30% of the time in caravan parks<sup>(16)</sup>;
4. many caravan parks do not have the capacity during peak seasons to accommodate the demand;
5. many caravan parks have not been modernised and can not accommodate the modern larger vehicles;
6. the criteria from the above polls.

Consequently, the infrastructure needs are modest indeed and are essentially:

1. Inexpensive and convenient short term accommodation for the likely stay in a particular town for up to 4 days;
2. Access to potable water;
3. Access to rubbish disposal;
4. Access to dump point, with adequate access for larger rigs;
5. Signage ensuring that these facilities are easily located. .

It is the opportunity to spend time in a particular town which will determine whether the travellers will bring an economic advantage. Less than 30%, or in the order of 2 nights per week, are spent by travellers in caravan parks<sup>(16)</sup>.

Consequently, the current Queensland government legislated monopoly for caravan parks severely disadvantages the business community and economy of those rural and regional towns where caravan parks exist, as travellers will bypass those towns to a place where overnight stays other than caravan parks are available. This is further discussed in detail in this submission.

It is acknowledged that the Queensland government is progressing the establishment of dump points (Main Roads contribution to CMCA). This is also a trend in West Australia where dump points are being established by their Main Roads in a number of rest areas.

#### **4. Question 4. Is the current infrastructure for grey nomads in Queensland adequate? What additional infrastructure is required?**

The primary concern for CCM travellers is where they can legally stay overnight or for some days in other than caravan parks.

As previously noted:

- caravan parks are not the primary places for overnight or longer term stays;
- CCM travellers stay in caravan parks in the order of only 30% of the time (2 nights per week) on average;
- Caravan parks have been given a virtual monopoly by legislation since 2007;
- Increasing numbers of vehicles are self contained and do not need the caravan park facilities
- CCM travellers avoid towns with caravan parks for 70% of the time<sup>(16)</sup> to find allowable alternatives

Consequently, in rural and regional towns the primary concern for CCM travellers is the lack of alternative short term stays in towns where caravan parks are located.



To attract CCM travellers to these rural and regional towns, there are three (3) requirements:

1. amendment to legislation (discussed further below) in order that the towns with showgrounds and available Crown reserve lands can be utilised for overnight and short term stays, and then, in turn;
2. obtain local authorities' support for the use of showgrounds and reserves by ensuring they are made aware of the extent of the economic benefit to the entire business community instead of only the one business (caravan park) as is the case currently;
3. in those towns, establish the facilities as identified in Question 3 above.

## 5. Question 5. What are the major issues relating to the regulation of Queensland's camping and caravan parks?

Without doubt, this is the most important part of this Inquiry as the current situation with the Land Act, and the caravan parks are deterrents to CCM travellers to visit many areas in rural and regional Queensland.

### 5.1 CCM Travellers' Needs and Facilities

Because of the importance of this issue, this will be a significant part of this submission.

It is likely that the Committee members undertaking this Inquiry are not experienced CCM travellers. Consequently, in order that they gain an understanding of this issue, we need to look at the essential elements of the CCM traveller's facilities and needs:

#### 5.1.1 Caravans and motorhomes are increasingly becoming self sufficient with:

- ✓ on board toilets;
- ✓ shower;
- ✓ in built fresh water tanks;
- ✓ in built grey water tanks;
- ✓ in built black water tanks or cassettes;
- ✓ solar panels and battery storage for power;
- ✓ receptacles for household waste;

#### 5.1.2 Owners of these vehicles do not need all of the caravan park facilities, and the caravan parks are not catering for these travellers who require only an area to park and security;

#### 5.1.3 The grey nomads, which include the increasing number of baby boomers, with the increasing number of self contained vehicles have no need for the caravan parks' facilities such as;

- ✓ children's' playgrounds;
- ✓ swimming pool
- ✓ bouncing pillow
- ✓ camp kitchen,
- ✓ TV room,
- ✓ barbecues
- ✓ and certainly do not need the ever increasing cabin accommodation;

#### 5.1.4 CCM travellers stay in caravan parks for only a small part of their travel:

- ✓ Approximately 30% from TRA Caravan or Camping in Australia Snapshot 2008
- ✓ 28.9% according to CMCA 2008 Survey of Members
- ✓ 26.7% according to a small CMCA survey of members at the 2009 Whyalla rally

and will travel to a destination where alternative accommodation to caravan parks is available, bypassing the towns where this facility is not available.

For this submission we will use the more conservative 30% from the above for the time CCM travellers stay in caravan parks.<sup>(16)</sup>

## 5.2 s48 and s52 Queensland Land Act 1994

During 2006 a number of caravan parks in the Barcaldine region, in a campaign to enhance their business, made complaints to the Queensland Ombudsman *"in relation to the Barcaldine and Blackall Shire Councils using public land (in particular the town showgrounds) for low-cost caravan parking"*.<sup>(7)</sup>

Even though *"The complainants, whose caravan parks were more recently established in the region"*<sup>(7)</sup>, had purchased the business at a price which factored in this existing competition, the Ombudsman proceeded with an investigation which appears to be incomplete in that the investigation apparently:

1. did not take into account that the caravan park owner established the business knowing full well that there was existing "competition" from the showgrounds;
2. did not consider the significantly differing quality of the "1 star" facilities at the showgrounds compared to the "3 to 4 star" quality facilities of the caravan park and that the lower price charged by the showground was completely justified considering the significantly lower quality facilities;
3. did not undertake research which would have shown that CCM travellers stay in caravan parks less than 30% of the time travelling<sup>(16)</sup>, and that those travellers who traditionally stay at places other than caravan parks (that is, stay in showgrounds type accommodation) will bypass a town where only a caravan park is available;
4. did not consider that the result of closing the showground or effectively closing it by charging excessive fees would benefit only the caravan park which constitutes only about 5% of the businesses in town, while disadvantaging the other 95% of the businesses;

and the investigation:

5. appears to have considered only the interests of the particular caravan park and not the interests of the business community as a whole.

Additionally, it is considered that by recommending the amendments to s48 and s52 of the Land Act, the Ombudsman erred in assuming an isolated case of a caravan park owner endeavouring to increase the profitability of his business by closing down a long standing showground facility, should apply to every showground and Crown reserve in the State, even in those towns where there is no caravan park.

This issue has led to the government amending s48 and s52 of the Land Act 1994 and consequently reducing the number of CCM travellers to rural and regional areas.

The result in Barcaldine is that

1. the Council has taken the simple action of increasing the overnight rates at the showground to that of the caravan park;
2. virtually no increase in the number of staying at the caravan park;
3. reduction in the number of CCM travellers to the town;
4. reduced income for the other businesses in town.

The issues in Barcaldine are discussed in more detail in **Attachment A - Barcaldine, A Case Study – The Effect of the 2007 Amendment of s48 and s52 of the Land Act.**

Although the Barcaldine example has been used as a case study, the result in Barcaldine is reflected in other rural and regional towns, regardless of whether there is a caravan park or not, as the Councils close showground short term stays rather than proceed through the onerous process of submitting management plans in order to gain Ministerial approval for the “inconsistent use”.

From the Barcaldine Case Study attachment a number of conclusions can be made:

**Conclusion 5.1**

The Ombudsman has erred by not adequately investigating the economic impact on the Barcaldine community as a whole and has instead considered only the effect on the caravan park as stated by the caravan park owner.

**Conclusion 5.2**

The Ombudsman erred by recommending that s48 and s52 of the Land Act be amended and the Government erred in accepting the recommendation without an economic impact assessment which would have identified the subsequent adverse economic effects currently being experienced as shown in Attachment A.

**Conclusion 5.3**

Queensland will be the only state, (West Australian government is to revoke their “Regulation 49”) which has in place legislated restrictions on the use of trust land which are specifically targeted only to the benefit of caravan parks, so giving them a monopoly to the disadvantage of other businesses.

**Recommendation 5.1**

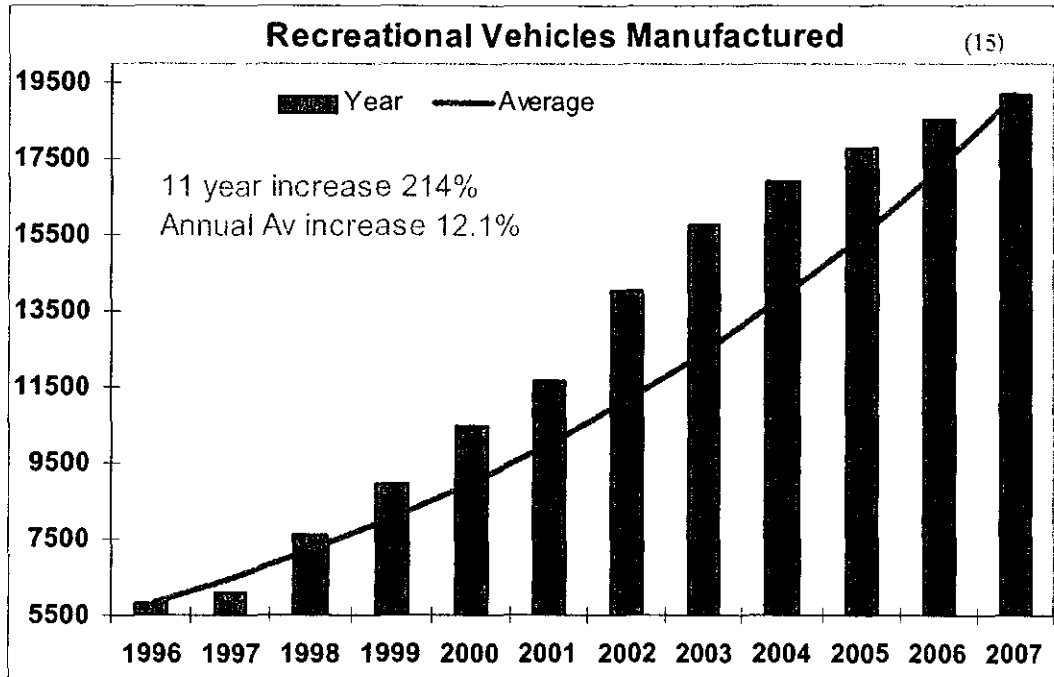
The prime recommendation of this submission is that the Queensland Government revoke the amendments made to s48 and s52 of the Land Act in 2007 and amend that section to allow secondary use of trust land for the purposes of short term stays for CCM travellers and that use be permitted without the need for the preparation of a management plan or Ministerial approval.

The above recommendation is made with full consideration of the financial state of the caravan park industry. The claims consistently made by the caravan park industry that assistance such as the virtual monopolisation of caravan parks (as now in place by the requirements of s48 and s52 of the Land Act) is needed for the viability of the industry does not stand up to scrutiny and can be considered as misleading to the point of being a nonsense.

The following sections analyse the caravan parks industry and look at the available statistics from the ABS and other sources in order to demonstrate the quantitative validity of Conclusions 5.1 to 5.3 and Recommendation 5.1.

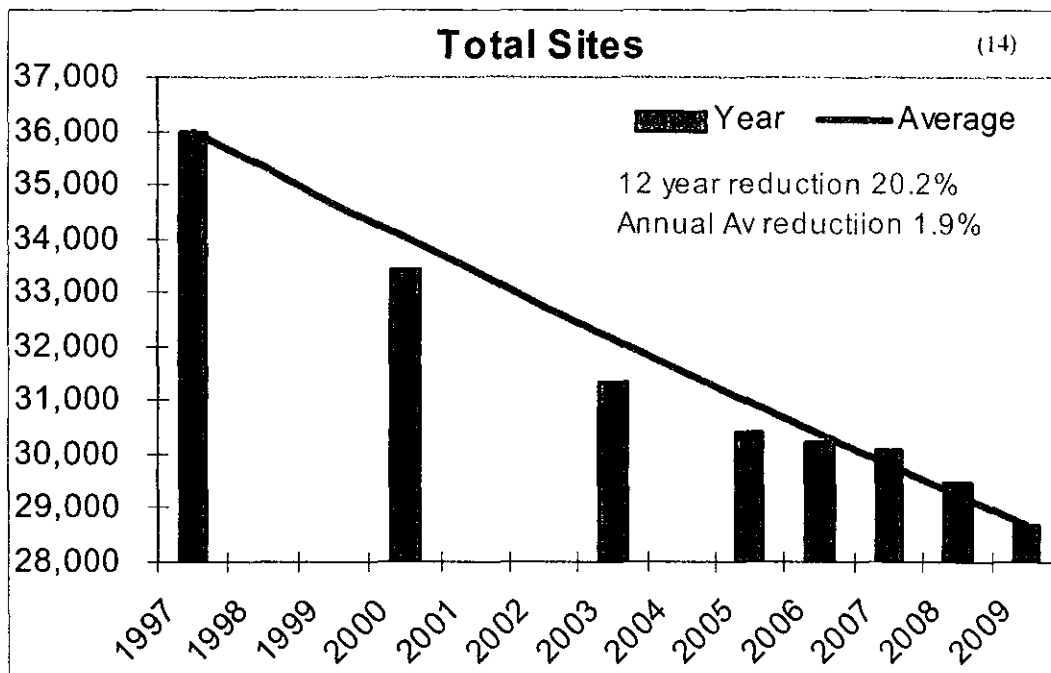
### 5.3 Caravan Parks – Not Meeting The Needs of CCM Travellers

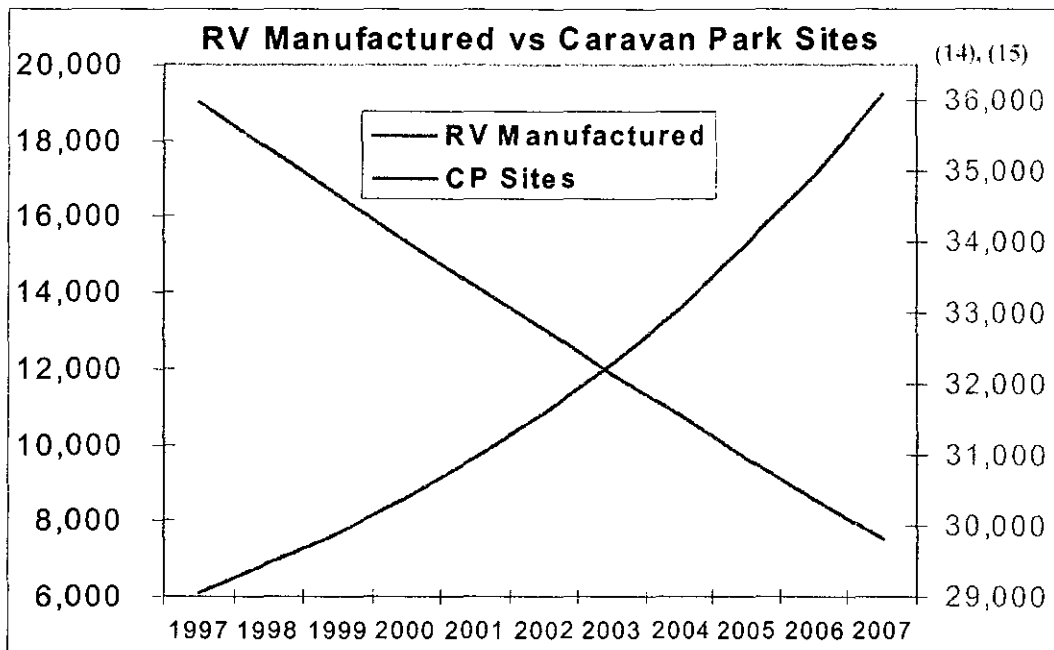
Over the 10 years to 2007, the manufacture of recreational vehicles has increased nearly three-fold (285%)<sup>(15)</sup>.



If the caravan park industry were adequately servicing this market, then a proportionate increase in caravan park sites would be expected.

Instead, while there has been a significant increase in demand for caravan sites, the caravan parks have been moving in the opposite direction by increasing the number of cabins, so reducing the number of caravan sites.



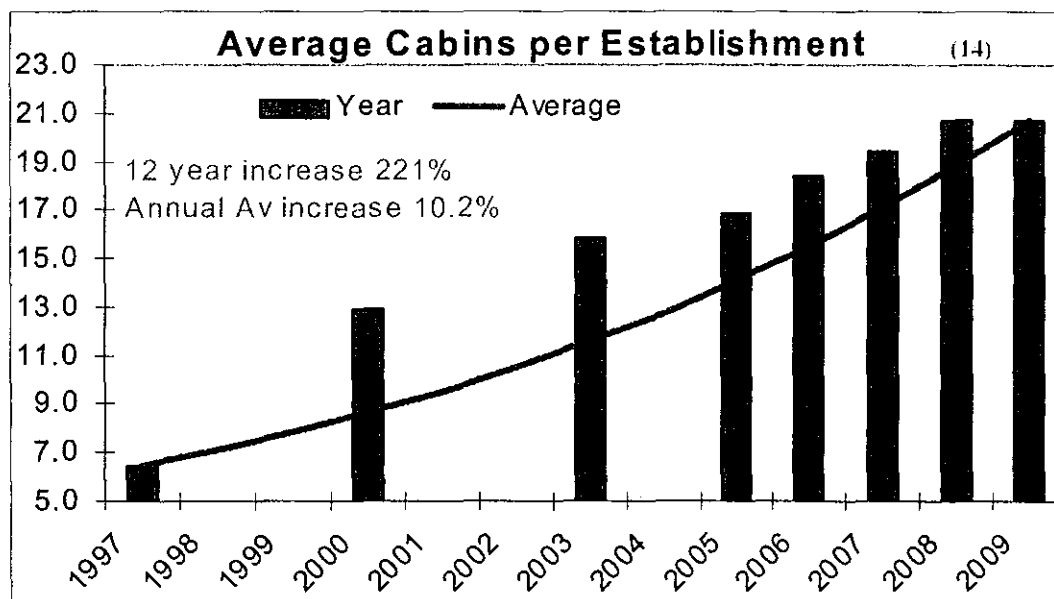


**Conclusion 5.4**

By significantly reducing the supply of caravan sites in the face of the three fold increase in the number of recreational vehicles, the caravan park industry no longer adequately meets the demand of the CCM traveller.

**5.4 Caravan Parks – Their New Market Direction is Cabins**

The obvious reason for the reduction in the number of caravan sites shown above is the increase in the number of cabins and other fixed accommodation in competition with motels, which targets the traveller without their own caravan, motorhome or camper trailer.



The reason for the expansion of cabin accommodation at the expense of caravan sites is explained by the following statistics and various quotes made by representatives of the caravan park industry:

*"Cabins were the most popular form of accommodation for domestic caravan or camping visitors with 26% of visitors (2.2 million visitors or 20% of visitor nights) staying in cabins in 2007"<sup>(3)</sup>*

and

*"Money is in cabins. This is clearly so and therefore cabins will take priority over RV sites."<sup>(8)</sup>*

and

*"In the qualitative research, the intention to increase the number of cabins was driven by the opportunity for these sites to generate greater revenue based on the higher nightly rate. Operators also believed that there was increasing demand for this type of accommodation that competed with mid level motel accommodation but provided the additional benefits of staying in a caravan park – the additional facilities (pools, activities for children) and a family atmosphere"<sup>(9)</sup>*

and

*"Also requiring balance within tourist sites in caravan parks is the trend towards cabin or chalet accommodation at the expense of powered caravan sites"<sup>(10)</sup>*

and

*Existing parks, predominantly mixed, are understood to be redeveloping to accommodate the changes in demand for both affordable housing and an increase in the variety of holiday accommodation."<sup>(11)</sup>*

#### **Conclusion 5.5**

The caravan park industry no longer considers the caravans and motorhomes as their primary market and will increasingly cater for the traditional motel market by further replacing caravan sites with cabins;

#### **Conclusion 5.6**

With the caravan park industry increasingly changing to cabin type accommodation the shortage of caravan sites will require alternative accommodation to be established for CCM travellers.



## 5.5 Caravan Parks – Misleading Lobbying to Government

For many years the caravan park lobby has been campaigning to government along the lines that profitability is very low and the viability of a number of parks are in jeopardy and has asked for government assistance not available to other industries.

For example, recent representations to various state and local governments have included requests for reduction in such costs as land tax, a reduction in general servicing costs, insurance/special purpose fund for Long-stay Tenants, and regulations associated with selling caravans and park homes within a caravan park, all of which are benefits not available to other industries.

In particular the caravan park lobby has been very successful in receiving government assistance in reducing competition and in effect receiving a monopoly position in many towns.

Examples of this are the controversial "Regulation 49" in West Australia and the amendment of s48 and s52 of the Queensland Land Act in their favour and to the disadvantage of all other businesses in rural and regional towns (refer [Attachment A - Barcaldine, A Case Study – The Effect of the 2007 Amendment of s48 and s52 of the Land Act.](#))

Unfortunately, this lobbying and the submissions to Local and State Governments contain much misleading information which go unchallenged and are consequently accepted as fact by government

One example is projecting the misleading perception that caravan parks are catering to the needs of CCM travellers. As demonstrated above this is incorrect as the concentration is now on fixed accommodation with number of caravan sites being reduced while the number of cabins are increasing.

The following are some examples of misleading or exaggerated claims.

*The continued viability of Caravan and Tourist Parks throughout Queensland is under real threat at present due mainly to various factors, namely Land Tax, improper and inappropriate use and location of Rest Areas and Free Camping areas...*<sup>(12)</sup>

and

*.....continues to destroy the financial viability of operators who have (in a lot of cases) poured their life savings into their Caravan and Tourist Parks*<sup>(12)</sup>.

and

*...hugely disadvantageous to legitimate caravan park operators who have invested large amounts of capital in providing properties*<sup>(12)</sup>

and

*Caravan park managers are also worried the plan would take business away from sites that are already struggling to survive*<sup>(12)</sup>.

and

*....the State Government has now (via Education Queensland) made State Schools available for camping by RV groups and you can see that Caravan Parks, as we know them, are being slowly forced into extinction...*<sup>(12)</sup>

The statements such as **"the viability being under threat"** and **"poured their life savings into their park"** and **"invested large amounts of capital in providing properties"** and **"struggling to survive"** and **"slowly forced into extinction"** are simply an emotive tool not supported by facts.

Unfortunately there has been no challenge to the validity of such statements and consequently they are incorrectly accepted by governments as being legitimate, resulting in inappropriate assistance to the industry which is not available to, and disadvantages, other industries.

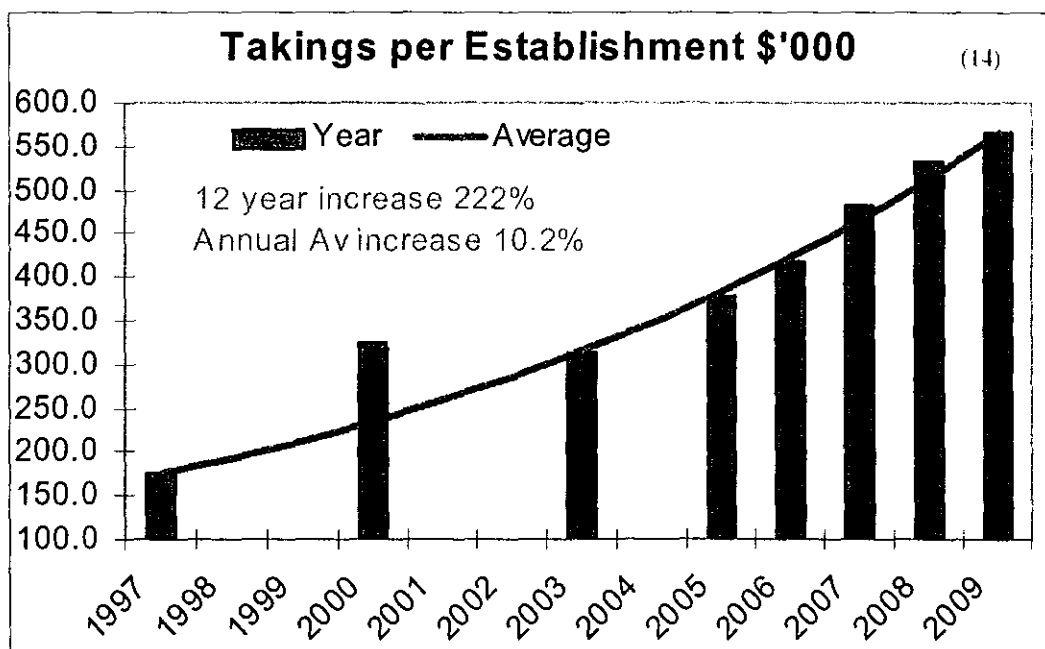
An example is the Queensland government amending the Land Act based on misleading data from the industry.

All the above examples indicate that caravan parks are only marginally viable and unless action is taken in favour of caravan parks in order that their income is protected, many will close.

This of course is the opposite to the facts to the extent of being a nonsense, and the caravan parks are simply trying to mislead local and state governments into giving more and more unwarranted benefits to the industry.

When considering the facts and the statistics, the following reveals an industry in an extremely strong position with growth rates far exceeding other industries.

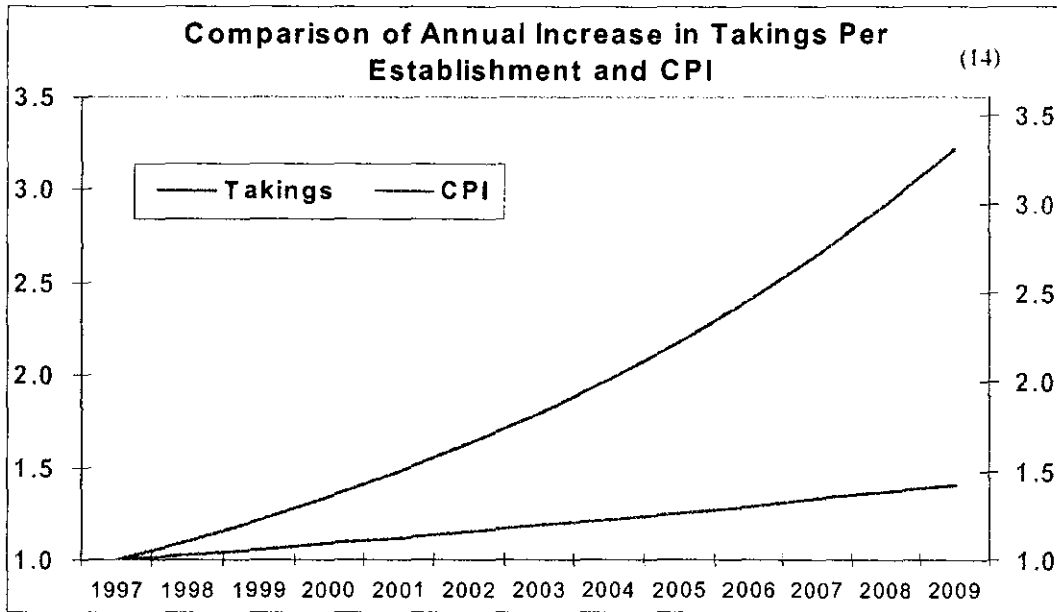
1. The amount of capital invested is irrelevant, all businesses, most of whom do not ask for government assistance, require capital investment;
2. The viability of caravan parks in Queensland is definitely not in jeopardy nor can they be "struggling to survive" or "slowly forced into extinction" when the average income per caravan park over the past 12 years:
  - (a) has increased by 222%
  - (b) has increased by an annual average of 10.2%



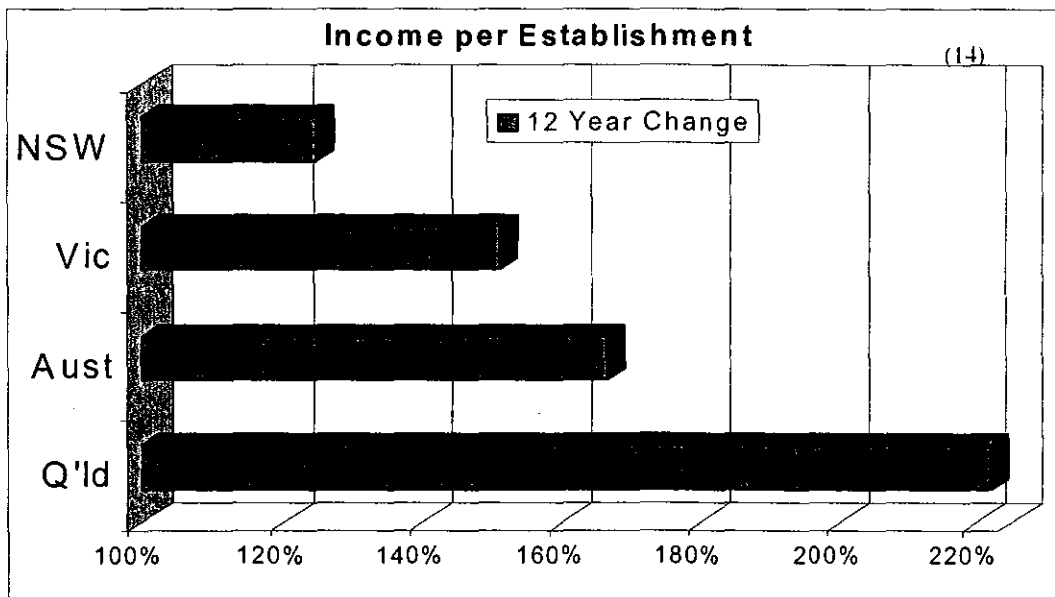


- (c) the rate of increase has been 5.4 times that of CPI
- (d) the annual average rate of increase has been 3.4 times that of CPI

Also, the actual average annual increase can be shown as:



The extent that the amendments to s48 and s52 of the Land Act were unnecessary for Queensland caravan parks can be shown by comparing the income per establishment with the states for which the information is available and which do not have legislation supporting monopolies for caravan parks, and the Australian average. West Australia is not included as they also have legislation benefitting the caravan parks.



Consequently, the pleadings by the caravan park lobby that the industry needed assistance, and in particular the campaign for the changes made to s 48 and s52 of the Land Act through the Queensland Ombudsman appears to have nothing to do with the need for the caravan parks to remain viable, but everything to do with a simple income grab by way of achieving a monopoly over showgrounds and reserves.

#### **Conclusion 5.7**

The lobbying campaign by the caravan park associations have been misleading local and state governments by incorrectly giving the impression that the industry is only marginally viable.

#### **Conclusion 5.8**

Rather than experiencing difficult times as the industry has been leading local and state governments to believe, the average annual rate of increase of income per caravan park establishment has been increasing at 5.4 times the CPI over the past 12 years.

### **5.6 Showgrounds and Other Crown Reserves**

Showgrounds in particular, as well as other Crown reserves have traditionally been available for short term stays for CCM travellers. This practice had been in place for decades and has served the small rural and regional town well by attracting CCM travellers who would buy products and services from the local businesses.

#### **5.6.1 Charges for Showground Parking.**

The charges applied by Councils for showground parking are commensurate with the quality of the facilities. The campaign by the caravan parks has been misleading to an extreme by claiming that Councils are undercharging for the facilities and unfairly competing with caravan parks.

This rather spurious argument is similar to saying that the 4 star hotels should receive government assistance because the 1 and 2 star hotels are charging far lower rates.

The fact is that showgrounds facilities are generally older and far more basic than caravan parks and consequently, Councils offer 1 star facilities for 1 star prices.

The caravan parks offer 4 or 5 star facilities at 4 or 5 star prices which 70% of CCM travellers<sup>(16)</sup> do not wish to use and prefer to stay at the 1 star facilities.

Additionally, the caravan parks lobby has been misleading Councils and State governments by consistently claiming that those CCM travellers would otherwise stay in caravan parks.

The opposite is the case. The majority of the grey nomad CCM travellers have well equipped vehicles, most are self contained, do not travel with children do not need or wish to pay for the children's' playgrounds, swimming pool, bouncing pillow, camp kitchen, TV room, games room, barbecues and other such facilities which are not needed.

Consequently the Council charging significantly lower rates for significantly lower quality facilities is entirely justified and satisfies the specific needs of the CCM traveller which the caravan parks do not meet and gives the CCM travellers a choice.

## 5.7 Choice

It should be the CCM traveller's choice where to stay. Whether CCM travellers wish to stay at the low standard showgrounds rather than the caravan park is their choice. Travellers have been making this choice for decades.

CCM travellers spend only 30% of the time in caravan parks<sup>(16)</sup>. This means that 70% of the time the traveller has chosen not to spend time in caravan parks and considering their travelling patterns, a substantial part of this time would be in such places as reserves and showgrounds.

The caravan park associations have been lobbying to take away this choice by wanting showgrounds and reserves closed in an attempt to drive those travellers into the caravan parks.

This in effect is removing the travellers' freedom to make their choice where to stay in those towns where the showgrounds or reserves have closed or, as in the example of Barcaldine, where the costs of the low quality facilities are the same as the caravan parks.

Those travellers who statistically spend 70% of their travel away from caravan parks<sup>(16)</sup> will then continue to make that choice, bypass the town where the caravan park is the only option, and spend some time at an alternative site at some other town, possibly where there is no caravan park.

Consequently, the leakage into the caravan parks is negligible as is demonstrated in the Barcaldine Case Study where the other businesses are experiencing a significant downturn because there is no leakage to the caravan parks.

The lack of leakage to the caravan parks is not an issue for the caravan parks as they are moving away from the CCM traveller anyway into the market of fixed cabin accommodation in competition to motels which results in higher income and profits derived from the non CCM traveller.

## 5.8 The Result of s48 and s52 Restrictions

The end result is that

- ✘ the showgrounds or reserves are no longer available or priced too high;
- ✘ the CCM traveller bypasses the town;
- ✘ there is virtually no leakage to the caravan parks;
- ✘ The caravan park does not attract any worthwhile additional CCM traveller business;
- ✘ The other businesses in town lose income;
- ✘ The caravan park increasingly derives income in competition with the motels from the non CCM traveller staying in the increasing number of cabins
- ✘ There is a net loss of income to those towns which are affected by the restrictions imposed by s48 and s52 of the Land Act; and
- ✘ The caravan parks who are the instigators of the Land Act restrictions do not receive a material benefit, do not lose business but have caused the other businesses to lose income.

Hence the reason for Recommendation 5.1

## 5.9 Further Implications of s48 and s52 Restrictions.

Although not a consideration of the Inquiry, the point needs to be made that there could be wide ranging unintended implications from the restrictions of s48 and s52 of the Land Act.

The restrictions apply to all Crown land reserves and therefore will include traditional camping grounds along river banks, fishing spots, bush areas used by local families for their annual holidays or long weekends.

At some time in the future, in order to ensure compliance of s48 and s52 and reacting to further on-going campaigns by the caravan park lobby, Councils will find it necessary to close all the reserves to casual camping with the consequence that these areas, possibly used for generations by local families for annual holiday camping or long weekends, will no longer be available for these recreational uses. Indeed, should those traditional local holiday, camping and fishing spots not be closed, there may well exist a significant discrimination issue.

#### **Conclusion 5.9**

The 2007 amendments to s48 and s52 of the Land Act has resulted in the closure of showgrounds and reserves in rural and regional areas due to the smaller rural and regional Councils not prepared or able to undertake the onerous tasks of preparing a management plan and applying for Ministerial approval.

#### **Conclusion 5.10**

Where Councils have either decided to close showgrounds or have elected to simply increase prices to that of the caravan parks, the 70% of CCM travellers who do not stay at caravan parks avoid the area, all businesses lose trade and the caravan park does not gain their anticipated additional custom resulting only in a loss of trade for those businesses other than the caravan park as clearly demonstrated in the case of Barcaldine.

### **5.10 Self Containment – Current Position**

CCM travellers spend 70% of their time in places other than caravan parks<sup>(16)</sup>. One of the reasons for this is that increasingly, motorhomes and caravans are self contained with toilet and shower facilities, fresh, grey and black water storage and solar and/or generator power.

There are some isolated areas set aside for self contained RVs both on private property and Crown land under Trust. Although these are very few in Queensland, their numbers are growing in other States who do not have the legislative restrictions, and are more progressive and proactive in attracting CCM travellers, particularly in South Australia and Tasmania. These facilities are being referred to as POPs (Park Over Property) and this concept is very successful in New Zealand.

There is an opportunity for Queensland Crown reserves to be opened up with minimum or no facilities for fully self contained vehicles in close proximity to towns in rural and regional areas where caravan parks also operate. In this way there can be no argument from caravan parks as the Local Authorities are not offering any facilities, except a nearby dump point, and there can be no valid objection from caravan parks as these will cater for that segment which for 70% of the time do not stay in caravan parks and for which caravan parks do not offer facilities.

Unfortunately, unlike New Zealand there is no universal criteria for Recreational Vehicles (RVs) self containment in Australia.

## **5.11 Self Containment Schemes**

### **5.11.1 CMCA**

CMCA (Campervan and Motorhome Club of Australia) introduced their Self Containment Scheme (SC) some 3 to 4 years ago and this scheme required inspection of the vehicle for accreditation to confirm that the vehicle conforms to the requirements.

This scheme was discontinued after only a short period and was replaced with their LNT (Leave No Trace) scheme, the conditions of which are more easily achieved and no inspections are necessary for the self registration process, leaving it open to possible misuse or abuse.

### **5.11.2 Australian Caravan Club**

After the CMCA changed from the Self Containment to the LNT scheme, the Australian Caravan Club (ACC) started their own self containment scheme called ACCESS. This is very similar to the CMCA's LNT scheme but because many of their caravan members are not fully self contained, the conditions are a little less strict than CMCA's LNT.

### **5.11.3 Other Schemes**

Although there appears not to be any other Australian self containment schemes, there is no doubt that as the POPs (Park Over Properties) and other properties allowing short term stays for self contained vehicles are developed, other clubs will start their own schemes. Most likely, all will have different conditions aimed at the facilities of the majority of their members resulting in a lack of consistency in the SC requirements.

### **5.11.4 New Zealand**

New Zealand is far ahead of the Australian states in catering for the needs of the CCM travellers. There is a New Zealand Standard for self contained vehicles *NZS 5465:2001 - NZ Standard for Self Containment of Caravans and Motor Caravans* which clearly defines the vehicles which are properly self contained.

These accredited self contained vehicles, are then able to use those POPs (Park Over Properties) which require self containment for short term stays.

## **5.12 Self Containment – Queensland Government Leadership**

Caravan park owners no longer have a priority for the CCM traveller and are replacing caravan sites with cabins. There is increasingly closures or restricted use of Crown reserves and showgrounds by virtue of the onerous nature of the Land Act.

Consequently, even with the appropriate changes to the Land Act, and the increasing number of CCM travellers as the baby boomers retire, there is going to be increasingly fewer places for overnight or short term stops for those travellers who traditionally spend only 30% of their time in caravan parks<sup>(16)</sup> and this will become an issue for local government.

Other States such as Tasmania and South Australia who do not have restrictions similar to those of Queensland's Land Act have recognised this issue and have been setting up POPs for self contained vehicles by supplying an area to park, a dump point and potable water for a nominal fee of \$5.00.

Queensland should follow suit. Caravan parks can not complain about the provision for parking for those travellers who do not use caravan parks for 70% of the time where self containment is a requirement. Caravan parks do not offer this service.

Currently, there are only the RV Clubs' schemes which have deficiencies as there are:

- \* no standards to define self containment;
- \* no inspection process for accreditation;
- \* an ability for vehicle owners to state they are self contained when they are not and falsely become accredited;
- \* differences between schemes;
- \* self containment conditions can be relaxed as clubs compete with each other for membership

The main challenges are the definition of Self Contained and the inspection process.

This is where Queensland can take the initiative by adopting the New Zealand standard *NZS 5465:2001 - NZ Standard for Self Containment of Caravans and Motor Caravans* for the requirement of Recreational Vehicles and through the COAG process, work towards all states adopting the standard so that there is consistency throughout the country.

Additionally, the inspection process can be by a "once off" inspection by those currently certified to undertake vehicle inspections:

- ✓ at the time of initial registration; or
- ✓ for existing vehicles once the scheme is in place; or
- ✓ for vehicles which subsequently are modified to the Self Containment criteria.

In this way, there can be a sticker issued in conjunction with the annual registration sticker or some other form of identification to be developed by Government.

The establishments of the Self Contained POPs, particularly in rural and regional areas, (which can be trust land, such as reserves showgrounds, as Councils decide) can only be established when s48 and s52 of the Land Act is amended to allow for secondary use of Crown Lands in Trust without the onerous requirements for management plans and Ministerial approval.

The increasing number of POPs, whether showgrounds or other trust land, and whether requiring self containment or not, in other states such as South Australia and Tasmania is a result of those states understanding the needs of the CCM travellers and not having the onerous restrictions for secondary use as is the case in Queensland under the Land Act.

Even the West Australia government where their controversial "Regulation 49" restricts camping within 50 kilometres of a caravan park has announced the revocation of "Regulation 49" in order to attract a greater number of CCM travellers.

The writer is willing to further detail this issue separately to this submission. Such a system needs to be developed for the benefit of Queensland on an independent and arm's length basis from the self interest of the likes of the caravan park industry and membership based associations in order that it incorporates input from experienced, unbiased travellers to arrive at a practical, user friendly system which will assist in attracting additional CCM travellers to Queensland

**Recommendation 5.11**

Queensland Government establishes a "Self Contained" system for the accreditation of RVs with the criteria based on the New Zealand Standard NZS 5465:2001 and subsequently...

**Recommendation 5.12**

...Queensland Government works through the COAG system to achieve a common Self Contained Recreational Vehicle standard throughout all states.

**6. Question 6. What is the best method of marketing Queensland's rural and regional communities to grey nomad tourists?**

The traditional methods of promoting and marketing tourist destinations will not reach the grey nomad or CCM traveller in relation to the rural and regional areas as there are no clear target publications which will reach and influence the targeted group in any number.

Consequently, there needs to be an understanding how grey nomads plan or execute their travel.

Generally, the grey nomads do not necessarily have specific destinations in mind. They loosely plan a journey which may include a number of specific towns or areas they will visit for a few days or weeks during that journey.

Having established that the CCM traveller spends only about 30% of the time in caravan parks<sup>(16)</sup>, an important consideration of travel plans is where there are suitable places, other than caravan parks, to stay.

Consequently, the most common source for planning a route or the journey, whether planned or "spur of the moment" decisions, are the publications which give the information on free or inexpensive places to stay, with a preference for "bush camping".

Anecdotal evidence indicates that Queensland National Parks are becoming less popular because of the comparatively high cost and the totally impractical and in some instances the impossible requirements for CCM travellers for booking and paying camping fees.

For those people who spend most of their time in caravan parks, the most popular are the publications listing caravan parks such as those from the automobile clubs.

For the majority of the CCM travellers, that is, those people who spend 70% of the time away from caravan parks<sup>(16)</sup>, there are numerous sources for free or inexpensive campsites. Camps Australia Wide is by far the most popular and lists over 3,500 free or inexpensive campsites around Australia. There are also numerous websites which list and/or rate free or inexpensive campsites.

Once having a rough plan on the route, the grey nomad will then be flexible in where they stay and at those locations will visit the tourist information centre. It is then the extent of their interest in the attractions as well as the cost of their nightly stays which will determine the length of their stay.

With this understanding of the travel habits, it can be seen that promotion of specific rural or regional areas is very difficult as there are numerous publications targeted at the grey nomad but few are widely read.

It will be those areas offering inexpensive short term stays such as showgrounds, bush camps and camping reserves which will be automatic selections.

This now becomes a circular debate as we come back to the towns where we see closure or high prices of showgrounds imposed by the requirement of s48 and s52 of the Land Act being bypassed. Consequently, without a change to the Land Act, promotion needs to be targeted to those towns and areas where there are no caravan parks and there is provision for free or inexpensive stays. This of course demonstrates further that the Land Act results in discrimination against some rural and regional areas.

The most effective means of increasing the visitation to rural and regional areas is to establish more inexpensive short term stays which will attract the travellers spending 70% of their time away from caravan parks and who tend to stay longer at suitable locations. This requires the change of s48 and s52 of the Land Act and to allow Local Authority discretion for secondary use of showgrounds and reserves.

Promotional activity without the legislative change will be pointless as the vehicle for the promotion has to be the location of the stay as well as the destination itself.

When the Land Act is amended to allow Local Authorities the secondary use without the onerous task currently required for approval the most efficient way to promote the rural and regional areas is for a listing of the free or inexpensive sites such as the showgrounds, reserves, rest areas, bush camps etc on the internet.

A suggestion is that there is a central database established which is accessible by having links from a number of websites such as the Councils, Queensland Tourism, Department of Transport, Main Roads and others which may be accessed by the grey nomads.

**7. Question 7. How successful have existing programs been in utilising the skills of grey nomads in rural and regional Queensland?**

No response is offered due to a lack of experience with this issue.

**8. Question 8. What can the government do to encourage grey nomads to use their skills by undertaking work in rural and regional areas?**

Many grey nomads are willing to undertake volunteer work in an area where they are prepared to spend some time.

From personal experience in the promotion of, and the participation in, volunteering, the main challenge in attracting volunteers is the difficulty those volunteers experience with the diverse number and type of volunteering organisations and the disjointed manner the volunteering positions are publicised.

The establishment of a central website tying together all the volunteering opportunities is a first step to attracting the volunteers. A template may be along the lines of the of the Harvest Trail website <http://jobsearch.gov.au/harvesttrail/default.aspx> with links to the specific volunteering opportunities.

The current situation is that the opportunities are too fragmented between the various organisations and the degree of difficulty is such that people give up looking for volunteering work.

There is a significant opportunity to utilise volunteers within the National and Conservation Parks. Of all the states West Australia appears to be the leader in the use of volunteers for this purpose. There is certainly a stark difference between the way the West Australian Department of Conservation (DEC) does an excellent job in managing the camp grounds through volunteers and the management of the Queensland National Parks campgrounds, particularly Queensland's booking and payment system for campgrounds which is virtually unusable for CCM travellers.



Queensland can also learn a great deal from the overall volunteering programs managed by the WA DEC.

**Recommendation 8.1**

Queensland Government take steps to establish a volunteering internet website which simplifies the access to volunteering opportunities in Queensland.

**Recommendation 8.2**

The Queensland National Parks proceed down the same path as West Australia DEC in the use of volunteers to more efficiently manage the campgrounds while at the same time substantially increasing campground revenue.



Frans Hamer  
21 May 2010

- (1) University of Technology Sydney , University of Western Sydney and Volunteering Australia,
- (2) CMCA Research Whyalla March 09
- (3) TRA Caravan or Camping in Australia Snapshot 2008
- (4) National Visitors Survey 2008
- (5) Poll conducted on the CMCA Forum website May 2010
- (6) Poll conducted on the Caravaners forum May 2010
- (7) Queensland Ombudsman Annual Report 2006-2007 Case study Public caravan parks: Unfair competition or community benefit?
- (8) Verbal submission by Caravan and Camping Industry Association of NSW (CCIA) to Department of Lands NSW on Wednesday 29 April 2009
- (9) TRA Understanding the Caravan Park Industry in WA May 2007
- (10) Caravan Industry Association WA submission to WA Inquiry
- (11) Caravan Industry Association of Western Australia Inc Submission to WA Inquiry May 2009
- (12) Caravan Parks Association of Queensland Inc. submission to Fraser Coast Council July 2009
- (13) Tony Benson, Caravan Parks Association Queensland, Fraser Coast Chronicle, 8 May 2009
- (14) Tourist Accommodation ABS 8635.0
- (15) Recreational Vehicle Manufacturers Association of Australia
- (16) See Part 5.1.4

# **BARCALDINE, A CASE STUDY**

## **The Effect of the 2007 Amendment of s48 and s52 of the Land Act.**

### **Introduction**

The Barcaldine showground has been a convenient stopover for travelling visitors for decades. The facilities are basic, of a far lower standard than caravan parks, and cater for those 70% of CCM (Caravan and Camping Market) travellers who do not stay in caravan parks.<sup>(16)</sup>

The benefit to the community was the spending by those additional visitors staying at the showgrounds in the local businesses and visiting the local tourist attractions.

In 2006 the owner of a recently established caravan park made a formal complaint to the Queensland Ombudsman that the Council was unfairly competing with his caravan park by allowing short term stays at the showground.

The Ombudsman accepted this complaint even though the caravan park was established with the clear knowledge that the showground was allowing short term stays. The resultant amendment of the Land Act 1994 has restricted the use of the showground and this paper looks at the effect of those restrictions and their application throughout rural and regional Queensland.

The Council increased the cost of stays at the showground some time ago and the visitation to Barcaldine has decreased.

The current situation is that the businesses in town are becoming vocal about the loss of income since this action was taken and are insisting that Council reduce the cost of staying at the showground.

### **1. Conclusions**

- 1.1** The Barcaldine Regional Council has, as have other regional councils, found the preparation of a management plan and seeking Ministerial approval for a secondary use of the showground too onerous and have taken the easy way to settle the showground issue by increasing the fees to a level of the caravan parks;
- 1.2** Due to these higher fees, large numbers of CCM travellers wishing to use the showgrounds are now bypassing Barcaldine which has substantially reduced the number of visitors and consequently, reduced the income of local businesses;
- 1.3** The business community has experienced a fall in their income as the number of CCM travellers using the showgrounds decreased and consequently, this demonstrates that those travellers are not using the caravan parks;
- 1.4** A comparison of the facilities offered by the caravan parks and the showground confirms that the previous lower fees are entirely justified for the far fewer and lower quality facilities;

1.5 Towns such as Barcaldine have taken away the choice of where the CCM traveller can stay and those 70% who do not stay in caravan parks will bypass such towns to the detriment of the business community and economy of the town. On a broader scale, as the choice becomes progressively less in Queensland, the CCM travellers will change their travel patterns, to the detriment of the state's economy, to those states such as Tasmania, Victoria, South Australia and increasingly Western Australia (who are repealing their "Regulation 49").

## 2. Thrust of This Case Study

This Case Study considers all the issues and effects relating to the Barcaldine Showground offering a short term, limited facilities CCM travellers stopover, the investigation of the Ombudsman, his recommendation to the State government and the government's subsequent action in amending s48 and s52 of the Land Act.

Of particular note is that numerous rural and regional local authorities find the requirement of the Land Act where a management plan and Ministerial approval must be put in place before the secondary use for CCM travellers can be exercised is far too onerous.

Consequently those Councils have taken similar action to either close the showgrounds or Crown reserves for use by CCM travellers or have increased the prices to match those of the caravan parks. Either way the lack of use of the showgrounds by CCM travellers has had significant adverse effect on the local economy with businesses (excepting the caravan park) showing a noticeable reduction in turnover.

## 3. Queensland Ombudsman Report and Adverse Effects

It is considered by many businesses in Queensland who have been adversely affected by the Ombudsman's report that his investigation was flawed in that his considerations were overly influenced by incorrect and misleading statements made by the caravan parks making the complaint.

The following comments are made in response to the decision of the Ombudsman to recommend amendments to s48 and s52 of the Land Act and the Queensland Government's decision to make those amendments, as this decision has adversely affected many rural and regional areas with a reduction in visitation by CCM travellers.

The comments will also address specific statements in the publication *Queensland Ombudsman Annual Report 2006-2007 Case study Public caravan parks: Unfair competition or community benefit?*

### 3.1 "Several Complaints"

During 2006 the Ombudsman received "*several complaints in relation to the Barcaldine and Blackall Shire Councils using public land (in particular the town showgrounds) for low-cost caravan parking*"<sup>(7)</sup>.

It is considered by many long term travellers who have been following the lobbying campaigns by the caravan parks associations that the sudden “several” complaints in one year were not a coincidence but part of the overall on-going campaign to increase the income of caravan parks.

### 3.2 The Caravan Parks Were Recently Established

The complainants, ***“whose caravan parks were more recently established in the region,...”***

The Barcaldine showgrounds have been used for short term stays by CCM travellers for decades. Consequently, the caravan park owner was well aware of this use by the showground and would have incorporated this into his business plan and the park’s viability when making the decision to develop the park.

### 3.3 Viability of the Caravan Park

The complainant ***“believed the councils’ activities were undermining their businesses’ viability as fewer visitors were choosing to stay with them,.....”***

Such terms such as ***“the continued viability is under threat”***, and ***“continues to destroy the financial viability of operators”*** and ***“struggling to survive”*** are regularly used by the caravan park associations in submissions as shown in this submission. Also shown in this submission is the fact that these are false claims as the average income of caravan parks in Queensland has been increasing over the past 12 years by a factor of 5.4 times the CPI. These emotive statements are being used only to achieve government assistance to increase the profitability of the parks.

Additionally, this statement can not be treated seriously as the owner was fully aware of the showground activities when he made the business decision to establish the park. If any other business asked for government assistance for his business soon after establishment to remove the competition which was there in the first place it would be given a quick rejection.

### 3.4 Comparison of Facilities

The complainant has acknowledged that, ***“fewer visitors were choosing to stay with them, opting instead for the cheaper prices and more limited facilities of the public showgrounds.”***

This recognises that the cheaper prices are not in direct competition with his caravan park and are in fact for a lower level of facilities and service, yet the Ombudsman proceeded with the complaint.

As outlined in **5 Price and Quality Comparison** below, there is a natural pricing difference between products and this case is no different. To accept the caravan park owner’s complaint is the same as accepting that a 4 star hotel needs government assistance to compete with the nearby 2 star hotel competitor. The fact that in this case the low service provider is a Council is irrelevant to the principle of pricing to the quality of product and service.

It should be the CCM traveller's choice where to stay. Whether CCM travellers wish to stay at the low standard showgrounds with limited facilities rather than the caravan park is their choice. Travellers have been making this choice for decades.

The Ombudsman should have taken into consideration that should the caravan parks meet the market and offer very limited facilities at a lower rate as part of their range of services as do showgrounds, then the CCM traveller may spend more time in caravan parks using this limited service. There would then be choice.

### 3.5 Council subsidisation

The Ombudsman's report took into consideration the statement...***the councils did not have these burdens and instead could subsidise caravan parking operations from their general funds.***

Again this is a consistent argument used by the caravan park lobby which is very misleading. As seen in this submission, the caravan parks have moved away from servicing the CCM traveller as this is a low profit segment compared to the income from cabins.

The Ombudsman and the government should have taken into consideration that caravan parks could, if they were at all interested in the CCM traveller market segment, also offer inexpensive "no frills" accommodation in line with that of the showgrounds to attract that 70% who do not stay in caravan parks.

Caravan parks have made the decision not to do so and instead, have ignored this significant market segment in order to close caravan park sites and erect cabins as fixed accommodation which does not serve the CCM traveller at all.

The Ombudsman should therefore have taken into consideration that, with showground camping being closed, the 70% of the CCM travellers who do not stay in caravan parks<sup>(16)</sup> no longer have access to the facilities which meet their needs.

### 3.6 Ombudsman Acting Outside the Scope of the Complaint

The Ombudsman had received complaints from caravan park owners "***whose caravan parks were more recently established in the region,...***" in Barcaldine and Blackall and who were now complaining about the competition which was in place when they made the economic decision to establish their businesses and who were now wanting to eliminate that competition.

The investigation by the Ombudsman should have been confined to those complaints in those towns with their very particular circumstances. Instead the report states "***However, we formed the view that before engaging in commercial activities on public land or using public property, councils should consider the effect the activities may have on local businesses, particularly in remote communities.***" which then takes the implications of this issue specific to Barcaldine to a state wide decision affecting towns where these issues may not exist or the conditions are entirely different.

This now means that in towns where there is a showground but there is no caravan park, the government has penalised the businesses in those towns, which is contrary to the current initiative to attract grey nomads to rural and regional areas.

#### **4. Alternative Locations**

There are four (4) alternatives to staying at a Barcaldine caravan park or the high priced showgrounds within 30 kilometres of Barcaldine, three of which are free, and the other low cost.

The reason therefore that the Barcaldine businesses have seen their turnover markedly reduced is the likely pattern of travellers visiting a tourist attraction in Barcaldine as a day visitor, and then driving to the alternative overnight stop on the way to their next destination.

#### **5. Effect on Businesses**

The Council increased the cost of stays at the showground some time ago and the visitation to Barcaldine has decreased. The current situation is that the businesses in town are becoming vocal about the loss of income since this action was taken.

On average, the CCM traveller spends \$498 per week<sup>(2)</sup> and this includes visiting specific tourist attractions and in Barcaldine's case this could include Australian Workers' Heritage Museum, the Wanpa-rda Matilda Outback Education Centre, the Shearers' Strike Camp and the Barcaldine and District Folk Museum if visitors stay in Barcaldine long enough.

The anecdotal evidence and the reaction of the businesses however, shows that there are less visitors and they are staying for a shorter time.

Barcaldine has at least 50 businesses whose products or services the CCM traveller may have reason to support. Of these only two (4%) are the caravan parks. Consequently, at least 48 businesses may be suffering from the restrictions of s48 and s52 of the Land Act while 2 have marginally benefited.

Most visitations by grey nomads would result in spending at the local businesses and obviously, the more visitors and the longer the stay, the greater the economic benefit to the community as a whole.

Although based on anecdotal evidence and assumptions made from various allied data, the following appears to confirm the views of the business community's extent of the reduced income.

CCM travellers spend only 30% of the time in caravan parks<sup>(17)</sup>. Consequently, with the showground now being as expensive as caravan parks, these travellers who are not prepared to stay in the caravan park bypass Barcaldine.



## 7. Implications

Barcaldine is not the only rural Council which has decided that the development of a management plan is too onerous and consequently businesses in other towns will similarly suffer. Another example is the increase in fees for the Springsure showground from \$15 to \$28.50, to match the caravan park rates, for similarly limited and low quality facilities as Barcaldine.

There are many showgrounds in towns that do not have caravan parks but it will be inherent upon the council to adhere to the requirements of s48 and s52 and will most likely also increase the fees or close the showground to travellers, penalising the businesses in that town for no reason other than assist caravan parks elsewhere in the shire to increase their profits.

(2) CMCA Research Whyalla March 09

(3) TRA Caravan or Camping in Australia Snapshot 2008

(7) Queensland Ombudsman Annual Report 2006-2007 Case study Public caravan parks: Unfair competition or community benefit?

(16) See Part 5.1.4



20 April, 2010 1:02PM AEST

## Businesses 'Up in Arms' in Barcaldine

By Chrissy Arthur

**Business owners in the central-west town of Barcaldine say they're 'up in arms' over a debate over whether caravan campers can stay at the local showgrounds. Barcaldine newsagent, Greg Horn, said the local council's been told it's a breach of state law, because it's allowed caravans and motor homes to stay at the showgrounds for several years.**

The council's charged the same fee as commercial operators.

Mr Horn said the grey nomads want choice.

"You know this has been the Australian way for 100 years and every other town in the same.

"People camp at the showgrounds and what have you and it's built up a culture over the years and it's a completely different experience and people really love it.

"That's what we want to maintain.

"We don't want to put anyone out of business - especially ourselves or our commercial friends in our caravan parks," he explained.

Mr Horn said the situation needs to be resolved quickly because it's effecting business drastically.

"Our tourist numbers this year are virtually nil, so a lot of people are pointing the finger at that, that Barcaldine has become a no-go place for caravaners at the moment because of all the conflict," he said.

Meanwhile, Councillor Rob Chandler, Mayor of the Barcaldine Regional Council, said caravans have been able to stay at the Barcaldine showgrounds for several decades, but what council has never done is address the secondary use of trust land.

"The State Government received a complaint that we were allowing caravans to stay at the showgrounds in breach of the secondary use of trust land.

"We have been directed by the Queensland Government to set up a showground management plan.

"We have to sit down and work out a policy where the commercial caravan parks are not affected," he explained.



File photo: Campervans and motor homes attempting to break a world record in Barcaldine (2007). (Leonie Lyons - ABC)

Councillor Chandler said other small council's might also need to develop plans so that grey nomads and other caravaners can stay at local showgrounds.

A state parliamentary enquiry is currently taking submissions into how grey nomads boost the economy.



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# BRIEF RESUMÉ OF FRANS HAMER

## PERSONAL DETAILS

**NAME:** Frans HAMER

**QUALIFICATIONS:** Diploma in Industrial Chemistry

**MEMBERSHIPS:** Fellow, Australian Institute of Company Directors

## EXPERIENCE

**CURRENT:** Semi Retired, undertaking consulting work

**PREVIOUS** MANAGING DIRECTOR and Owner, GWH Business Brokers Pty Ltd  
PRINCIPAL, Remah Management Services, a Management Con-  
sultancy firm  
MANAGING DIRECTOR and Owner, Idvale Landscaping Pty Ltd  
AREA MANAGER - NORTH Q'LD, Amatek Rocla  
SELF EMPLOYED MANAGEMENT CONSULTANT  
TECHNICAL MANAGER, Laminex Industries

## EXTERNAL POSITIONS - PREVIOUS

DIRECTOR,	Queensland Power Trading Corporation (Enertrade)	10 years
DIRECTOR,	Enertrade Pipeline Management Pty Ltd	3 years
DIRECTOR,	Enertrade (NQ) Pipeline No 1 Pty Ltd	3 years
DIRECTOR,	Enertrade (NQ) Pipeline No 2 Pty Ltd	3 years
DIRECTOR	Advance Cairns Limited	4 years
CHAIRMAN,	Cairns Region Group Apprentices Limited	8 years
DIRECTOR,	Queensland Industry Development Corporation (QIDC)	5 years
CHAIRMAN,	Cairns International Trade Centre	8 years
PRESIDENT	Cairns Chamber of Commerce	13 years
MEMBER	Cairns Hospital Ethics Committee	5 years
DIRECTOR,	Queensland Confederation of Industry Limited	8 years
DIRECTOR,	Northern Electricity Retail Corporation	1 year
DIRECTOR	Cape York - North Q'land Enterprise Zone Corporation	2 years
COUNCILLOR	Small Business Council of Queensland	3 years
COUNCILLOR,	James Cook University Council	1 year
COUNCILLOR,	Queensland Manufacturing Advisory Council	2 years
CHAIRMAN,	FNQ. Council, Q'land Confederation of Industry Limited	9 years
DIRECTOR,	Venture Fund Pty Ltd	5 years
DIRECTOR	Campervan & Motorhome Club of Australia Limited	9 months

## BOARD RESPONSIBILITIES - PREVIOUS

### Queensland Power Trading Corporation (Enertrade)

Chairman, Board Audit and Compliance Committee  
Chairman, Board Staff Remuneration Committee  
Chairman, Board Risk Committee

## **BRIEF RESUMÉ OF FRANS HAMER**

### **Queensland Industry Development Corporation (Queensland's State Bank)**

Chairman, Board Audit and Compliance Committee  
Chairman, Board Credit Committee  
Chairman, Venture Fund Pty Ltd (\$50 million Venture and Mezzanine Finance Fund)

### **Northern Electricity Retail Corporation**

Chairman, Board Audit and Compliance Committee

### **Queensland Confederation of Industry Limited**

Chairman, Far North Queensland Regional Council  
Member, Board Audit and Compliance Committee