

1st June 2016

Director Regions
Northern
Locked Bag 9022
GRAFTON NSW 2460

Submitted online:

http://planspolicies.planning.nsw.gov.au/index.pl?action=view_job&job_id=7525

SUBMISSION ON DRAFT NORTH COAST REGIONAL PLAN

The Caravan, Camping & Touring Industry & Manufactured Housing Industry Association of NSW (including Caravan & Camping Industry Association, Manufactured Housing Industry Association and Land Lease Living Industry Association) is this State's peak industry body representing the interests of caravan and holiday parks, manufacturers and retailers of recreational vehicles (RVs) (motorhomes, campervans, caravans, camper trailers, tent trailers, 5th wheelers and slide-ons) and camping equipment, residential land lease communities and manufacturers of relocatable and manufactured homes.

We currently have, as members, over 700 businesses representing all aspects of our industry. More than 400 are operators of holiday parks and residential land lease communities (residential parks, including caravan parks and manufactured home estates) in New South Wales and over 200 are manufacturers, retailers and repairers of RVs and accessories.

INTRODUCTION

Our Association broadly supports the development of a North Coast Regional Plan that seeks to:

- provide sufficient housing supply, including housing diversity and the supply of more affordable housing,
- expand the tourism sector on the North Coast,
- grow the region's commercial and business centres,
- strengthen the connectivity and efficiency of the Pacific Highway and other key State roads on the North Coast, and
- expand the region's aviation services.

146 of our members are located on the North Coast and comprise the following types of businesses:

- Caravan, holiday and tourist parks, located primarily along the coastline from Hallidays Point up to Tweed Heads. A few of these businesses are located inland.
- Residential land lease communities, also located along the coast with a number in and around Port Macquarie, Coffs Harbour, Yamba, Ballina and Tweed Heads.
- A manufactured home builder in Ballina,

- RV dealerships and repairers located primarily in Port Macquarie, Coffs Harbour, Ballina and Lismore,
- Service providers to the industry, including accessory suppliers and consultants.

In representing the interests of our North Coast members we welcome this opportunity to comment on aspects of the Draft North Coast Regional Plan (the "Draft Plan") as relevant to our members.

GOAL 3 – Housing Choice, with homes that meet the needs of changing communities

We note the data presented within the Draft Plan, which highlights the following points:

- Over 90 per cent of the region's population growth to 2036 will comprise people aged over 65 years. Currently, 20 per cent of residents are aged over 65 years, but this will rise to 31 per cent by 2036.¹
- Over the next 20 years to 2036, it is projected that around 67 per cent of future population growth will occur in three high-growth areas: Tweed Heads, Coffs Harbour and Port Macquarie.²
- By 2036, the North Coast will need to accommodate an additional 97,000 people. This growth, along with demographic change and changing household needs, is projected to generate demand for an additional 72,200 dwellings.³
- The projected growth in couple-only and single-person households is expected to increase demand for smaller and multi-dwelling housing such as townhouses and residential flats in regional cities, regional centres and towns.⁴
- The region is also expected to attract new residents relocating after retirement to take advantage of the environmental and lifestyle offerings on the coast.⁵

Accordingly, the Draft Plan aims to deliver housing to meet expected population growth, diversify housing types to meet changing needs, including increasing the supply of smaller dwellings, and provide options for affordable housing.

We submit that residential land lease living and the manufactured housing sector are in a unique position to assist the NSW Government with these important goals for the North Coast, particularly given this form of housing is already established in the three high-growth areas identified above.

Residential land lease communities (formerly known as residential parks, including caravan parks and manufactured home estates) continue to grow in popularity across the State, and include communities exclusively comprised of permanent residents, or those that have residential sites as well as tourist sites. Residents usually own their own manufactured home or moveable dwelling and lease the land (the site) from the operator.

There are approximately 900 parks across New South Wales, with 495 residential land lease communities. The total number of residents is 33,912. Of all residential land lease communities 95% are located in rural and regional New South Wales. There are

¹ p5, *Draft North Coast Regional Plan*, March 2016, NSW Government

² Ibid, p 35

³ Ibid, p 53

⁴ Ibid.

⁵ Ibid, p 58.

approximately 88 residential land lease communities in the Port Macquarie, Coffs Harbour, Ballina and Tweed areas with almost 9000 residents.⁶

In America, more than 20 million people live in land lease communities and enjoy the lifestyle, secure environment and financial benefits they afford. In Australia, residential land lease communities are a lifestyle choice for many people. They provide an alternative form of housing that is more affordable than traditional housing, and therefore they play an important role in housing affordability in New South Wales and Australia. They offer benefits not just to seniors and retirees, but also young families, first homebuyers, seasonal workers and disadvantaged persons, including:

- Housing affordability

Construction costs per square metre for a new manufactured home are generally significantly less than a comparable site-built home. New and pre-loved manufactured homes can range from \$100,000 to \$300,000 depending on the size, style and location. Importantly, no stamp duty is payable on the purchase of a manufactured home.

Site rental can range from \$100 per week to more than \$200 per week depending on the size and location of the site. However, site rental includes the cost of amenities and facilities, the upkeep of common areas and residents may also receive rent assistance from Centrelink.

- Prime locations

Residents can choose a sea change, a bush retreat or a place in a residential section of a holiday park depending on their preference.

- Safety and security

With neighbours close by and on-site management residents can enjoy peace of mind whilst still maintaining their privacy.

- Amenities and facilities

Most residential land lease communities offer their residents great facilities and amenities, which can include swimming pools, tennis courts, bowling greens, libraries, recreational rooms, barbecues, communal gardens and even courtesy buses into local areas.

- Active and social living

Residential land lease communities are not retirement villages or aged care facilities. They are a form of community living that encourages active retirement, a healthy lifestyle and socialising with likeminded individuals.

Part of the success of residential land lease communities is the quality and strict manufacturing standards of the homes themselves. Coming out of a factory with quality trimmings and appliances for kitchens, bathrooms, living and sleeping areas, manufactured

⁶ NSW Fair Trading, *Residential Land Lease Communities Profile of the Industry*, November 2015.

homes now offer everything that's available in a suburban home for a price much lower than site-built housing.

The affordability of manufactured housing is mainly attributable to the efficiencies of the factory process. The controlled environment and assembly-line techniques remove many of the problems of the site-built sector, such as poor weather, theft, vandalism and damage to building products and materials stored on site. As a result, manufactured homes are able to be built quickly which adds to their appeal.

Also, factory employees are trained, scheduled and managed by one employer, as opposed to the system of contracted labour. Manufactured home builders also benefit from the economies of scale which result from being able to purchase large quantities of building materials and products. As a result, savings can be passed on to customers.

Due to the unique building processes employed, it is arguable that factory built housing is more likely to exhibit a consistent standard of build than housing that is built on site. In fact, in many ways manufactured homes are built better than traditional homes because they are built in order to be transported as well as installed on site without succumbing to the stresses of movement.

We note the statement on page 60 of the Draft Plan that "affordable housing is an issue across the North Coast" and that "rising house prices have put more pressure on many of these households, particularly low-income earning households". Residential land lease living can assist with this issue. While there are a number of residential land lease communities already established along the North Coast, with the right planning controls and land opportunities to encourage further development, residential land lease living and manufactured housing could be instrumental to increasing the supply of affordable housing to the region.

In our December 2015 submission to the Department of Planning's Improving the Regulation of Manufactured Homes, Caravan Parks, Manufactured Home Estates & Camping Grounds Discussion Paper we advocated for a State-wide regulatory scheme to ensure the continued growth of these sectors. This includes changes to zoning and the relevant State Environmental Planning Policies, clarity on the planning permissibility of manufactured homes outside caravan parks and manufactured home estates and critical stage inspections for manufactured homes.

As such, we support NSW Government action to facilitate the supply of more affordable housing on the North Coast by developing a comprehensive approach to affordable housing that involves all stakeholders, including the private sector.

We strongly agree that Councils can help to improve housing affordability through incentives for affordable housing developments and "promotion of new caravan parks and manufactured home estates on unconstrained land in existing settlements and new land release areas in the urban growth areas."⁷

Goal 4 – A prosperous economy with services and infrastructure

It is pleasing to see that the Draft Plan acknowledges the great potential of the tourism sector to drive employment and economic growth, and seeks to expand the tourism sector on the North Coast:

⁷ Ibid, *North Coast Regional Plan*, p 61

“Tourism on the North Coast is worth more than \$3.4 billion annually and supports around one in three jobs in the region. The tourism industry will continue to make a significant contribution to jobs growth on the North Coast as the number of visitors to the region continues to increase.”⁸

Caravan, holiday and tourist parks are very important to the tourism economy as a whole. The caravan and camping industry continues to be one of the fastest growing domestic tourism sectors in Australia. New South Wales is Australia’s favourite State for caravanning and camping, with a 35.3% share of visitor nights and a 33% share of visitors. Caravanning and camping also accommodates over 25% of the visitor holiday nights in Regional New South Wales making it a vitally important part of the tourism infrastructure.

In 2015 New South Wales received over 3.6 million domestic caravan and camping visitors spending over 14.2 million nights in caravan and camping accommodation. This injected \$2.76 billion in economic value to New South Wales.⁹ In addition, research shows that for every \$1 income in a commercial caravan park, \$1.38 of economic benefit flows on to the local community, making caravan parks an important part of the tourism infrastructure which delivers strong economic prosperity in regional NSW.¹⁰

And there is still room to grow. Every night there are around 50,000 short term and camp sites available across our commercial park network. The national occupancy rate is 54%, and 73% of our parks and camping grounds offer facilities to accommodate the growing number of RV tourists with larger units.

Of the overall number of caravan and camping visitors to NSW, 80% are engaged in holiday and leisure activities that bring significant benefits for the broader tourism economy of regions. Caravan and camping visitors spend an average of 4.5 nights which is 1.3 nights longer than the average for visitors to the state.¹¹

Caravan and camping is therefore a key sector to assist in the Government’s action plan to double overnight expenditure in New South Wales by 2020.

In offering a number of accommodation options in pristine locations, from budget camp sites to luxury cabins and safari tents, caravan and holiday parks on the North Coast are already providing ‘high quality accommodation’ and ‘showcasing the natural environment’ – two important criteria identified by the Draft Plan. Therefore, in facilitating nature-based, events and cultural tourism sectors on the North Coast we urge the NSW Government to also prioritise caravan and holiday parks in its tourism development initiatives.

Supporting caravanning and camping is, of course, the RV manufacturing and retailing sectors. While many other areas of manufacturing in Australia are receding, the RV manufacturing industry continues to grow each year. In a presentation at the 2013 CRVA Conference, IBISWorld estimated that for 2012 – 13 the motor vehicle body and trailer manufacturing sector generated \$3.96 billion, and for 2012 - 13 the trailer and caravan retailing sector generated \$2.4 billion.

⁸ Ibid, p 64.

⁹ *National Visitor Survey*, YE Dec 15, Tourism Research Australia

¹⁰ P28, *Economic Benefit Report - Commercial Caravan Holiday Park to a Local Community*, October 2012

¹¹ Tourism Research Australia, op. cit.

There are currently over 580,000 registered RVs in Australia.¹² The popularity of these vehicles is growing rapidly, with new registrations of around 20,000 units every year with an estimated 80,000 RV travellers on the road at any one time.¹³

Products range from state of the art motorhomes and caravans to budget options, pop-top caravans, 5th wheelers, converted buses, camper trailers, tent trailers, campervans, and slide on campers, etc. There is also an increase in the number and type of accessories available, including flat screen TV, sound systems, fridges, washers, microwaves, cookers, solar panels, satellite dishes and 4 wheel driving accessories.

Total RV production for 2015 was 22,711 units, an increase of 6.6% above 2014 levels. Traditional caravans represent nearly 54% of total RV production, followed by pop-tops at 22%, tent trailers and camper trailers at almost 19% and motorhomes and campervans at almost 5%. Caravans have been driving the growth in Australian manufacturing of towable recreational vehicles, but there has been strong growth in camper trailers and towable pop-tops (RVM Australia).

Retailing is increasingly done online, growing by an average of 25% per annum over the five years to 2013. It is predicted to grow by 11% per annum over the next five years (IBISWorld, 2013). Many businesses in the RV sector have already embraced this technology and are encouraged to continue.

There has also been some growth in the overall employment levels in the industry, driven by retailing, which we expect to continue into the future as the popularity of RV tourism continues to expand.

The North Coast is extremely popular with RV tourists and to support this industry, we are in favour of NSW Government actions to support retail and business activity in the region's commercial and business centres where RV dealerships and repairers are generally located.

Goal 5 – Improved transport connectivity and freight networks

As RV tourism continues to grow, improved highway, road and transport infrastructure are key priorities for the sector as people take to the road for their holidays. Thus, we support NSW Government actions in the Draft Plan to:

- strengthen the connectivity and efficiency of the Pacific Highway and other key State roads on the North Coast,
- designate highway service centres along the Pacific Highway to encourage motorists to take breaks, and
- expand the region's aviation services.

These initiatives will not only improve freight transport, which is essential for businesses, but also tourism – an important growth sector for the region - and we agree that expanding regional airports will enhance the region's reputation as a major tourism destination. Developing strategies for prioritising and enhancing infrastructure, including connections to tourism gateways and attractions, is essential for maintaining and enhancing the North Coast's broad range of tourism experiences.

¹² BDO Caravan and Campervan Data Report December 2015

¹³ National Caravan and Recreational Vehicle Towing Guide, 6th Edition,
<http://www.towingguide.com.au/index.html>

CONCLUSION

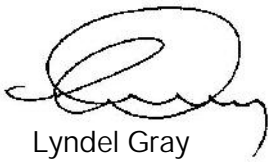
We reiterate the importance of residential land lease living and manufactured housing in the supply of diverse and more affordable housing options on the North Coast, as well as the significance of caravan, holiday and tourist parks and the RV industry to the region's tourism. As such, our Association broadly supports the development of a plan for the North Coast that supports these industry sectors as set out in this submission.

In representing the interests of our North Coast members we are keen to continue to participate in any further consultations and ask that we be noted as a stakeholder so that we continue to be included in all future communications and meetings.

Thank you for your consideration of the issues we have raised.

Should you wish to meet and/or discuss any aspect of this submission please contact Bob Browne, General Counsel on (02) 9615 9920 or email bob.browne@cciansw.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lyndel Gray', with a large, stylized loop at the top.

Lyndel Gray
Chief Executive Officer