

SUBMISSION TO INFRASTRUCTURE VICTORIA'S 30-YEAR STRATEGY

Addressing the omission of Tourism in Infrastructure Victoria's 30-Year Strategy

Introduction

Infrastructure Victoria's 30-Year Strategy 2025-2055 is intended to serve as a blueprint for the state's long-term development, guiding investment and policy decisions to support economic growth and community wellbeing.

However, the complete omission of tourism and tourism-related opportunities for regional Victoria from the current draft strategy is both disappointing and detrimental to one of the state's most vital economic sectors. By contrast:

- The 2016 Strategy made 26 references to tourism;
- The 2021 Strategy included 121 references and identified tourism as a pillar of regional growth.

In Infrastructure Victoria's last strategy, tourism was described as a vital component of regional economic development. It was acknowledged as a key driver of jobs and investment, and commitments were made to support its growth. Unfortunately, some of these commitments have not been fulfilled by the Victorian Government.

Now, the exclusion of tourism from the current strategy is not just an oversight, it is a significant policy failure that undermines the economic potential of regional Victoria.

By removing tourism from the strategy, Infrastructure Victoria is effectively disregarding:

- The role tourism plays in regional employment and economic sustainability.
- The pressing need for infrastructure investment in high-traffic tourist areas.
- The ongoing cost and business challenges faced by tourist park operators which is often compounded by government policy and procedures.
- The opportunities presented by Victoria's natural and cultural attractions, which remain underutilised due to lack of strategic planning.

In addition, Caravan & Residential Parks Victoria is very concerned that several requests to the Victorian Government for regulatory reform have been ignored or rejected without robust engagement.

Tourist operator, and in particular, tourist caravan park owner, confidence in the Victorian Government's willingness and capacity to support the sector is rapidly declining. Current and future investment is being withdrawn as growth stalls in an environment of increasing costs of doing business. The lack of any recognition of the tourism industry, and caravan parks in particular, in the draft Infrastructure Victoria Strategy 2025 – 2055 is damning.

Victorian caravan parks accommodate over 50% of overnight stays

As one of the most important pillars of Victorian tourism, the Victorian caravan park sector is very significant to the Victorian economy. Our member tourist parks accommodate over 50% of overnight stays in regional Victoria, generate nearly \$2.4 billion in economic growth and employ over 17,000 people. Given over 80% of visitors to Victorian tourist caravan parks live in the state, our sector is a very significant contributor to government efforts to retain visitor economy spend within Victoria.

Tourist caravan parks continue to provide families with an affordable way to explore the great outdoors and reconnect with each other in beautiful surroundings, while supporting local economies. Together with their visitors, tourist caravan park businesses are often the biggest contributors to employment and economic activity in many of Victoria's regional communities and they are big purchasers of goods and services from other Victorian, and often local, businesses.

Four of the six Infrastructure Victoria objectives relate to caravan parks

Of the six key objectives that Infrastructure Victoria highlights to help guide and structure the 2025-2055 strategy, four of them directly relate to caravan parks:

1. **Good access to housing, jobs, services, and opportunities**
Caravan parks offer very significant local employment, skills development, and regional housing alternatives.
2. **Victorians are healthy and safe**
Caravan parks promote outdoor, active recreation and positive mental health and wellbeing. In addition, Recommendation 64 of the *Inquiry into the 2022 flood event in Victoria* identified caravan parks as essential businesses in disaster prone areas as providers of housing and emergency support.
3. **Thriving natural environment**
Regulated caravan parks are investing in sustainability and environmental protection.
4. **High productivity and circular economy**
Caravan parks are key economic contributors and partners in regional resilience.

Our view is that the final strategy should explicitly include how the Victorian Government can support the caravan park sector to help deliver these objectives.

Lack of Victorian Government support of the sector is surprising and concerning

This association and its members remain surprised and concerned by the lack of Victorian Government support of the sector.

Despite the growing demand for caravanning and camping from all demographics, including millennials seeking eco-tourism based tourism experiences supported by accommodation that operates with modern, renewable technology and practices, limited Victorian Government support of private, regulated caravan parks is preventing the sector from reaching anything like its full potential.

For example, the government's decision to allow free camping in Parks Victoria campgrounds, in direct conflict with its own competitive neutrality policy designed to protect private business from the market power of government owned business, impacts bookings at private caravan parks.

The government is also unable to eliminate planning barriers – a critical flaw massively holding back caravan park development, innovation and growth with substantial investment from both corporate and independent caravan park owners now being directed to other states at Victorian's expense.

A critical omission in the current draft strategy is the failure to reintroduce Recommendation 81 from the previous 30-Year Strategy, which proposed:

“Support regional tourism investment by allowing more site-specific leases for up to 49 years for infrastructure proposals that meet strict criteria and complement environmental and cultural values.”

Caravan parks who operate on Crown land are subject to inconsistent leasing arrangements that create uncertainty for business operators. This uncertainty stifles park investment in new and upgraded accommodation as well as other amenities and services and deters long-term planning, impacting visitor economies.

Most regrettably, leaseholders without tenure security reduce maintenance of existing infrastructure to the minimum required to retain regulatory compliance as future returns on investment are curtailed.

Without secure tenure, operators are unable to upgrade, expand, or innovate—despite growing demand for eco-accommodation, glamping, and accessible facilities. The potential, and actual, closure of these extremely valuable tourism accommodation assets is a current reality, as is the lack of interest in creating new caravan parks for Victorians to enjoy.

Budget cuts to tourism and marketing

Recent government budget cuts to tourism infrastructure and marketing have solidified the perception from tourism operators, including caravan park owners, that government support for this sector is eroding, resulting in current investment being redirected to other states and putting future investment in these businesses, and the wider visitor economy, at enormous risk.

Although Infrastructure Victoria does not set the state budget, this strategy must recognise the consequences of recent cuts to tourism investment and promotion. These decisions are a strategic risk to the wider infrastructure and investment strategy and must be articulated as a risk in the final strategy.

The impacts of reduced funding include:

- Reduced access to grants and infrastructure co-investment;
- Shrinking support for regional operators still recovering from pandemic-related shocks and natural disasters;
- Reduced expenditure into Victorian infrastructure as companies divert investment capital into other states;
- Fewer domestic and international marketing campaigns;

If not addressed, these funding cuts will undermine the success of any infrastructure initiative and recommendation aimed at building regional Victoria’s economic future.

Recommendations

To ensure that Victoria remains a leading destination for tourism and that regional communities continue to thrive, the following actions should be considered as part of the final strategy:

1. Reinstate Lease Reform in the Strategy

Reintroduce Recommendation 81 from the 2021 Strategy, enabling long-term, site-specific Crown land leases (up to 49 years) for qualifying operators and recommend this measure be implemented in legislative reform over the next 12 months.

2. **Embed Tourism as a Strategic Priority**

Include tourism, including caravan park tourism, as a core economic and social pillar of the 2025–2055 Strategy, with clear references and support mechanisms.

3. **Restore and Grow the Tourism Budget**

Recognise reduced investment in marketing and tourism infrastructure as a strategic risk and advocate for its restoration to safeguard regional competitiveness.

4. **Invest in Regional Tourism Infrastructure**

Prioritise upgrades to roads, visitor centres, renewable utilities, and accommodation in key regional destinations, with a specific focus on infrastructure that supports extended overnight stays.

The exclusion of tourism from Infrastructure Victoria’s draft strategy is more than a missed opportunity. It is a direct threat to local jobs, small businesses, and regional development.

Caravan and tourist parks are already delivering on many of the strategy’s core objectives yet continue to face policy and regulatory barriers that remain unaddressed by the only authority that can do so – the Victorian Government.

Without Victorian Government recognition of the value of the Victorian caravan park industry, and support to drive meaningful reform to improve the business environment for caravan park owners, the sector will be unable to unlock its full economic potential and drive investment into the future. This will impact almost all Victorians.

More broadly, tourism is central to Victoria’s identity, economy, and future prosperity—and must be treated accordingly.

Scott Parker
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