



Inquiry into *Future Made in Australia*

Senate Standing Committee on Economics (*Legislation*)

Preamble

Caravan Industry Association of Australia thanks the Senate Standing Committee on Economics for the opportunity to provide a submission to assist with their inquiry into the proposed *Future Made in Australia Bill 2024 [Provisions]* and the *Future Made in Australia (Omnibus Amendments No. 1) Bill 2024 [Provisions]*.

This inquiry marks a pivotal moment for the entire domestic manufacturing industry, resonating deeply with the caravan manufacturing industry as one of the last sovereign vehicle manufacturing industries left in Australia. It would be remiss to not acknowledge the *Future Made in Australia* policy is backgrounded by the *EV Strategy*, as well as the *NRF* and *NVES*, all critical levers that will affect our industry, and as such it is critical to ensure these policies appropriately interface with each other as intended.

The caravan industry, a cornerstone of Australian manufacturing and tourism, is on the brink of an innovation renaissance. As a \$27 billion industry, our industry has a wealth of knowledge and experience to provide to this landmark policy. While we acknowledge the direct impact of the *Future Made in Australia* policy on our industry in its current form is limited, we are nevertheless optimistic to see a spillover effect onto all industries that manufacture in Australia.

Innovation is at the forefront of this transition. Collaborative industry innovation, a cornerstone of our approach, involves working closely with manufacturers, technology providers, and energy experts. The goal is to develop caravans and associated products that are not only compatible with future-fuel tow vehicles but also creates a level playing field for all manufacturers.

Government recognition of our sector's worth is crucial. The caravan industry is not merely a beneficiary of the national transition; it is a proactive participant with the potential to drive significant advancements in sustainable tourism, regional economic resilience and employment for diverse populations. Our industry supports over 50,000 jobs and contributes substantially to the economy by supporting over 6000 business, particularly in regional areas.

Industry and government have a critical opportunity to set up our country's future for the better. By embracing innovation, fostering collaboration, and advocating for supportive policies, our industry is not just adapting to change – we are driving it. The caravan industry stands ready to play a pivotal role in Australia's journey towards a sustainable and prosperous future, ensuring that our legacy is not one of decline, but of dynamic evolution and enduring success.

Caravan Industry

Caravan Industry Association of Australia is the peak national body for the caravanning and camping industry in Australia. Our organisation’s vision is, “To lead and champion a safe, compliant and sustainable caravanning and camping industry in Australia”.

There are over 6,000 businesses across the entire caravan and camping supply chain and the industry is responsible for generating over \$27.1 B in measured annual economic revenue across manufacturing, trade, retail, rental and caravan park revenue, this also includes visitor expenditure.

Our state of the industry snapshot 2023- 2024 demonstrates the depth and impact of the industry across all sectors. We are extremely proud of our tourist and manufacturing footprint and the resilience of the sector, whilst experiencing the unprecedented challenges brought about by COVID-19, the industry was still able to be a backbone to the Australian domestic tourism industry. Having Australians moving around their country and visiting regional and rural areas, bringing much-needed economic stimulus to the communities that needed it most.

Being the last sovereign vehicle manufacturing sector, ensuring the sector’s future growth and development is of the highest priority. The transition to a future fuels environment poses both an opportunity and threat, as an industry we can play a key role in how energy is collected, stored, and distributed. We can be at the forefront of this transition, provided the emerging threats to the industry are mitigated. Threats would, if not mitigated see a drastic decline in drive tourism, a decline in regional and rural tourist expenditure, a decline in Australian manufacturing and an influx of imported products.

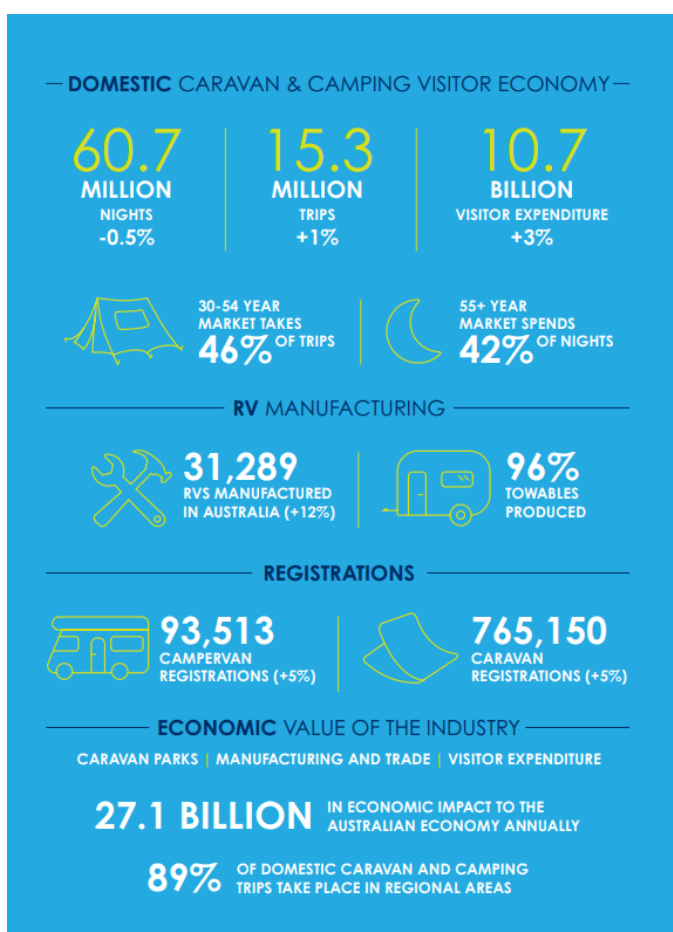


Figure 1 State of the Industry statistics 2023 - 2024

Background

Caravan Industry Association of Australia welcomes the opportunity to provide a submission to the Committee regarding *Future Made in Australia*. Our association represents the interests of a diverse and dynamic industry that contributes significantly to Australia's economy, regional development, and tourism sector. This submission outlines our support for the Bill and highlights key considerations that will ensure the Bill's successful implementation and maximise its positive economic impacts.

Economic Contribution of the Caravan Industry

The caravan and camping industry is a vital component of Australia's manufacturing and tourism sectors. Our industry generates significant economic activity, creates vast employment opportunities, and directly supports regional communities. According to our recent *State of Industry* report, industry contributes over \$27 billion annually to the Australian economy and employs more than 50,000 people across manufacturing, sales, servicing, and tourism operations.

Support for *Future Made in Australia*

Caravan Industry Association of Australia supports the *Future Made in Australia Bills* in principle. While we would of course had liked to have seen further consideration given to the needs of our manufacturing sector, we believe that this legislation has the potential to strengthen domestic manufacturing, promote innovation, and enhance Australia's global competitiveness. Key aspects of the Act, such as incentives for local production, investment in research and development (R&D), and measures to improve supply chain resilience, as well as flow-on effects from economic spillover onto tourism, RV manufacturing and broader skilled labour, align with our industry's goals and objectives.

Key Considerations and Recommendations

1. Enhancing Local Manufacturing Capabilities

The Committee should prioritise initiatives that enhance local manufacturing capabilities within the caravan industry. This includes providing grants and incentives for the modernisation of manufacturing facilities, adoption of advanced manufacturing technologies, and skills development programs. By fostering a robust manufacturing base, our domestic manufacturing sector can reduce reliance on imports, create high-quality jobs, and contribute to economic growth.

2. Encouraging Research and Development (R&D) Investment

Investment in R&D is crucial for driving innovation and maintaining a competitive edge in the global market. We recommend that the Bill includes provisions for increased R&D tax incentives and funding for collaborative projects between industry and research institutions. These measures will facilitate the development of cutting-edge technologies, improve product quality, and support the transition to more sustainable and eco-friendly manufacturing practices.

3. Strengthening Supply Chain Resilience

The COVID-19 pandemic has highlighted the vulnerabilities of global supply chains. To mitigate future disruptions, the Bill should promote initiatives that enhance supply chain resilience. This can be achieved through the development of local supply chains, diversification of suppliers, and the establishment of

strategic reserves for critical components and materials. Strengthening supply chain resilience will ensure the continuity of production and safeguard against external shocks to the market.

4. Maximising Economic Spillover Effects

The Committee should consider the broader economic spillover effects of a thriving caravan industry, as well as the impact of spillover from other industries onto our own industry. A strong manufacturing sector will have positive spillover effects on related industries, such as tourism, hospitality, and retail. By promoting local production and consumption, the Bill can stimulate demand for locally produced goods and services, support small businesses, and foster regional economic development.

5. Promoting Sustainability and Environmental Stewardship

Sustainability is a key priority for the caravan industry. We recommend that the Committee considers measures to support the development and adoption of sustainable manufacturing practices. This includes incentives for the use of renewable energy, waste reduction initiatives, and the development of eco-friendly materials. By promoting sustainability, the industry can reduce its environmental footprint and appeal to environmentally conscious consumers.

Conclusion

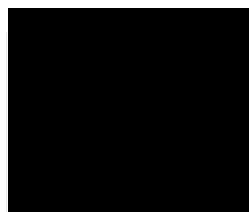
Caravan Industry Association of Australia is committed to working collaboratively with the government to ensure the successful implementation of *Future Made in Australia*. We believe that this legislation has the potential to revitalise domestic manufacturing, drive economic growth, and create sustainable employment opportunities.

Once again, we thank the Senate Standing Committee on Economics for the opportunity to provide a submission to assist with their inquiry into the proposed *Future Made in Australia Bill 2024 [Provisions]* and the *Future Made in Australia (Omnibus Amendments No. 1) Bill 2024 [Provisions]*.

Should the Committee require further information in relation to this matter, either Stuart Lamont, CEO, or I would be pleased to provide a briefing at a time convenient to you or appear as a witness at a hearing.

To arrange a briefing, please contact me at [REDACTED] or [REDACTED].

25th of July, 2024



Luke Chippindale

General Manager, Government Relations and Corporate Communications
Caravan Industry Association of Australia