



cutting through complexity™

Impact of Demographic Change on the Future of the Caravan, Camping and Manufactured Housing / Manufactured Home Village Industry

19 July 2013

**The contacts at KPMG
in connection with this
Report are:**

Bernard Salt

KPMG Demographics
Partner, Melbourne

Tel: 03 9288 5047

Fax: 03 9288 5162

bsalt@kpmg.com.au

Sally Mikkelsen

KPMG Demographics
Senior Manager, Melbourne

Tel: 03 9288 6034

Fax: 03 9288 5162

smikkelsen1@kpmg.com.au

**The primary analyst at
KPMG in connection with
this Report is:**

Paul Lombardi

KPMG Demographics
Consultant, Melbourne

	<u>Page</u>		<u>Page</u>
Disclaimer	2	Generational Trends	32
Foreword	4	Retail Trends	37
Executive Summary	6	Workforce Trends	43
Background	9	Conclusion	47
Literature Review	11	Appendices	49
Demographic Trends	18	▪ Appendix 1 – Definition of socio-economic indicators	50
▪ Overseas born Australian residents	27		
▪ International visitors to Australia	30		

Disclaimer

Inherent Limitations

- This report is an extract of the final report titled *'Impact of Demographic Change on the Future of the Caravan, Camping and Manufactured Housing / Manufactured Home Village Industry'* dated 19 July (**Final Report**), which was provided to the Caravan Group (as defined in KPMG's engagement letter dated 1 May 2013 (**Engagement Contract**)) under the terms of the Engagement Contract. The contents of this report do not represent our conclusive findings, which are only contained in the Final Report.
- The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.
- No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by the stakeholders consulted as part of the process.
- KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.
- KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.
- The findings in this report have been formed on the above basis.

Third Party Reliance

- This report is solely for the purpose set out in the Scope Section of the Engagement Contract and for the information of the Caravan Group and is not to be copied, reproduced, distributed, or used (in whole or in part), for any other purpose (other than detailed in the Engagement Contract) without KPMG's prior written consent. Other than our responsibility to the Caravan Group, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this Report. Any reliance placed is that party's sole responsibility.
- We understand that this report may be made available to third parties on the Caravan Group's individual websites. Any third party that accesses this report is not a party to our Engagement Contract with the Caravan Group and, accordingly, may not place reliance on this report.
- KPMG shall not be liable for any losses, claims, expenses, actions, demands, damages, liabilities or any other proceedings arising out of any reliance by any third party on this report.

Reliance on Projections

- Any projections that have been used in this report are based on assumptions about circumstances and events for which there is not yet appropriately reliable data available. As a result, we cannot provide any assurance that these projections will be, or have been, achieved. Any such projections should not be regarded as a representation or warranty by or on behalf of KPMG or any other person that such projections or their underlying assumptions will be, or have been, achieved. Opinions offered constitute our judgement and are subject to change without notice, as are statements about market trends, which are based on market conditions.

Electronic distribution

- Responsibility for the security of any electronic distribution of this report remains the responsibility of the Caravan Group and KPMG accepts no liability if the report is, or has been, altered in any way by any person.

Foreword

The caravan, camping and manufactured housing / manufactured home village industry, like many other sectors of the Australian economy, is undergoing significant change. Not just in the demographics of who is likely to be customers of this industry but also in the way that existing customers think.

Caravanning was once an integral part of the Australian summer lifestyle; most people over the age of say 45 years will recall a caravan or camping holiday experience from their youth. However from the late 1990s onwards there was a shift in the way that Australians engaged with their leisure activities and time.

The caravanning holiday evolved as one of a series of leisure options; other options included for example air travel to overseas destinations such as Fiji, Bali and Vietnam. The advent of low cost carriers and the rise in the value of the Australian dollar brought into play the idea of exotic holiday destinations. Within this context the caravanning and camping holiday lost ground or, more correctly, other holidaying options grew more rapidly.

The idea of taking three weeks to go caravanning became more difficult as households shifted from one to two incomes and which therefore required the coordination of two workplace diaries. Far easier to take short breaks than long leisurely holidays in a caravan.

Over the coming decade the Australian consumer market is likely to be influenced by a rising pool of Generation Y (children of the Baby Boomers) moving from their 20s into their 30s. Issues like affordable housing and value for money holidays are likely to come to the fore. This is an opportunity for the caravan, camping and manufactured housing industry. Assuming the regulatory environment can be managed there will be strong demand by a rising pool of 30-somethings for affordable, perhaps manufactured homes in the suburbs.

The caravan, camping and manufactured home industry has navigated a decade of change and challenge; the coming decade can be a decade of opportunity given the imminent shift in the demographic composition of the population. More people in their 30s and more retirees in their 60s is a good equation for this industry. What the industry really needs is regulatory support as well as the boldness of vision to meet the demands of a rising but eternally shifting consumer market.

Bernard Salt
KPMG Partner

Executive Summary

- The Young family life segment (persons aged 30 to 39 years) may present one of the most significant opportunities for the industry over the coming decade. The size of the market is projected to increase from 3.1 million in 2011 to 3.7 million in 2021 (representing an average annual growth rate of 1.7%). However, the size of this family market is likely to be much larger due to the number of Kids & teens who travel and live with their 30 to 39 year old parents. Affordability is a key issue among this cohort. It is the Young family life segment who tend to have the highest non-discretionary spending and many are seeking cost effective housing options (manufactured housing) as well as value for money family-friendly holiday options (holiday / caravan parks). The manufactured housing industry as well as the camping and caravanning industry may both be able to deliver on this group's needs.
- Strong population growth in the 55 to 69 year old age cohort ('Active seniors' life segment) has generated favourable demographic conditions for the industry over the last decade (population growth of 1 million between 2001 and 2011). However, two of the industries' key life segments, Established families (40 to 54 year olds) and Active seniors are projected to experience slower rates of growth over the next decade compared to the last (-40% and -26% growth respectively).
- Couple family with children households are projected to remain the largest household segment in Australia over the decade to 2021 and beyond. The extent of the Couple family with children market segment is expanded when you consider that the average household size among this segment is 4.0. This results in a significantly larger market segment of over 10 million people in 2011 (compared to 4.4 million and 1.9 million persons residing in Couple family with no children and Lone person households as at 2011). That being said, strong projected growth in Couple family without children and Lone person households may lead to an increased demand for smaller households.
- Growth in Lone person households will be driven largely by single mature females (either widowed, separated or divorced) providing a value-driven consumer segment with specific needs. The number of persons aged 65 years and over living alone in Australia is projected to increase by 40% from 0.73 million to 1.03 million between 2011 and 2021. This market segment is likely to have specific needs ranging from physical security to companionship – the sociability of camping / caravanning and the appeal of affordability and safety offered by manufactured housing estates may go some way to meeting the needs of this growing market segment.
- Family friendly holiday options and manufactured housing aimed at families and the elderly may all be part of the evolving narrative for the industry over the coming decade. Focus may be required to address some of the regulatory and financing barriers associated with the purchase of manufactured housing in order to better capitalise on these markets (particularly the younger demographic for whom most require financing to purchase a home).
- Australia's migration focus has been shifting towards Asia. In the year to June 2011, Australia's Asian born population increased by 75,000 persons and comprised 29% of Australia's population growth.
- There are opportunities to increase participation rates among the Asian born and culturally linked Australian residents. One of the key challenges in lifting participation rates is likely to be around changing the perception of camping. Migrant aspirations tend to centre around building an aspirational middle-class life in Australia which may include holiday accommodation types which are more luxurious. The development of a more prestigious camping / caravanning experience (e.g. 'glamping') and raising awareness of the facilities within parks may be an important step in developing the Asian market.
- In the year ending December 2012, China contributed the highest number of international visitor nights to Australia (13% of total nights) but 0% of these nights were spent either camping or caravanning. The ability to lift caravan / camping participation rates among Chinese visitors may present a significant opportunity for the industry. However, establishing how to introduce and attract Asian visitors to camping / caravanning will be the key challenge.

- Online retailing presents both an opportunity and a challenge for the industry. Ensuring the industry keeps pace with technological change and utilises online as a distribution channel to promote / sell their goods / services may be increasingly important as more people go online to research and purchase goods, including holidays.
- Online shopping in Australia has grown by an average of 25% per annum over the five years to 2013. It is projected to grow by an average of 11% per annum over the five years to 2018. Consumers aged in their thirties and forties account for the largest share of online spending.
- Younger travellers are more likely to use the internet as a source of information for trip planning. Approximately 70% of 25 to 34 year olds used the internet prior to their trip compared to approximately 45% of the visitors aged 65 years and over.
- Travellers are also adopting the internet as a research and booking tool across all age groups. Despite the majority (81%) of international camping and caravanning visitors using the internet to book their travel to Australia, only one-third of Australia's tourism operators have online booking and payment facilities.
- With the price of international airfares decreasing and the Australian dollar having increased since 2009 (until recently), international travel has posed a threat to the domestic caravan and camping industry. According to the Australian Bureau of Statistics Household Expenditure Survey, spend on international airfares increased by 101% between 2003/04 and 2009/10, compared to Australian airfares (up 40%). Offering value for money alternatives to international travel for families and raising the prestige or luxury factor of domestic camping and caravanning for people travelling without children in tow may be key to maintaining market relevance.
- Significant growth in expenditure on lifestyle goods including caravans (up 277%), boats (up 174%), golf equipment (up 125%) and camping equipment (up 109%) may be reflective of Australia's ageing population (who have more time and money on their hands) but also the shifting aspirations of Australians (in particular Baby Boomers) for whom many are focussed on improving their lifestyle. For the industry, there may be further opportunities to capitalise on the lifestyle aspirations among the Active seniors market.
- While the demand (production of) towable Recreational Vehicles (RVs) in Australia has increased between 2007 and 2012 (up 21%), the demand for self propelled RVs (e.g. motorhomes / campervans) has fluctuated from a high of 1,600 in 2008 to a low of 1,000 in 2012. This may be attributed to relative affordability of towable versus motorised recreational vehicles. Caravans have been driving the majority of towable RV production growth between 2010 and 2012. In 2012, caravans represented 59% of towable recreation vehicle production, compared to 42% in 2007.
- Workforce planning is likely to become an increasingly important focus for the industry. This includes managing the risk of an ageing workforce, increasing gender and ethnic diversity as well as trying to more closely align the age profile of the workforce to the age profile of the customers the industry is trying to target. This may involve developing a framework for succession planning to assist older workers as well as establishing career planning and development programs for the workforce in order to attract a younger demographic to the industry.

Background

The Caravan Camping and Touring Industry & Manufactured Housing Industry Association of NSW Ltd (CCIA NSW) in conjunction with the following organisations (collectively the Caravan Group):

- Caravan & Camping Industries Association of SA Inc
- Caravan Trade & Industries Association of Victoria Inc
- Caravan Parks Association of Queensland Inc
- Victorian Caravan Parks Association Inc
- Caravan Industry Australia – Tasmania Inc
- Caravan, RV & Accommodation Industry of Australia Ltd
- Caravan Industry Association Western Australia Inc
- Caravan Trade & Industries Association of Queensland
- Caravan Parks Association of SA Ltd
- RVM Australia Ltd
- Northern Territory Caravan Parks Association Ltd

approached KPMG to undertake a study into the outlook for the camping, caravanning and manufactured housing / manufactured home village industry by assessing the potential impact of demographic / social change at the national level. The study draws out specific trends and commentary relevant to the three primary membership bases including:

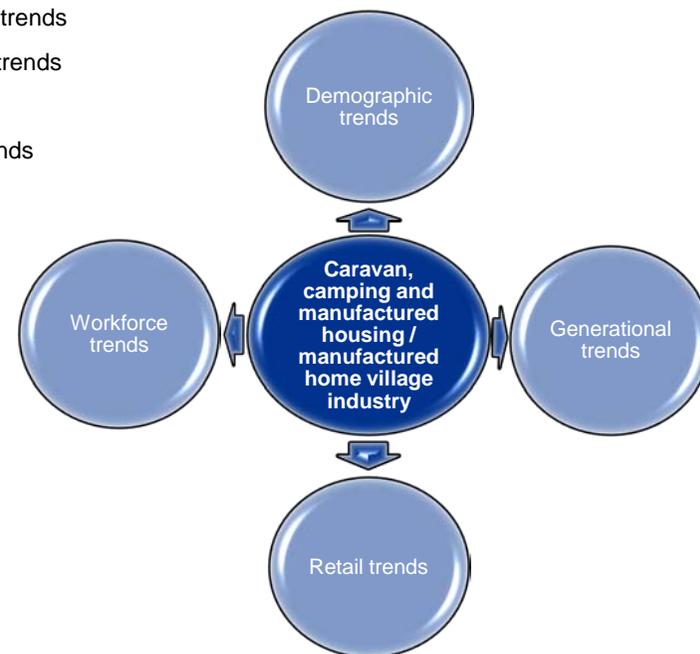
- Holiday / caravan parks
- Manufacturers and retailers of tents, accessories, caravans, camper trailers and motor homes
- Manufactured housing and home villages

Throughout this report reference is made to manufactured housing. It should be noted that the findings of this report encompass not just the manufactured housing industry, but also the manufactured home village industry.

A manufactured home village is a land lease community where the home is owned by the resident and the land is leased from the village itself. Whilst some are age specific (i.e. focused to those in retirement), many are open to all ages. Manufactured housing can also exist in parks that have both residential sections and tourist sites, such as in a caravan park.

For the purposes of this Report, this study has focussed on four key socio-demographic forces that are expected to have an impact on the future of the industry. These include:

- Demographic trends
- Generational trends
- Retail trends
- Workforce trends



Literature Review

Introduction

There is a vast amount of data and literature relating to the tourism industry in Australia. The aim of this literature review is provide a high-level overview of key industry trends relating to the camping, caravanning and manufactured housing / manufactured home village industry.

The literature review comprises four key topics, including:

- National visitor trends
- International visitor trends
- Demographic trends
- Retail trends

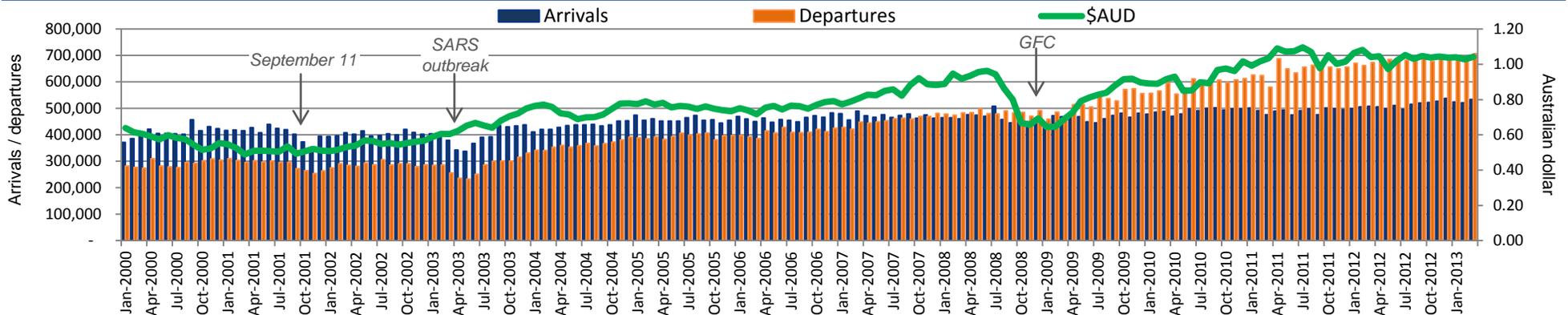
The key data sources analysed as part of this literature review include:

- Caravan RV & Accommodation Industry of Australia, *Consumer Research Report 2011*, 2011
- IBISWorld Industry Report, *Caravan Parks and Camping Grounds in Australia*, April 2013
- IBISWorld, *Generating Business Momentum through Knowledge Presentation*, 17 May 2013
- IBISWorld Industry Report, *Online Shopping in Australia*, 2013
- IBISWorld Industry Report, *Trailer and Caravan Dealers in Australia*, February 2013
- Mao-Ying Wu & Philip L. Pearce, *Chinese recreational vehicle tourists in Australia*, James Cook University
- Tourism Research Australia, *Snapshots 2011 Internet Use in Trip Planning & Booking*, September 2011
- Tourism Research Australia, *Tourism 2020*, December 2011
- Tourism Research Australia, *International Visitors in Australia - December 2012 Quarterly Results of the International Visitor Survey*, March 2013
- Tourism Research Australia, *Snapshots 2012 Caravan or Camping in Australia*, March 2012
- Tourism Research Australia, *State of the Industry 2012*, October 2012, 2011
- Tourism Research Australia, *Travel by Australians - December 2012 Quarterly Results of the National Visitor Survey*, March 2013

National visitor trends

- Australian residents aged 15 years or over made 74.5 million domestic trips of one night or more in 2012. This represents a 4% increase from 2011¹.
- Of the 74.5 million trips made in 2011, 5.8 million or 7.8% involved utilising a caravan park or commercial camping ground for accommodation. A further 3.6 million or 4.9% of trips involved Australians either caravanning or camping on private property¹. This totals 9.4 million caravan / camping trips or 12.7% of the 74.5 million trips.
- In 2012, Australians spent 282 million nights away from home, of which 43.5 million or 15.4% of nights were spent either in a caravan park or commercial camping ground or involved using a caravan or camping on private property¹.
- The main purpose for making one of these trips was for a holiday (46%), followed by visiting friends and relatives (32%) and business (16%)¹.
- The average length of stay in a caravan was five days in 2011².
- The number of domestic caravan and camping visitors grew in 2011-12 with the number of trips up 7.2%, nights up 2.4% and expenditure up by 5.0% compared to the previous 12 month period (2010-11)³.
- An estimated 42% of Australians have visited a camping ground, caravan holiday park or national park in the past two years⁴. Some 85% of Australians have visited at least once in their lifetime⁴.
- As highlighted in the chart below, there appears to be a strong correlation between the strength of the Australian dollar (benchmarked against the US dollar), and the number of Australians taking overseas trips. International travel may present one of the more significant threats to the domestic tourism market (including camping and caravanning).
- Whilst the level of overseas departures has generally increased over time, significant events including terrorist attacks, disease outbreaks, and financial instability all impact overseas departures (albeit temporarily).

Short term arrival and departure movements benchmarked against the Australian dollar



Source: KPMG Demographic Advisory; Based on data from the Australian Bureau of Statistics; Reserve Bank of Australia

Source:

- ¹ Tourism Research Australia, *Travel by Australians - December 2012 Quarterly Results of the National Visitor Survey*, March 2012
- ² Tourism Research Australia, *Snapshots 2012 Caravan or Camping in Australia*, March 2012
- ³ Tourism Research Australia, *State of the Industry 2012*, October 2012
- ⁴ Caravan RV & Accommodation Industry of Australia Ltd, *Consumer Research Report 2011*

International visitor trends

- A total of 68 million international holiday visitor nights were spent in Australia in 2012¹.
- In 2012, the three most common countries of residence for international visitor trips to Australia were New Zealand, China and the United Kingdom with 1.09 million, 0.59 million and 0.56 million visitors respectively¹.
- The average duration of stay in Australia for holiday visitors was 27 nights¹.
- International visitors who stayed in a caravan for at least one night spent on average 15 days in this form of accommodation².
- Of all international visitors, persons from Europe are most likely to camp / caravan. Camping and caravan trips also prove popular with international visitors from New Zealand and the United States. Travellers from Asian countries make up only 8.3% of travellers using caravan and camping grounds².
- Asia is identified as a key strategic focus area for international visitors to Australia. Over the 2010 to 2020 period, more than half of the projected growth in international visitation is expected to come from Asia. China is projected to contribute significantly³. Yet 0% of caravan / camping accommodation nights (in parks and commercial grounds) undertaken by international visitors to Australia were taken by Chinese visitors in 2013¹.
- Independent Chinese travellers have unique characteristics which differentiate them from Chinese group tour travellers. They tend to be young, connected to technology, well educated, and seek a unique travel experience⁴.
- Chinese travellers are increasingly relying on technology (including internet websites such as blogs) to inform travel decisions and to share and reflect on travel experiences⁴.
- Foreign visitors are more likely to stay in higher quality caravan and camping accommodation such as self-contained cabins⁵.

Source:

¹ Tourism Research Australia, *International Visitors in Australia - December 2012 Quarterly Results of the International Visitor Survey*, March 2013

² Tourism Research Australia, *Snapshots 2012 Caravan or Camping in Australia*, March 2012

³ Tourism Research Australia, *Tourism 2020*, December 2011

⁴ Mao-Ying Wu & Philip L. Pearce, *Chinese recreational vehicle tourists in Australia*, James Cook University

⁵ IBISWorld Industry Report, *Caravan Parks and Camping Grounds in Australia*, April 2013

Demographic trends

- Half of the domestic caravan and camping visitors in Australia were aged 30 to 54 years in 2011. Another 25% were aged 55 to 70 years¹.
- Travellers are adopting the internet as a research and booking tool across all age groups. However, younger travellers were more likely to use the internet for trip planning, with approximately 70% of 25 to 34 year olds using the internet as a planning tool prior to their trip compared to approximately 46% of the visitors aged 65 years and over³.
- Despite the majority (81%) of international camping and caravanning visitors using the internet to book their travel to Australia¹, only one-third of Australia's tourism operators have online booking and payment facilities².
- The majority of households undertaking camping / caravanning and national park visits had children under 18 years of age (54% in 2011). It is therefore likely that the majority of these visits were undertaken by families⁴.
- Camping, caravan holiday park and national park trips prove popular for tourists of all income levels. Some 52% of persons with a household income in excess of \$70,000 per annum had undertaken a camping, caravan holiday park or national park trip in the two years to 2011⁴.
- However, participation levels among lower income households has grown most significantly between 2008 and 2011. Some 32% of persons with a household income of less than \$40,000 per annum had undertaken a camping, caravan holiday park or national park trip in the two years to 2011 (compared to 25% in 2008)⁴.

- Caravan parks and camping grounds have undergone a period of transition over the last decade to offer more premium accommodation and facilities, in line with shifting consumer preferences. This has led to a more resilient industry during the years following the Global Financial Crisis as high quality accommodation at competitive prices proved popular with domestic tourists⁵.
- The social aspect and sense of camaraderie amongst campers is one of the positive aspects which can tie in with all demographic age cohorts⁵.

Demographic profile of persons who have visited a camping ground, caravan holiday park or national park in the last two years, 2008 and 2011		
Survey Question	Households	
	2008	2011
Have children aged under 18 years	50%	54%
Married	45%	50%
Residence in a capital city	41%	40%
White Collar	43%	43%
Blue Collar	41%	40%
Household Income less than \$40,000 per annum	25%	32%
Household income between \$30,000 to \$80,000 per annum	43%	41%
Household income greater than \$70,000 per annum	51%	52%

Source: Caravan RV & Accommodation Industry of Australia Ltd, Consumer Research Report 2011

Source:

¹ Tourism Research Australia, *Snapshots 2012 Caravan or Camping in Australia*, March 2012

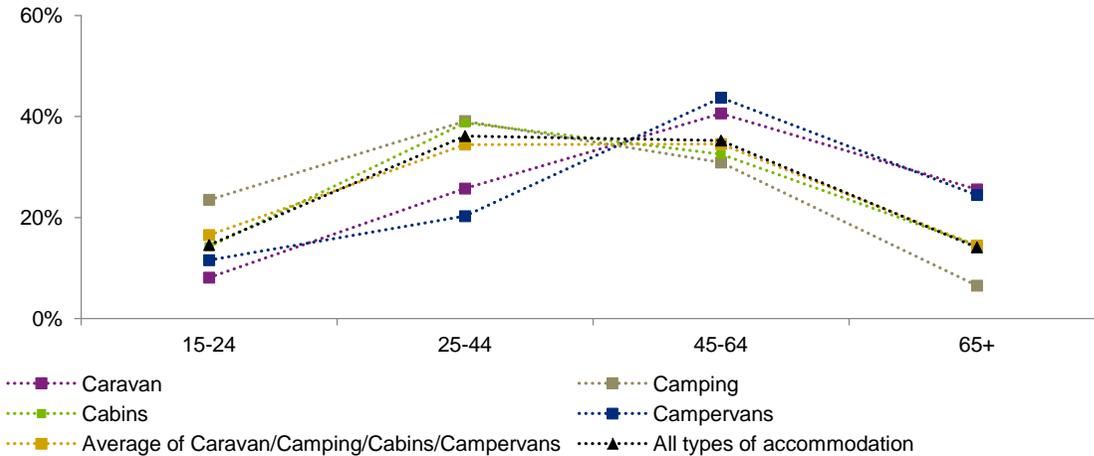
² Tourism Research Australia, *Tourism 2020*, December 2011

³ Tourism Research Australia, *Snapshots 2011 Internet Use in Trip Planning & Booking*, September 2011

⁴ Caravan RV & Accommodation Industry of Australia, *Consumer Research Report 2011*

⁵ IBISWorld Industry Report, *Caravan Parks and Camping Grounds in Australia*, April 2013

Age distribution of domestic travellers by accommodation type, 2012



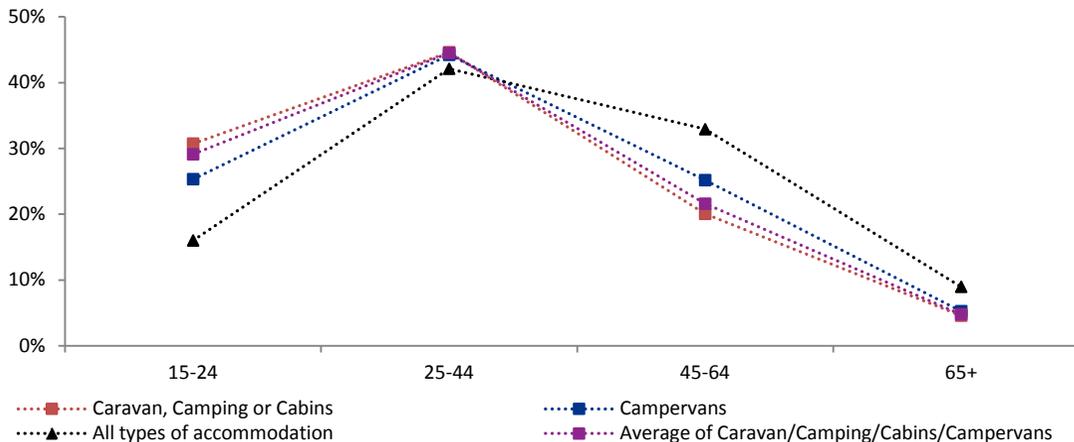
The chart on the top left identifies the age distribution of domestic overnight trip takers who used various types of accommodation in the 2012 calendar year. The black line represents the benchmark of the total 74.5 million domestic overnight trips made by age cohort. The orange line represents the combined average of overnight trips where persons stayed in caravans, cabins, campervans or camped. Key findings include:

- Close to one-quarter (24%) of camping nights were undertaken by 15 to 24 year olds. Persons aged 15 to 24 years also comprised 15% of cabin trip takers, 12% of those staying in campervans and 8% of those staying in caravans.
- The proportion of nights spent camping are significantly lower among the population aged 65 years and over (7% in 2012). Persons aged 65 years and over represent 15% of nights spent in cabins, 7% of nights spent camping, 15% of cabin trip takers, and close to one-quarter of nights spent in caravans (26%) and campervans (24%).
- This data suggests, that despite the anecdotal evidence that it is the 65 year and over 'grey nomads' travelling with campervans, it is actually the 45 to 64 year age group who comprise the majority of persons who undertake campervan trips (44%).

The chart on the bottom left identifies the age distribution of international holiday travellers to Australia by accommodation type. Key findings include:

- Although 15 to 24 year old international holiday visitors comprise 16% of all holiday makers to Australia, they represent 31% of international holiday travellers either caravanning, camping or staying in cabins.
- Despite the fact that 45 to 64 year olds comprise one-third of all holiday makers to Australia, they represent just 20% of persons staying in caravans, cabins or camping.

Age distribution of international travellers to Australia on holiday by accommodation type, 2012



Source: KPMG Demographics; Based on online data from Tourism Research Australia

Retail trends

- The sale of caravans and trailers are primarily geared towards the leisure and recreation market (75%). The remaining 25% is likely to come from organisations requiring accommodation for their employees. This includes but is not limited to mining related accommodation¹.
- Just over 5% of Australian homes have a caravan, trailer or motorhome, compared to 10% in the USA, 11% in Europe and approximately 20% in the Netherlands².
- The Consumer Sentiment Index shows that consumer sentiment fell below 100 in May 2013, to 97.59. An index score below 100 indicates that the general public feels more pessimistic rather than optimistic of the market and economy². Consumer sentiment has implications for retailers with willingness to make significant purchases declining along with a drop in consumer sentiment.
- Online shopping in Australia has grown by an average of 25% per annum over the five years to 2013, and it is projected to grow by an average of 11% per annum over the five years to 2018³.
- Consumers aged in their thirties and forties account for the largest share of online spending³.
- The online offerings and sophistication of Australian brand retailers are currently lagging behind the standards of the UK and USA³.
- Clothing and sporting goods represent 4.1% of the online retail market³.

- It is also important to consider online / digital as an important aspect of research in terms of trip planning, as well as prior to purchasing goods in store, particularly larger order goods including campervans and caravans. Younger travellers are more likely to use the internet as a source of information for trip planning. Approximately 70% of 25 to 34 year olds used the internet prior to their trip, compared to approximately 45% of the visitors aged 65 years and over⁴.
- Travellers are adopting the internet as a research and booking tool across all age groups. Despite the majority (81%) of international caravan and camping visitors using the internet to book their travel to Australia⁵, only one-third of Australia's tourism operators have online booking and payment facilities⁶.

Age distribution of total value of online sales in Australia, 2012/13	
15 to 17 year olds	4%
18 to 24 year olds	15%
25 to 34 year olds	25%
35 to 44 year olds	23%
45 to 54 year olds	19%
55 to 64 year olds	11%
65+ year olds	4%

Source: IBISWorld Industry Report, *Online Shopping in Australia*, 2013

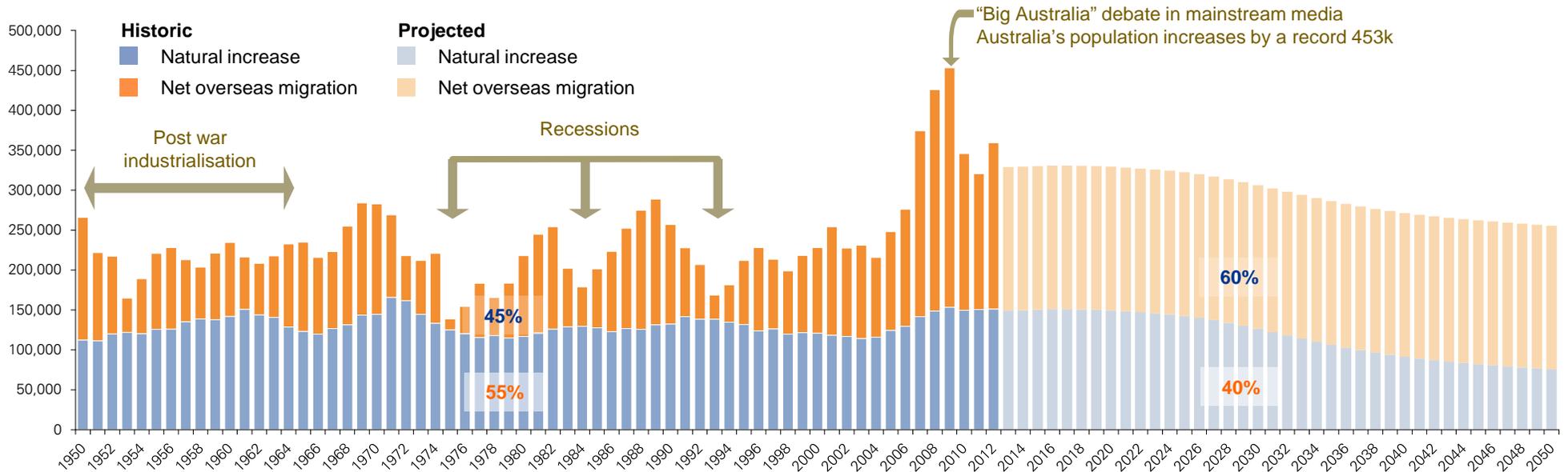
Source:

- ¹ IBISWorld Industry Report, *Trailer and Caravan Dealers in Australia*, February 2013
- ² IBISWorld, *Generating Business Momentum through Knowledge Presentation*, 17 May 2013
- ³ IBISWorld Industry Report, *Online Shopping in Australia*, 2013
- ⁴ Tourism Research Australia, *Snapshots 2011 Internet Use in Trip Planning & Booking*, September 2011
- ⁵ Tourism Research Australia, *Snapshots 2012 Caravan or Camping in Australia*, March 2012
- ⁶ Tourism Research Australia, *Tourism 2020*, December 2011

Demographic Trends

Migration is increasingly projected to be the key driver of Australia's population growth over the coming decades

Historic and projected components (drivers) of population growth, Australia 1950 to 2050



This chart shows the historic and projected components of population growth in Australia over a 100 year time span from 1950 to 2050.

In the 52 years to 2012, net migration was responsible for 45% of population growth in Australia, with the majority (55%) being driven by natural increase.

However, in the 48 years to 2050, net overseas migration is projected to account for 60% of Australia's population growth.

Population growth in Australia peaked in 2009 at 453,000, largely as a result of the highest net migration levels since 1950 (300,000). Based on the latest population projections, net migration levels are projected to be 180,000 annually until 2050, although actual figures for 2012 show it was nearly 30,000 above this. Natural increase is projected to stay relatively constant around 148,000 until 2022.

What does this mean for the industry?

Structural change towards migration being the key driver in Australia's growth over the forecast period may result in:

- The demand for dwelling type and styles to be increasingly influenced by international trends (manufactured housing).
- The requirement to target and attract new ethnicities to camping and caravanning.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Queensland and Victoria have experienced the largest absolute population growth over the decade to 2011, but Western Australia is leading the charge in relative terms

At the time of the 2001 Census, Australia's population count was 18.8 million. In the decade to 2011, Australia's population grew by 15% or 2.7 million to reach 21.5 million.

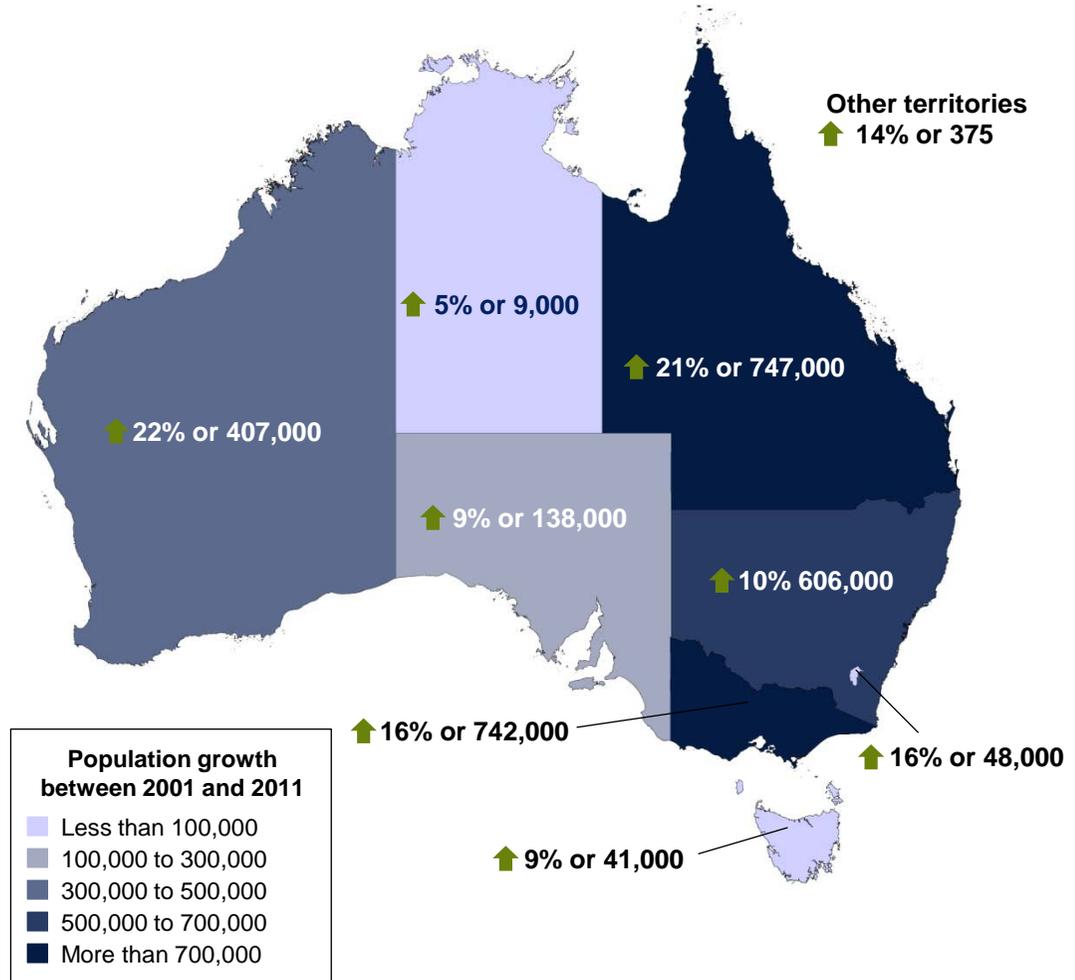
The state to experience the largest absolute growth in population between 2001 and 2011 was Queensland, where the population increased by 747,000 persons or 21% to reach 4.3 million. The population of Victoria has also experienced significant growth over the decade to 2011, increasing by 742,000 persons or 16% to reach 5.4 million. The largest relative growth in population was within the state of Western Australia, which added 21% or 407,000 persons to reach 2.2 million. The ACT reflected a similar level of relative population growth to the Australian average over the decade to 2011 at 16%. New South Wales and South Australia's population increased by 10% and 9% respectively over the period 2001 to 2011, slightly lower than the Australian average growth rate. Tasmania and the Northern Territory combined accounted for population growth of only 50,000 between 2001 and 2011.

The high levels of growth experienced in Western Australia and Queensland may in part be attributed to growth in the resources sector, which has created a demand for skilled and unskilled labour.

What does this mean for the industry?

- Along with a growth in the size of the resident population, resource-rich regions (including the Pilbara in Western Australia and the Bowen Basin in Queensland) also tend to attract a significant transient population in order to meet the strong and often temporary demand for labour during the construction phase of mines. Access to affordable and quickly constructible housing in these areas has presented the manufactured housing industry with opportunities.

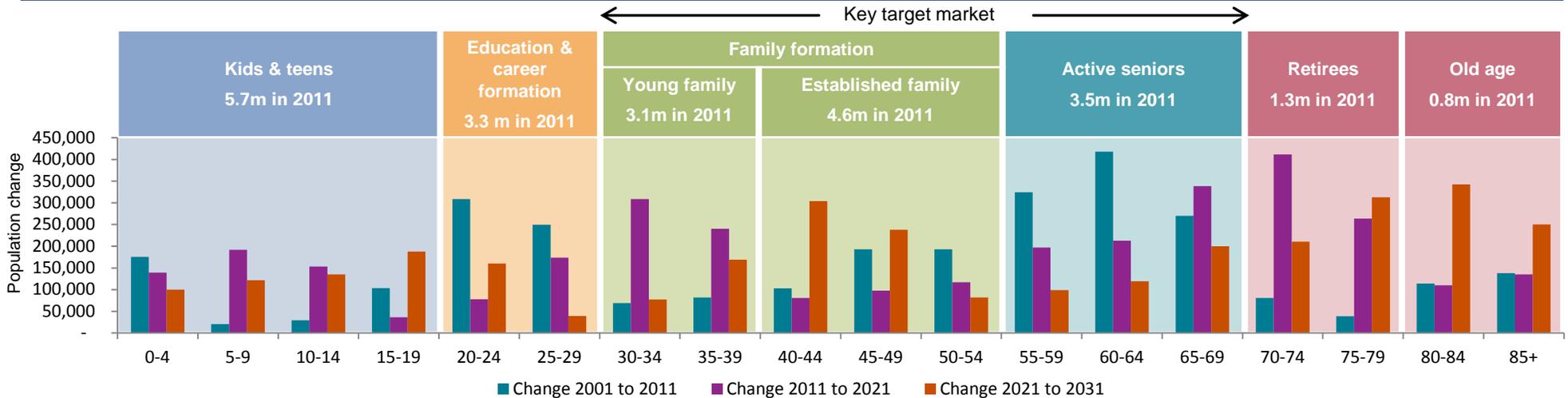
Australia's population growth by state, 2001 to 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Strong population growth among Active seniors has underpinned industry performance over the last decade. Tapping into new life segments will be key to industry success over the next decade

Absolute growth in Australia's population by age group in the ten years to 2011, 2021 and 2031



Australia's changing age profile may pose different opportunities and challenges for the industry over the next ten and twenty years compared with the last. Perhaps the most significant opportunity will be the growing number of persons aged 30 to 39 years (Young families).

In the ten years to 2021, Australia is projected to add a further 549,261 persons to the Young family market segment (persons aged 30 to 39 years). Significantly, this represents 264% more growth than the 150,802 persons added to this age cohort in the previous decade. This is a considerable opportunity for the camping and caravan industry as this age cohort currently represents a significant number of Australia's domestic caravan and camping visitor nights.

Between 2011 and 2021 the number of Kids and teens aged 0 to 19 years is projected to increase by 520,860. This represents 58% more growth than the 328,909 persons added to this age group between 2001 and 2011. These kids and teens are the children of those in the family formation phase of life. It is Young families who tend to have the highest non-discretionary spending and are therefore seeking affordable housing options (manufactured housing) as well as affordable family-friendly holiday options (holiday / caravan parks).

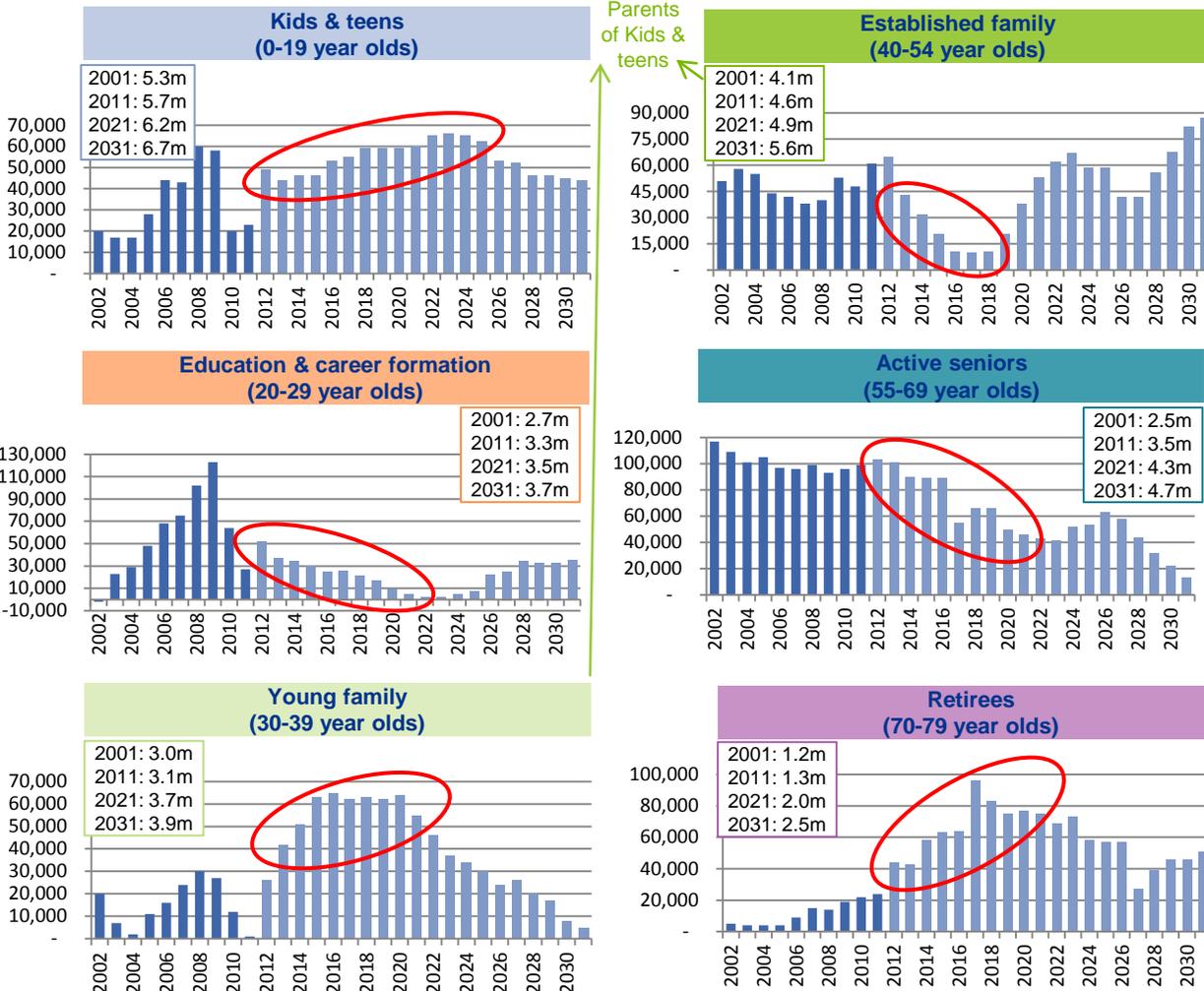
Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

What does this mean for the industry?

- Strong growth in the size of the 'Active seniors' life segment has generated favourable demographic conditions for the industry over the last decade.
- Two of the industries' key life segments (Established families and Active seniors) are projected to experience slower rates of growth over the next decade compared to the last (rates of growth are projected to fall by -40% and -26% respectively).
- Key to industry success over the next decade will be tapping into new life segments, particularly Young families.
- The Young family life segment is projected to experience 264% more population growth over the next decade compared to the last. Lifting participation rates even slightly among this cohort will be met with significant gains due to the sheer size of this cohort (which would also include a number of dependent Kids & teens).
- It is also the Young family life segment who tend to have the highest non-discretionary spending and are therefore seeking affordable housing options (manufactured housing) as well as affordable family-friendly holiday options (holiday / caravan parks).
- The ageing of the Baby Boomers is projected to see a further 675,105 Australians added to the 'Retirees' cohort (or 70 to 79 year age bracket) between 2011 and 2021 (466% increase over the growth experienced in the previous decade to 2011). Despite strong growth in this life segment, it will still remain a relatively small cohort. Lifting participation rates among this group through inter-generational camping with their children and grandchildren may be one way to maintain this market in the camping / caravanning industry into older age.
- Significant growth in the Active seniors / Retiree cohorts will impact demand for housing. Many will look to downsize for a number of reasons including accessing capital as well as finding a lower maintenance property. Manufactured home villages could help meet the needs of these life segments.

Australia's changing age profile should signal a shift to a more intense 'family-friendly' industry focus

Absolute annual change in Australia's population by key life segment (age cohort), 2002 to 2031



Note: Figures from 2012 onward are projections

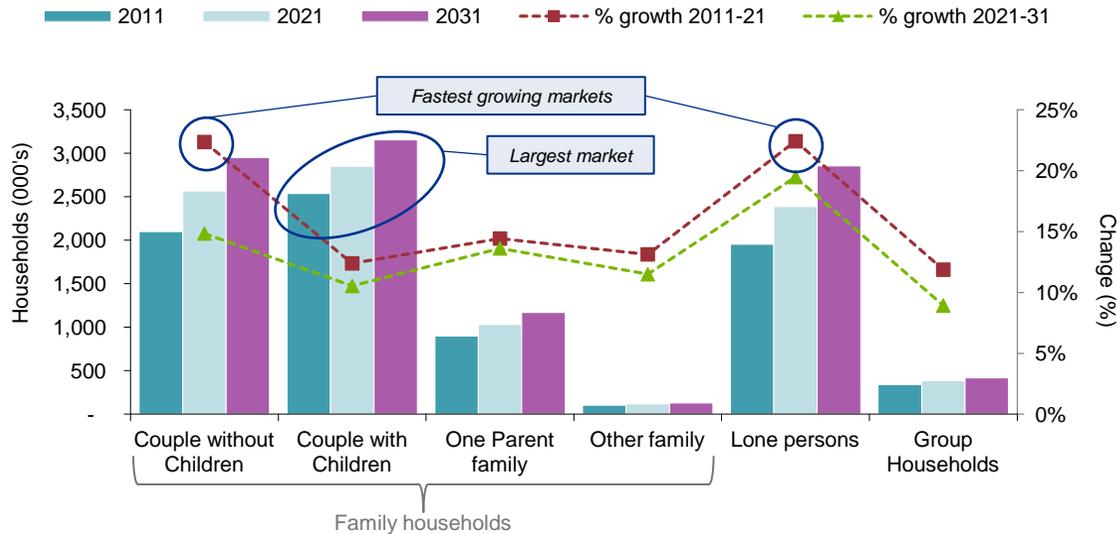
What does this mean for the industry?

- Based on demographic change and an understanding of camping / caravanning participation trends, the domestic tourism market may witness a slowing in the traditional camping market in favour of caravan / holiday parks that offer child-friendly holiday options for families on a budget.
- The Kids & teens market presents significant opportunities for the industry over the coming decade. Not only is it a large market (some 5.7m in 2011), but the group is also projected to grow steadily (at an average annual rate of 0.9%) over the decade to 2021.
- In the decade to 2021, the rate of growth among the 'Education & career formation' (the traditional camping life segment) is projected to be approximately half that of the previous decade. This may have implications for the camping industry.
- The Young family life segment presents one of the most significant opportunities for the industry over the coming decade. The size of the market is projected to increase from 3.1m in 2011 to 3.7m in 2021 (representing an average annual growth rate of 1.7%). However, the size of this family market is likely to be much larger due to the number of Kids & teens who travel and live with their 30 to 39 year old parents. Affordability is a key issue among this life segment.
- Strong growth in the size of the 'Active seniors' life segment has generated favourable demographic conditions for the industry over the last decade (average annual population growth of 3.4%). Population growth among this age cohort is projected to slow over the decade to 2021 (average annual growth of 2.0%), presenting opportunities to lift participation rates among this life segment, but also grow different markets.
- The Retiree life segment is projected to experience rapid population growth in the decade to 2021 (growth of 0.5m or an average annual growth rate of 4.4%). It is important to note however, that this segment is projected to remain relatively small at 2.0m by 2021.
- Given rates of participation in camping and caravanning tend to drop among persons aged 65 plus, promoting inter-generational camping that links three generations (grandparents, children and grandchildren) may be one way to maintain this market into older age, as well as foster a camping / caravanning holiday culture among the younger generations.
- The significant growth in the Young family, Active senior and Retiree cohorts could present opportunities for the manufactured housing village industry as Young families look for affordable, flexible housing and retirees look to access capital in their homes and downsize to new, lower maintenance properties.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Couple family with children households are projected to remain the largest household segment through to 2031

Current and projected number of households by household type benchmarked against relative growth, 2011 to 2031



As at the 2011 Census, Family households comprised the largest proportion of Australia's household market (32%), a trend that is projected to continue through to 2031. Outside of Family households, Lone person households are the single largest contributor to household demand.

Over the 20 years to 2031, the traditional Couple family with children household formation will remain the largest group and demand is expected to remain strong for these types of households. The chart to the left also highlights those households projected to experience the most rapid growth, namely Couple family without children households and Lone person households. By 2031 the count of each of these households is projected to be nearly equal to that of Couple family with children households.

Both Couple family without children and Lone person households are projected to experience 22% growth between 2011 and 2021. This compares with projected growth of 12% over the same period in Couple family with children households. What this means is that there is going to be an increasing demand for smaller households. In Australia in 2011 the average household size for Couple family with children households was 4.0, while it was only 2.0 for Couple family without children households.

This projected trend towards a higher proportion of Couple family without children and Lone person households is being driven largely by the ageing of Australia's population. As the last of the children of the Baby Boomer generation leave the nest and the parents enter retirement, there will be a surge in Couple family without children households. As the Baby Boomers age further into a sedentary retired lifestyle out to 2031, there will be an increased demand for Lone person households due to widowers, divorcees and situations where one partner in a couple moves into a form of care.

Change in the number of households by type in Australia, 2011 to 2031

Household type	2011	2021	2031	Change 2011 to 21		Change 2021 to 31	
	No.	No.	No.	No.	% p.a.	No.	% p.a.
Couple family without children	2,098,812	2,567,980	2,949,010	469,168	2.0%	381,031	1.4%
Couple family with children	2,537,929	2,852,303	3,152,682	314,373	1.2%	300,379	1.0%
One parent family	900,550	1,030,459	1,170,761	129,908	1.4%	140,302	1.3%
Other family	103,643	117,247	130,722	13,604	1.2%	13,475	1.1%
Lone person	1,952,049	2,389,610	2,854,993	437,561	2.0%	465,383	1.8%
Group	342,609	383,272	417,462	40,663	1.1%	34,190	0.9%
Total	7,935,593	9,340,870	10,675,630	1,405,277	1.6%	1,334,760	1.3%

What does this mean for the industry?

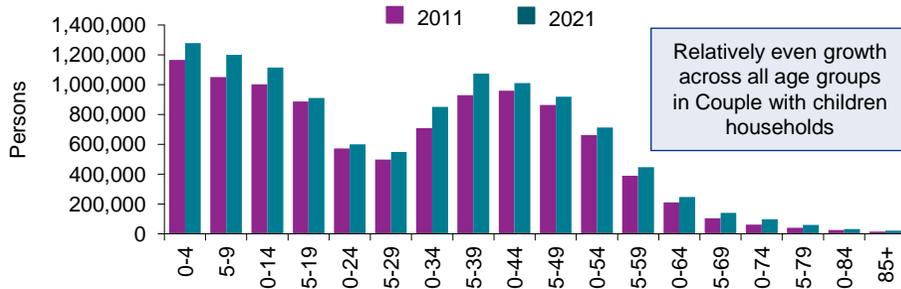
- Couple family with children households are projected to remain the largest household segment, but strong projected growth in Couple family without children and Lone person households may lead to an increased demand for smaller households.
- The extent of the Couple family with children market segment is expanded when you consider that the average household size among this segment is 4.0. This results in a significantly larger market segment of over 10 million people in 2011 (compared to 4.4 million and 1.9 million persons residing in Couple family with no children and Lone person households as at 2011).
- Family-friendly holiday options and manufactured housing aimed at families and the elderly may all be part of the evolving narrative for the industry over the coming decade.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

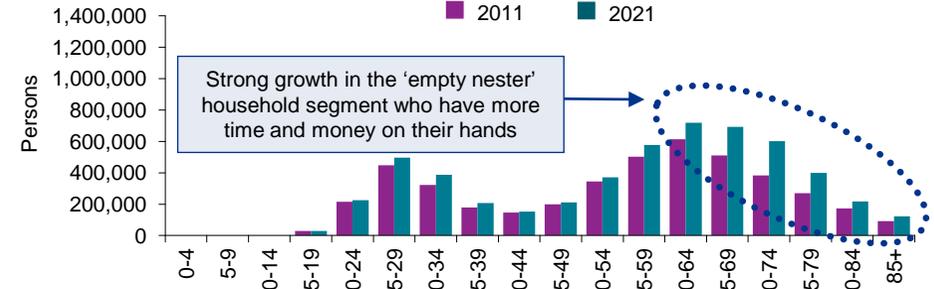
The camping / caravanning and manufactured housing / manufactured home village industries may be able to assist in meeting the needs of a rising number of older Australians projected to be living alone

Number of persons living in various household types by age cohort, 2011 and 2021

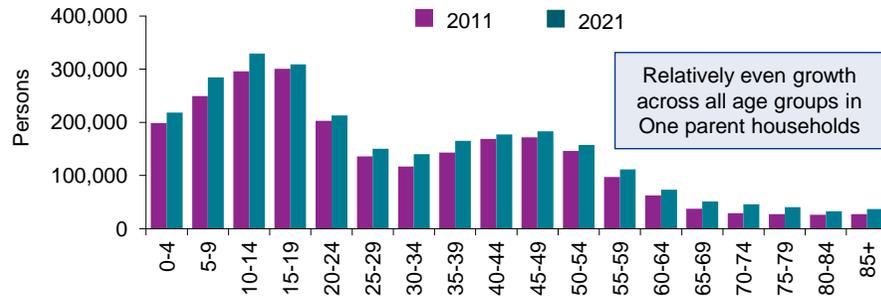
Persons in Couple family with children households



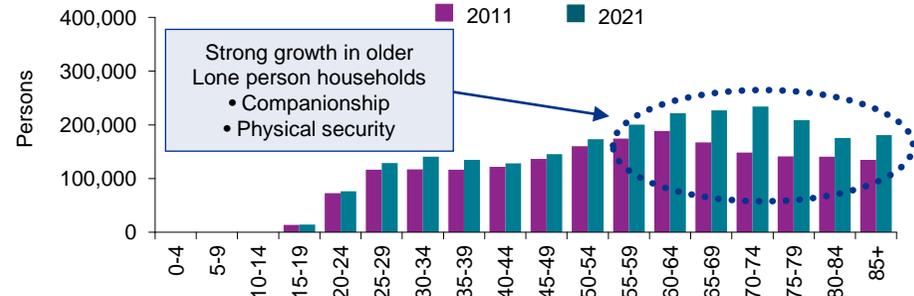
Persons in Couple family without children households



Persons in One parent family households



Persons in Lone households



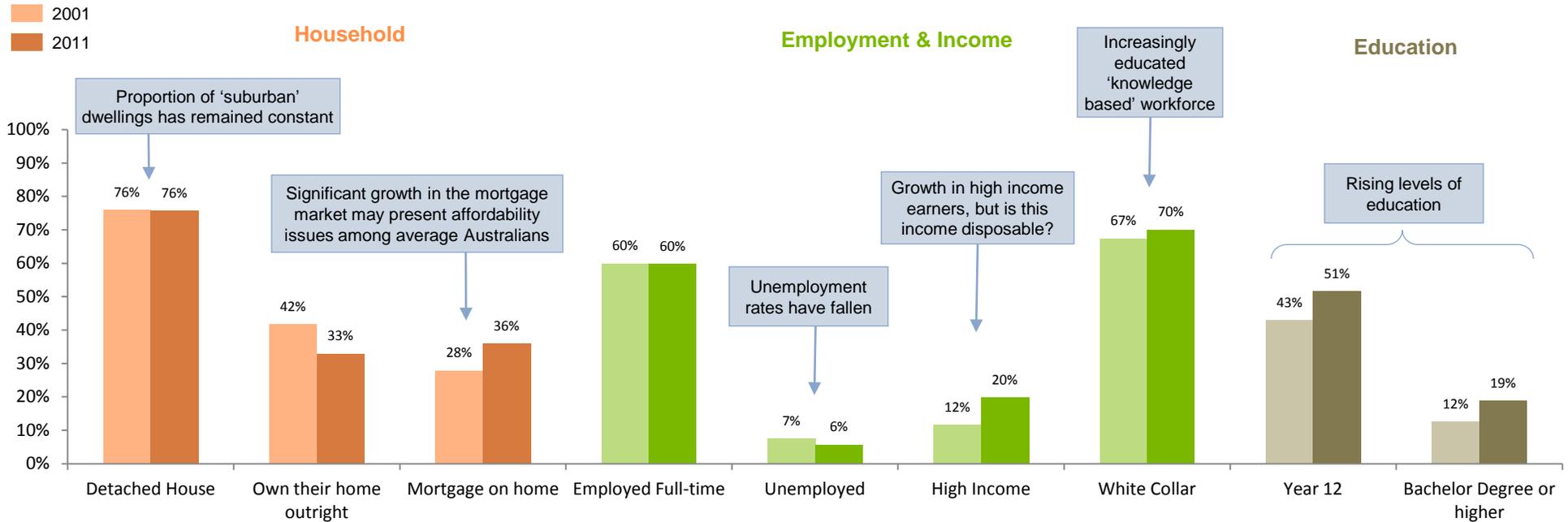
What does this mean for the industry?

- Persons living in Couple family with children households are, and are projected to remain, by far the largest market segment in Australia (some 10 million in 2011).
- Based on Australia's ageing population and the propensity for people of certain ages to live in different household types, there is projected to be strong growth in the number of older Australians living in Couple family without children households ('empty nesters') and Lone person households.
- It is this empty nester market who have time and money on their hands to enjoy the luxuries in life such as extended holidays. Convincing this market to take camping / caravanning trips within Australia rather than head abroad may well be a key challenge.

- Growth in Lone person households will be driven largely by single mature females (either widowed, separated or divorced) providing a value-driven consumer segment with specific needs. The number of persons aged 65 years and over living alone in Australia is projected to increase by 40% from 0.73 million to 1.03 million between 2011 and 2021. This market segment is likely to have specific needs ranging from physical security to companionship – the sociability of camping / caravanning and the appeal of affordability and safety offered by manufactured housing estates may go some way to meeting the needs of this growing market segment.
- Empty nesters and lone persons may purchase pets as companions as they age, which provides opportunities for pet-friendly caravan and camping parks to cater to their needs.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Demographic indicators expressed as a percentage of the Australian population, 2001 and 2011



Please refer to 'Appendix 1' for indicator definitions

What does this mean for the industry?

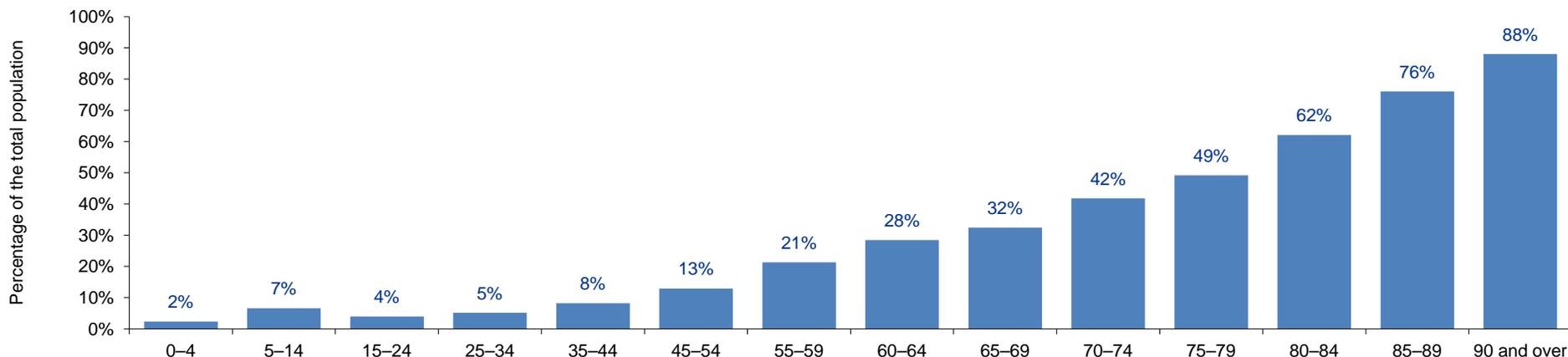
- The proportion of homes being purchased with a mortgage has grown significantly over the decade to 2011 (up eight percentage points to 36%). Despite rising income levels, affordability is still a key issue in Australia.

- With a greater proportion of homes being purchased with a mortgage, incomes are being squeezed and households are seeking ways to stretch their incomes further.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Identifying ways to allow people with core activity limitations to maintain participation in camping and caravanning may be a focus for the industry over the next decade

Proportion of the total population with some form of core activity limitation by age cohort, 2009



The chart above identifies the proportion of the total population by age cohort who have some form of core activity limitation. Core activities include communication, mobility and self care.

Unsurprisingly, the proportion of the population with core activity limitation increases with age, particularly among persons aged 55 years and over.

Close to one-third (32%) of the population aged 65 to 69 years have some form of core activity limitation. This rate increases to close to half (49%) among 75 to 79 year olds.

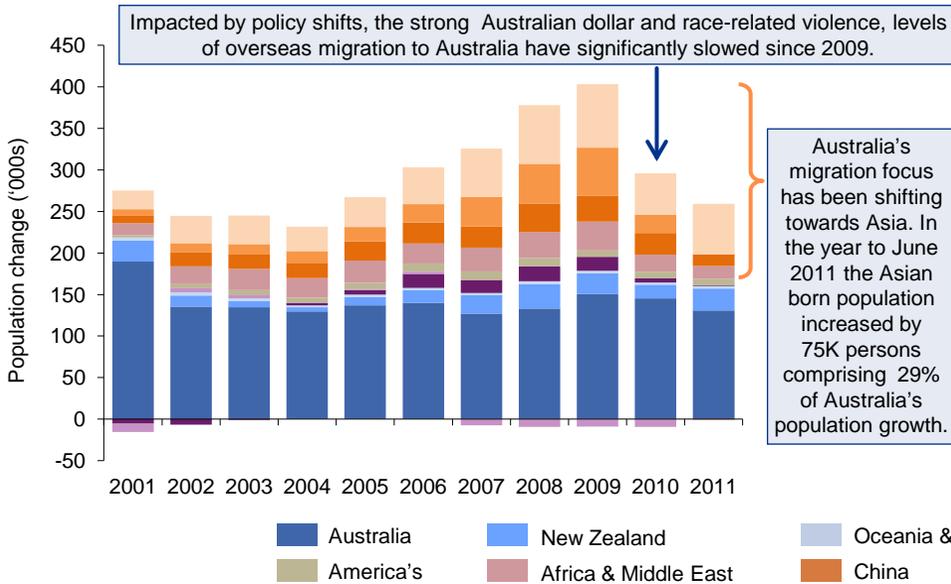
What does this mean for the industry?

- The proportion of the population with core activity limitation increases with age, particularly among persons aged 55 years and over.
- Disability and the requirement for assistance with core activities may be a significant barrier in lifting the participation rates of persons aged 65 years and over in camping and caravanning.
- Identifying ways to allow people with core activity limitations to maintain participation in camping and caravanning may be a focus for the industry over the next decade, particularly as Australia's population continues to age.
- There may be opportunities for the industry to promote cross-generational camping / caravanning as a way to encourage older Australians to maintain engagement with the industry.
- Services within holiday / caravan parks to assist people setting-up and packing-up may also make participation in camping / caravanning more accessible to an ageing population.

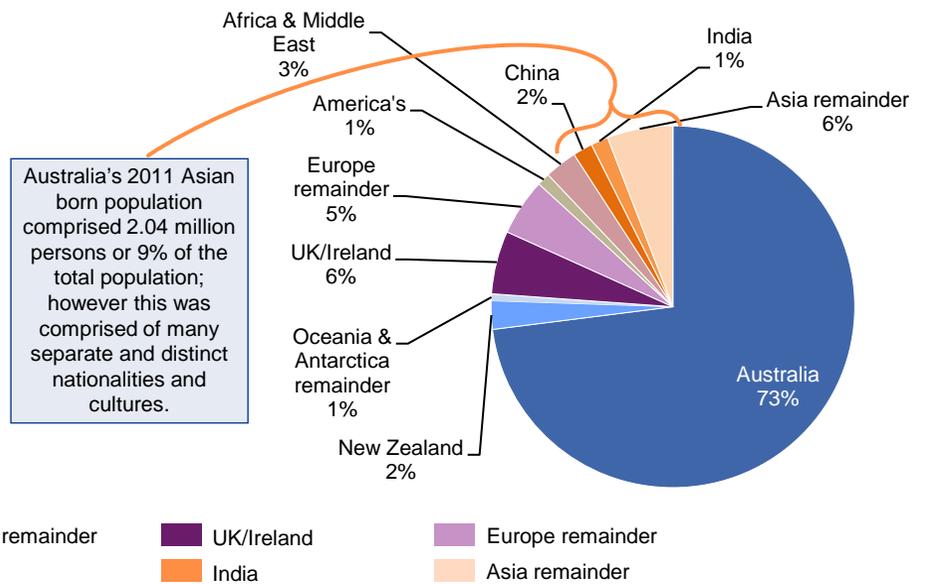
Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

**Demographic
Trends -
Overseas born
Australian residents**

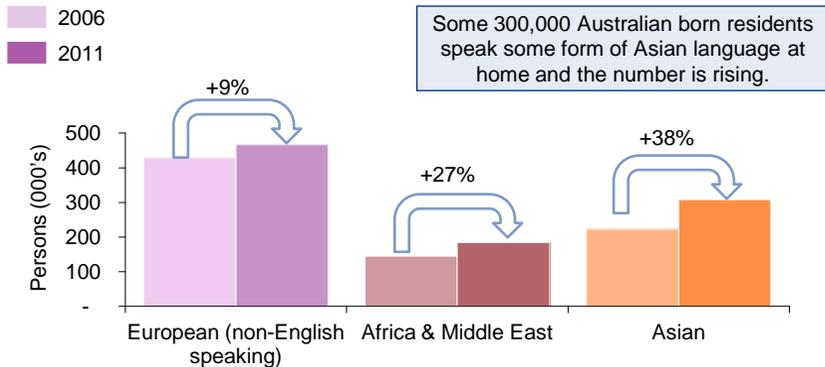
Australia's annual population growth by place of birth, 2001 to 2011



Percentage distribution of Australia's population by place of birth, 2011



Australian born persons by region of language spoken at home, 2006 and 2011



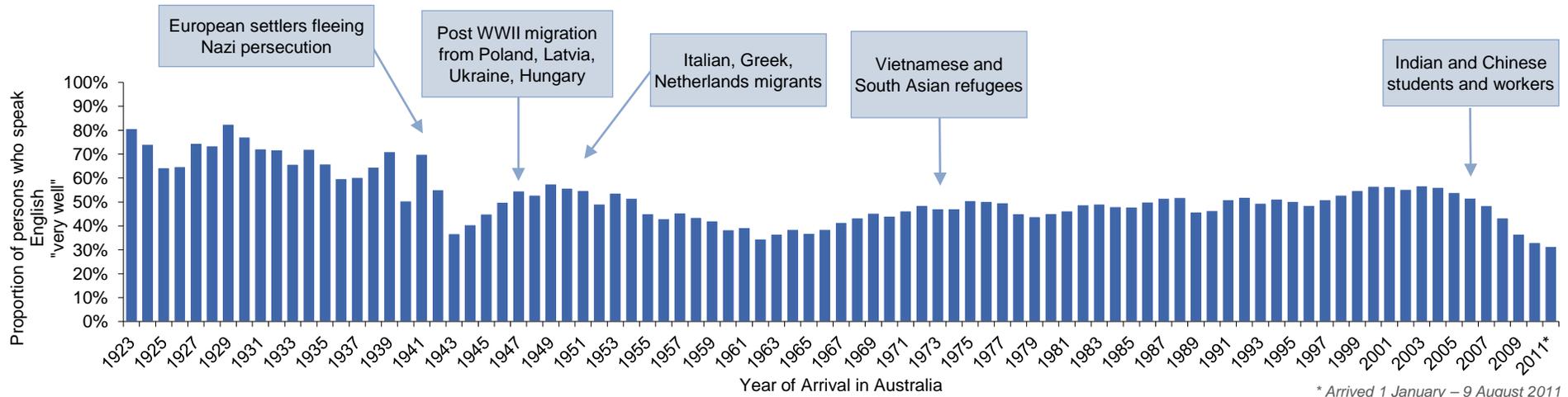
What does this mean for the industry?

- New 'ethnic tribes' are emerging in Australia. Tapping into these non-traditional markets may be a potential area of growth for the industry.
- On average, Asian born Australians have comprised approximately one-third of Australia's total population growth over the decade to 2011 (from a high of 42% in 2009 to a low of 15% in 2001). However, despite shifting influences, Australia's population base still remains dominated by Anglo / European born Australians (close to 90% in 2011).
- Place of birth is not the only measure of Australia's level of multiculturalism. In reality this broad ethnic market would be strengthened by a large number of Australians with Asian born parents and grandparents who maintain strong cultural and ethnic links. An analysis of the population by language spoken at home can identify a much greater population with non-traditional-Anglo heritage and values. Language spoken at home can signal a level of assimilation. For example, there were 2.04 million Asian born persons living in Australia at the 2011 Census, however this is strengthened by an additional 300,000 Australian born persons who speak an Asian language at home and are likely to be culturally Asian influenced.
- At the 2011 Census there were 5.0 million Australians who spoke a language other than English when at home (up 17% from 2006); of these Chinese, Indian, Italian, Arabic and Greek were the most common foreign languages spoken at home, while Indian and Chinese were the biggest growth segments between 2006 and 2011 (up 100% and 30% respectively).

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

The propensity for migrants to adopt Australian language and perhaps culture has increased over the decades

Proportion of immigrants from non-English speaking countries to Australia who self-assessed as speaking English “very well” by the year they arrived in Australia



The proficiency of English language skills may be used as a proxy for the extent to which an immigrant from a non-English speaking country has adopted Australian cultures and values. The chart above identifies the proportion of immigrants from non-English speaking countries to Australia who self-assessed as speaking English “very well” by the year they arrived in Australia.

Over half (56%) of the immigrants who migrated to Australia in 2001 identified themselves as speaking English “very well”. In 2011 this figure was at 31%. However earlier groups of immigrants tend to have far lower rates of English proficiency, despite the number of years they have been in Australia. For example, less than half of the wave of migrants in the early 1950s (predominantly European migrants), speak English “very well”. This may be attributed to the sheer volume of migrants at this time and their ability to live a successful life without having to learn the language (i.e. Italians and Greeks).

Today’s newer wave of migrants are likely arriving in Australia with greater English language skills. It is thought that with the adoption of language, also comes the adoption of Australian cultures and values, including camping and caravanning.

What does this mean for the industry?

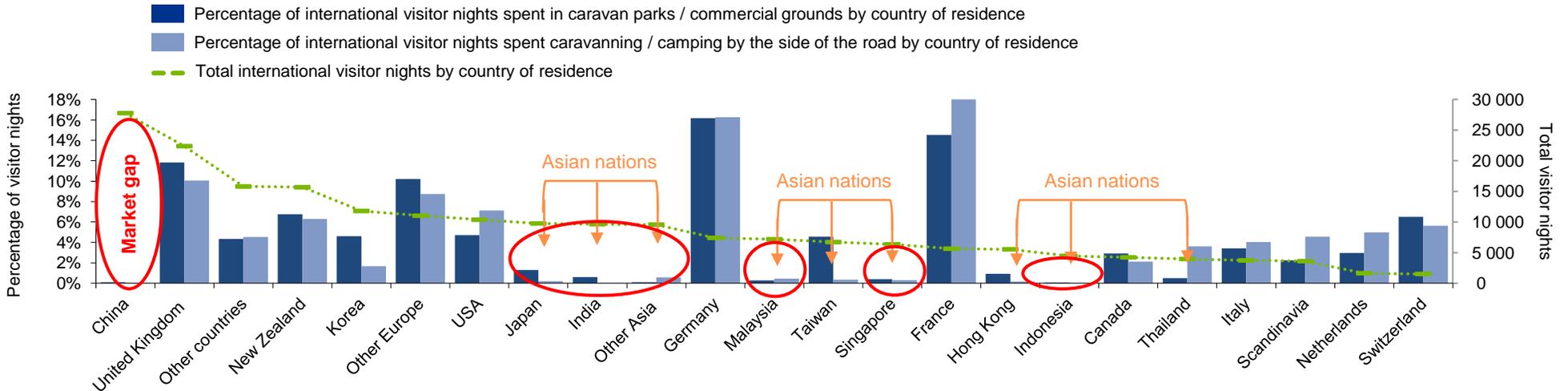
- The proficiency of English language skills may be used as a proxy for the extent to which immigrants from non-English speaking countries adopt Australian cultures and values. It is evident that English language skills are higher among more recent migrant arrivals to Australia.
- Adoption of Australian traditions and culture, including camping and caravanning may be higher among more recent arrivals than previous generations as they assimilate to the ‘Australian’ way of life faster than previous generations.
- There may be opportunities to increase participation rates among Asian born / culturally linked Australians. One of the key challenges in lifting participation rates is likely to be around changing the perception of camping. Migrant aspirations tend to centre around building a middle-class life in Australia and there is a perception that camping / caravanning is seen as a step backward and has connotations with living in poverty e.g. without four walls. Altering this perception, perhaps through the development a more prestigious camping / caravanning experience (e.g. ‘glamping’) will be an important step in developing the Asian market.
- Thanks to their parents’ hard work in establishing a middle-class life for their children, it is likely that perceptions relating camping to poverty will ease in second and third generation migrants. Exposing and making camping / caravanning accessible to second and third generation migrants may present an area of focus for the industry over the next decade.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Demographic Trends - International visitors to Australia

Camping and caravanning remains popular with international visitors to Australia from the UK and Europe. Altering the perception of camping and caravanning among Asian visitors may be an area of focus for the industry

Total international visitor nights by country of residence benchmarked against the percentage of international visitor nights spent by accommodation type, December 2012



Based on the December 2012 quarter International Visitor Survey results, there were a total of 205,780 visitor nights to Australia, of which 4,834 or 3% comprised people utilising camping / caravans as accommodation.

The propensity for international visitors to utilise camping / caravanning accommodation varies by country, but more generally by region, with participation rates among Europeans far higher than Asian visitors.

Some 16% of caravan / camping accommodation nights (in parks and commercial grounds) were undertaken by German visitors, another 15% by French visitors and 12% by UK visitors. This compares to 0% undertaken by Chinese and Malaysian visitors, 1% by Japanese and Indian visitors, 5% by Taiwanese visitors and 7% by Korean visitors.

In 2012, China was the largest contributor to overseas visitor nights in Australia (27,774 nights or 13%).

Although many Chinese visitors travel on organised tours, there is a growing independent traveller market who tend to be young, middle-class and technologically equipped.

What does this mean for the industry?

- Given China's high number of international visitor nights (13% of total in 2012), the ability to lift caravan / camping participation rates among Chinese visitors may present a significant opportunity for the industry. Part of this story is likely to include charter / tour services due to the propensity for Asian tourists to opt for escorted travel
- Chinese inbound travellers to Australia undertaking RV trips tend to be younger, more adventurous, connected to technology and chasing a unique travel experience compared to other Chinese travellers. Targeting this particular Chinese demographic may be an effective way to boost RV trips among a broader cross-section of Asian travellers as positive feedback spreads through word-of-mouth.

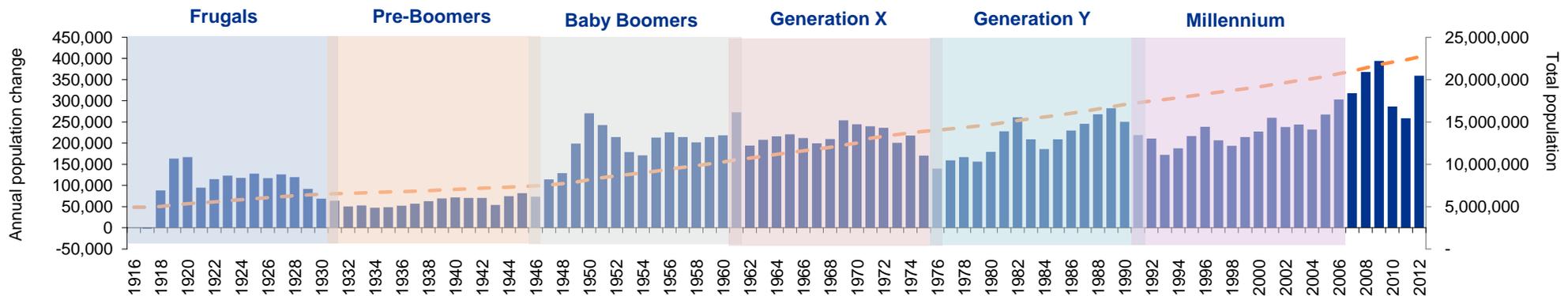
Source: KPMG Demographics; Based on data from Tourism Research Australia, *International Visitors in Australia - December 2012 Quarterly Results of the International Visitor Survey*, March 2013

Generational Trends

How are Australia's broad generational groups defined?

	FRUGALS	PRE-BOOMERS	BABY BOOMERS	GENERATION X	GENERATION Y	MILLENNIUM
Year Born	1916-1931	1931-1946	1946-1961	1961-1976	1976-1991	1991-2006
Age in 2013	82-97	67-82	52-67	37-52	22-37	7-22
Brands	Ford, Hoover	Westinghouse, GE	Hills Hoist	Microsoft, Reebok Nike	Google, Apple iPod	Twitter, YouTube
World Events	World War I, Depression	World War II, Korean War	Walk on the moon, Introduction of Contraceptive Pill, Vietnam	Chernobyl, Challenger, Fall of the Berlin Wall	Balkan War, Death of Princess Diana, Y2K	9/11

Australian population (total and absolute change), 1916 to 2012



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Influenced by life experiences and world events, some broad traits may be applied to each generational group

	FRUGALS	PRE-BOOMERS	BABY BOOMERS
Year Born	1916-1931	1931-1946	1946-1961
Age in 2013	82-97	67-82	52-67
Traits	<p>Frugals were born over the 15 years to 1931.</p> <p>This generation experienced the Great Depression as children and war rationing during the 1940s. They are careful with their money as a consequence.</p> <p>This is the generation that are the parents of the Baby Boomers. They are cautious when it comes to debt, however they accumulated wealth through home ownership from an early age.</p> <p>They retired during the 1990s and are blissfully happy, making few demands on the national budget.</p> <p>It is unlikely that future generations of retirees will be as benign as the Frugals.</p>	<p>Pre-Boomers were born between 1931 and 1946.</p> <p>They are currently aged between 67 and 82 years.</p> <p>Some of the Pre-Boomers were born during World War II.</p> <p>The Pre-Boomers were the older cousins of the Boomers and had a big impact on the Boomers during their formative years. During their youth they were mods, rockers, bodgies and beatniks.</p> <p>Many of Australia's cowboy businessmen of the 1980s were Pre-Boomers, including Alan Bond.</p> <p>To a large extent, Pre-Boomers are as cautious as Frugals when it comes to debt.</p> <p>Some Pre-Boomers are currently travelling Australia as 'grey nomads.'</p>	<p>The Baby Boomers were born over the 15 years to 1961 and are currently aged between 52 and 67 years.</p> <p>This is the first generation of the mass consumer society. The Boomers did not experience depression or war on an international scale.</p> <p>Despite their radical image, the Boomers were very conservative. They were married with a mortgage and children by age 25.</p> <p>They were disciples of Gordon Gekko in 1980s, and in the late 90s they shifted focus to work-life balance and seachange.</p> <p>Boomers are now concerned about succession planning, superannuation, investments, and the welfare of their Generation Y children.</p> <p>Baby Boomers are the first articulate, educated and overly opinionated generation who place high demands on the quality of goods / services, but also expect such goods / services to represent significant value for money.</p>

Source: KPMG Demographics

Influenced by life experiences and world events, some broad traits may be applied to each generational group

	GENERATION X	GENERATION Y	MILLENNIUM
Year Born	1961-1976	1976-1991	1991-2006
Age in 2013	37-52	22-37	7-22
Traits	<p>Generation X were born over the 15 years to 1976. They are now aged between 37 and 52 years.</p> <p>Many Xers are now in the established family stage of the lifecycle and were been responsible for a mini baby boom in 2004.</p> <p>Xers are the true radical generation. They postponed commitment to marriage, mortgage and children until their late 20s.</p> <p>Unlike the Boomers, the Xers were burdened with HECS debt.</p> <p>Affordability is a key issue for Xers as they missed the late 80s property boom and many failed to get a foothold in the most recent boom.</p> <p>The Xers are a marginalised generation and traditionally resent the success and wealth of the Boomers.</p>	<p>Generation Y were born over the 15 years to 1991. They are now aged between 22 and 37 years.</p> <p>Gen Y are the children of the Baby Boomers. Their grandparents are the Pre-Boomers or Frugals.</p> <p>Gen Y have extended the notion of adolescence through to 30. They live at home with mum and dad until their mid 20s. They are known as 'KIPPERS: kids in parents' pockets eroding retirement savings'.</p> <p>Gen Y are often the indulged single child of rich and guilty Baby Boomer parents.</p> <p>Gen Y value social and environmental causes. They are focussed on self development, including career development and what an employer can do for them.</p> <p>Housing affordability is impacting this generation.</p>	<p>The Millennium generation were born in the 15 years to 2006.</p> <p>This generation are the children of the Xers.</p> <p>Xers are more technologically advanced than any previous generation.</p> <p>Some commentators have speculated that the Millennium may well reject many aspects of modern society and revert to more traditional values such as an earlier commitment to marriage and mortgage.</p>

What does this mean for the industry?

- Each generation has its own unique set of cultures, values and aspirations.
- Housing options and travel choices will be underpinned by what makes each generation unique, as well as their individual levels of wealth, mobility and health.
- Generation X and the older members of Generation Y best fall into the Young and Established families (30-54 year) age cohorts. Since these age cohorts make up half of domestic caravan and camping visitors in Australia, the industry must ensure that their product and service offerings align themselves with these markets. This may include family-friendly housing and holiday options on a budget.

- The majority of Baby Boomers are currently in the Active seniors stage of life. Given that their characteristics are vastly different from the Pre-Boomers (including levels of education, wealth and expectations), this generation may place high demands on the industry for quality service at a good price.

Source: KPMG Demographics

The Baby Boomer generation have undergone three phases of tourism. Generation X and Generation Y have undergone similar phases of tourism

1970-1984 “Lonely Planet”	1985-1999 “Holiday Infrastructure”	“Cheap Airfare”	1985-1999 “Holiday Infrastructure”	2000-2016 “Cheap Airfare”	
BABY BOOMERS			GEN X		GEN Y
<ul style="list-style-type: none"> ■ Limited travel window; 20-24 ■ Bali discovered ■ Marriage & mortgage ■ Hippie Trail to London ■ Nimbin 1973 ■ Car trips ■ Camping ■ Annual holidays ■ Large family network; VFR 	<ul style="list-style-type: none"> ■ Seaworld, Dreamworld, Movieworld ■ Interstate destinations by air / road ■ Noosa, Coolum, Port Douglas, Sanctuary Cove ■ Caravan holidays ■ “Gold Coast” destination ■ Coastal resorts 	<ul style="list-style-type: none"> ■ Weekends away ■ Indulgences and rewards – Palazzo Versace ■ Cheap air travel – VirginBlue, Jetstar and Frequent Flyer redemption ■ Change to the Annual Holiday – shorter breaks; more frequent ■ Day spas and retreats 	<ul style="list-style-type: none"> ■ Popularised backpacking ■ Single in 20s ■ Travel with single partner ■ Colonised Cairns and Byron Bay ■ Limited funds: HECS ■ Developed “work overseas” culture (Boomers were on Contiki holidays) ■ Caravan holiday childhood experience 	<ul style="list-style-type: none"> ■ Baby Bounce ■ Both parents work: <ul style="list-style-type: none"> - weekends away - need to co-ordinate diaries ■ Demise of annual vacation ■ HECS, mortgages & petrol prices place pressure on road travel ■ Time, as well as cost of travel, now a factor ■ Caravan holiday cost-effective 	<ul style="list-style-type: none"> ■ Smaller families; VFR diminished ■ Invented GAP year; OE; Schoolies ■ Colonised new markets: Hervey Bay; Avalon; Vietnam ■ Rich parents; prosperous times ■ Travel connected to tribalism ■ Big expectations of holidays

Source: KPMG Demographics

Retail Trends

The average Australian household spent 38% more on goods and services in 2009/10 than six years ago (2003/04)

The Australian Bureau of Statistics (ABS) Household Expenditure Survey (HES) collects detailed information on the expenditure, income, assets, liabilities and household characteristics of households resident in private dwellings throughout Australia (noting it excludes business expenditure). The latest HES (2009/10) collected information from a sample of 9,774 households over the period July 2009 to June 2010. The HES is conducted approximately every six years.

According to the most recent HES (2009/10), the average Australian household spent \$64,287 per annum on goods and services (or \$1,236 per week). This is a 38% (or \$17,859) increase in total expenditure from the previous 2003/04 HES. Between the 1998/99 and 2003/04 HES, total expenditure increased by 28%.

Based on a 38% growth in household expenditure, it is evident that there has been a rise in the real living standards of Australian households with the consumer price index (CPI) increasing by 19% over the same period (2003/04 to 2009/10).

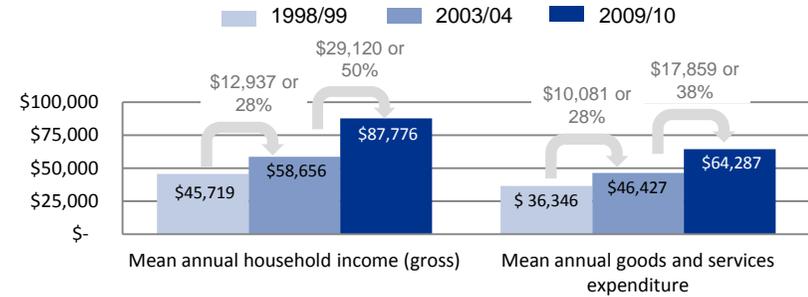
Interestingly, average household income rose by 50% between 2003/04 and 2009/10 whilst expenditure on goods and services increased by 38%. This is most likely a result of an increase in household savings rates.

The average savings rate (as a percentage of disposable income) at the time of the 2003/04 HES was approximately -2%. However since the onset of the Global Financial Crisis, Australians have been far more cautious, increasing their savings rate to around 10% at the time of the 2009/10 HES. Whilst the savings rate is not directly comparable to HES data as it is derived from net income rather than gross income, the shift to a positive savings rate nonetheless helps to explain why average household incomes grew at a faster rate than average goods and services expenditure over this period.

Approximately half of the money Australian households spend on goods and services goes on housing, food and transport (50% in 2009/10, and 49% in 2003/04 and 1998/99). This compares to 13% spent on Recreation across the three successive HES.

The largest increases in average annual household expenditure since 2003/04 were: current housing costs (up \$4,100 or 55%), due in part to increased mortgage interest payments (up \$1,800 or 75%) and increased rent payments (up \$1,642 or 68%), food and non-alcoholic beverages (up \$2,670 or 34%), recreation (up \$2,430 or 41%), miscellaneous goods and services (up \$1,920 or 46%), partly due to increased spending on education fees for primary and secondary schools (up \$520 or 107%).

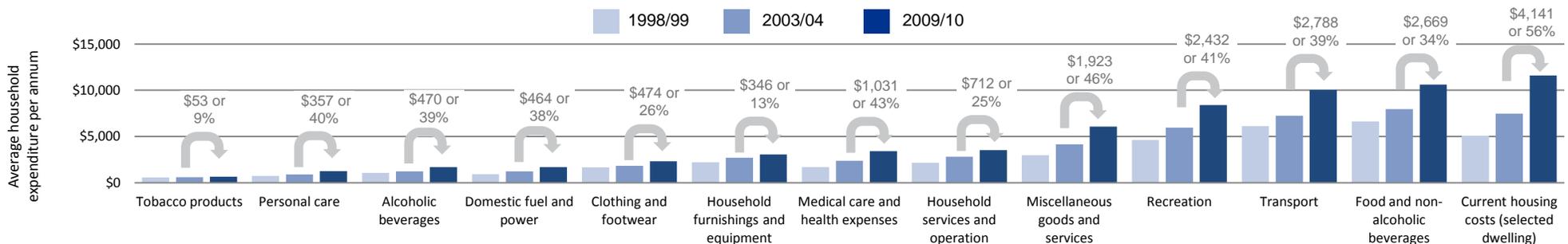
Average annual household income and household expenditure on goods and services, 1998/99, 2003/04 and 2009/10



What does this mean for the industry?

- Average household income rose by 50% between 2003/04 and 2009/10 whilst expenditure on goods and services increased by 38%. This is most likely a result of an increase in the household savings rates (10% at the time of the 2009/10 HES).
- Approximately half of the money Australian households spend on goods and services goes on housing, food and transport (50% in 2009/10).
- The largest increases in average annual household expenditure since 2003/04 were largely on non-discretionary items including current housing costs (up \$4,100 or 55%), due in part to increased mortgage interest payments (up \$1,800 or 75%) and increased rent payments (up \$1,642 or 68%), food and non-alcoholic beverages (up \$2,670 or 34%).
- Increased savings rates may present both an opportunity and threat to the industry. Affordability and value for money are likely to be increasingly important attributes to focus on in relation to both the caravan / holiday park industry and manufacture housing / home village industry.

Average annual household expenditure on goods and services by expenditure category, 1998/99, 2003/04 and 2009/10



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

According to the most recent HES (2009/10), the average Australian household spent \$64,287 per annum on goods and services (or \$1,236 per week). This is a 38% (or \$17,859) increase in total expenditure from the previous 2003/04 HES. Between the 1998/99 HES and 2003/04 HES total expenditure increased by 28%.

The boxes to the right identify some of the more noteworthy changes in Australia's expenditure patterns. The percentage changes listed relate to the change in average weekly spending on an item between each HES. For example, average weekly expenditure on milk by households was \$5.38 in 2003/04 and \$6.16 in 2009/10, representing a 14% increase in expenditure. These shifts may be a result of an overall increase in the cost of a good / service (e.g. housing) or an increase in the level of consumption (e.g. international airfares).

Some of the most significant increases have been among goods and services which may have historically been considered luxury / aspirational goods / services, including a rise in expenditure on computer games (up 404%), caravans (up 277%) and pay TV's (up 95%).

Expenditure on aspirational lifestyle goods such as caravans (up 277%), boats (up 174%) and golf equipment (up 125%) have all increased in the five years between the 2003/04 and 2009/10 HES.

Generally, the expenditure categories which have grown most significantly are reflective of cultural changes (e.g increase in women's participation in the workforce), generational changes and also technological changes which have reduced the cost of many goods and services thereby allowing a greater cross-section of households access to them (i.e. international airfares and Pay TV).

What does this mean for the industry?

- With the price of international airfares decreasing and the Australian dollar fluctuating, international travel poses a threat to the domestic caravan and camping industry. Spend on international airfares increased by 101% between 2003/04 and 2009/10, compared to Australian airfares (up 40%). Offering value for money alternatives to international travel and raising the 'prestige factor' of domestic camping and caravanning may be key to maintaining market relevance.
- Significant growth in expenditure on lifestyle goods between the 2003/04 and 2009/10 HES, including caravans (up 277%), boats (up 174%), golf equipment (up 125%) and camping equipment (up 109%) may be reflective of Australia's shift from parochial middle-class values to values more centred around aspiration and recreation (i.e. "work hard, play hard").

Percentage change in average household expenditure on selected goods and services, 1989/99 to 2003/04 and 2003/04 to 2009/10

Entertainment		
Good or Service	1989/99 to 2003/04	2003/04 to 2009/10
Computer Games	N/A	↑ 404%
National Park Fees and Charges	N/A	↑ 200%
International Airfares	↑ 23%	↑ 101%
Pay TV	N/A	↑ 95%
Restaurant Meals	↑ 31%	↑ 68%
Caravan Park Holiday	↓ -5%	↑ 45%
Australian Airfares	↑ 49%	↑ 40%
Alcohol on Premises	↓ -7%	↑ 27%
Cinema	↑ 15%	↑ 19%

Lifestyle goods		
Good or Service	1989/99 to 2003/04	2003/04 to 2009/10
Caravan	N/A	↑ 277%
Boat	↓ -55%	↑ 174%
Golf Equipment	N/A	↑ 125%
Camping Equipment	0%	↑ 109%

Household Goods		
Good or Service	1989/99 to 2003/04	2003/04 to 2009/10
Mobile Phones	N/A	↑ 28%
Air-conditioners	↑ 36%	↑ 22%
Bedroom Furniture	↑ 25%	↑ 17%
Fridges/Freezers	↑ 16%	↑ 12%

Everyday Services		
Good or Service	1989/99 to 2003/04	2003/04 to 2009/10
Cleaning of Home	↓ -93%	↑ 317%
Beauty Services ¹	↑ 73%	↑ 107%
Hair Services (female)	↑ 24%	↑ 49%
Hair Services (male)	↑ 27%	↑ 7%

Healthcare		
Good or Service	1989/99 to 2003/04	2003/04 to 2009/10
Prescriptions	↑ 26%	↑ 57%
Non Prescription Painkillers	↑ 26%	↑ 33%
Dentist	↑ 31%	↑ 26%

¹ **Beauty Services:** Beauty shop treatment, diathermy, "diet farm", ear piercing, electrolysis, eyebrow wax, hair wax, leg wax, manicure, pedicure, massage, personal care services, "Weight Watchers"

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

The story of financially strained families may present opportunities for the manufactured housing / home village industry

The overall cost of housing represents the costs incurred in occupying a dwelling including rent, mortgage repayments, rates, insurance, repairs and maintenance.

When considering the overall cost of housing, Retirees spend among the lowest proportion of total share of wallet of all age cohorts.

The current Retiree cohort prioritised the great Australian dream of home ownership, and as a result this cohort has very high rates of home ownership. They therefore have lower housing costs as many do not pay rent or have mortgage repayments. This provides the Retiree life segment with the opportunity to downsize their homes or perhaps even consider a second / holiday home without the need for finance.

It is Young families with a head of household aged 30 to 39 who have among the largest household size and are spending a significantly higher than average proportion of total goods and services expenditure on the cost of housing.

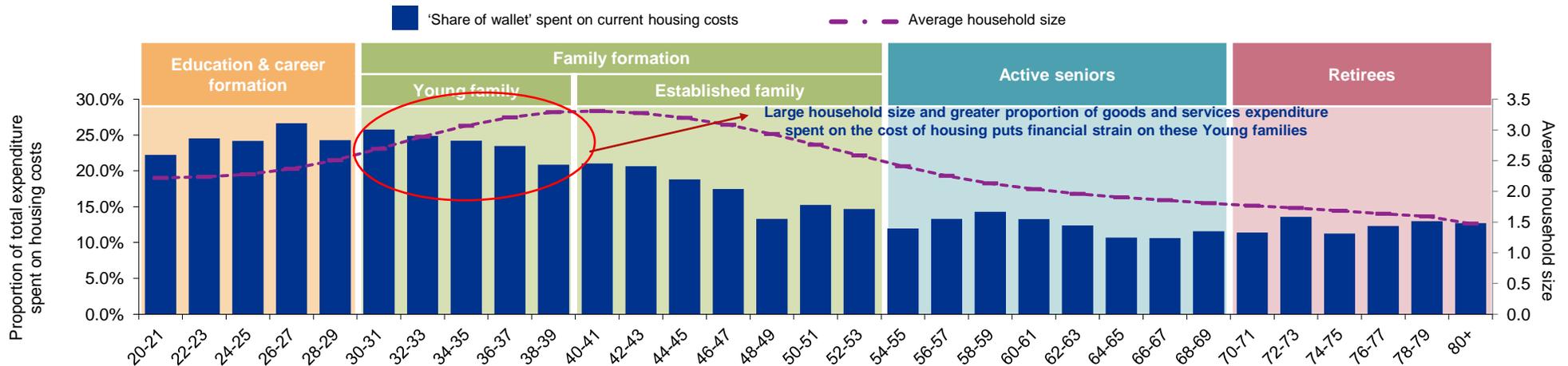
For instance consider a household with the head of the household aged 34 to 35. The average size of this household is 3.07 persons, probably consisting of parents and a child. This household is spending 24% of their goods and services expenditure on the cost of housing (compared to an average of 21%).

Rising issues of housing affordability in Australia, particularly among Generation Y may present opportunities for the manufactured housing industry to target their products toward this financially strained demographic.

What does this mean for the industry?

- Young families have less discretionary income than any other life segment. Affordability in terms of housing and holidays is front of mind at this time in life.
- The affordability of manufactured housing may present a valid housing (primary and/or secondary) option for the Young family life segment. Regulatory change is currently a significant barrier to growing this market.
- Children leaving the family home may be a trigger point for down-sizing into manufactured home villages. The ability to sell the family home, reinvest into affordable housing and still have money left over for leisure pursuits may be appealing to the Active seniors.
- As the average household size declines with age (growth in widows and divorcees), there may be greater appeal in manufactured housing villages which foster a sense of community for the Retiree life segment.

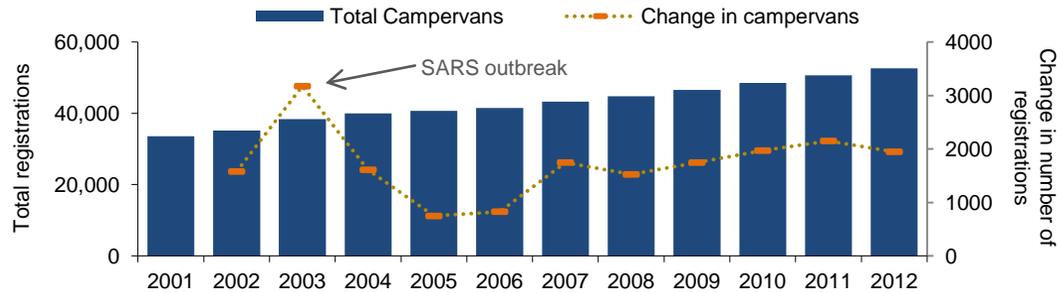
Proportion of total household expenditure on current housing costs per annum by age of head of household, 2009/10



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

There has been a steady increase in the number of registered campervans / motorhomes across Australia

Historic and projected number of registered campervans / motorhomes, 2001 to 2012



The ABS has been periodically conducting a Motor Vehicle Census since 1971. The Motor Vehicle Census counts registered vehicles with a state or territory motor vehicle registration authority. Data is collected by vehicle type, fuel type and year of manufacture.

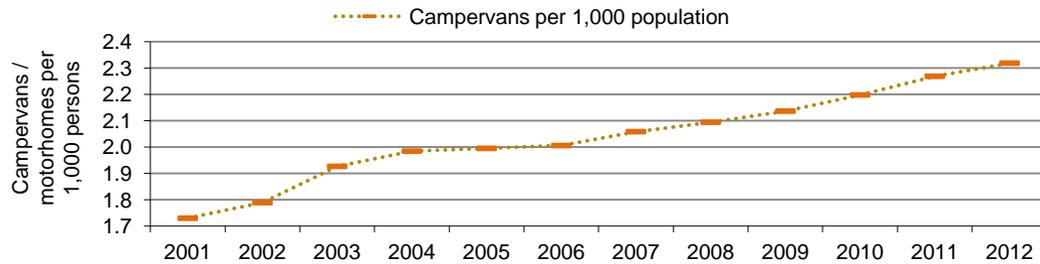
Data on campervans / motorhomes defined as self-propelled motor vehicles containing an area primarily used for accommodation is collected as part of the Motor Vehicle Census. It does not however capture non-motorised vehicles including towable caravans. It is thought that registered campervans / motorhomes represent a very small proportion of the total fleet (perhaps just 5%) and there is an industry need to establish a reliable dataset to capture this information.

Based on the limitation of the Motor Vehicle Census, the number of registered campervans / motorhomes in Australia has increased by 19,014 to 52,600 between 2001 and 2012. This represents an average annual growth rate of 4.2%.

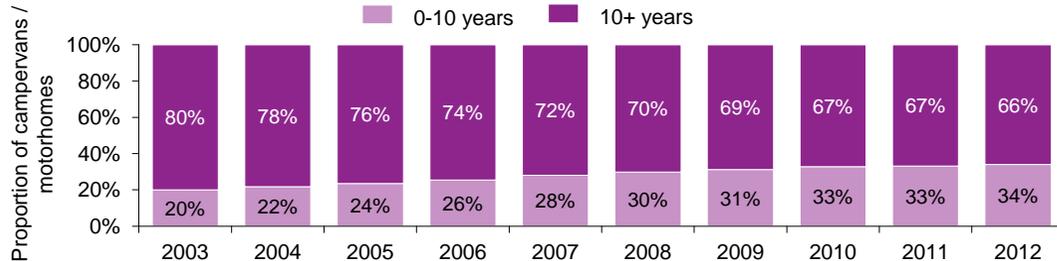
While the number of registered campervans / motorhomes across Australia is increasing, so too is the market saturation (measured as the number of campervans / motorhomes per 1,000 persons). In 2001, there were 1.7 campervans / motorhomes per 1,000 persons. By 2012 there were 2.32 campervans / motorhomes per 1,000 persons.

The age of Australia's registered campervan / motorhome fleet is decreasing. In 2003, 80% of the fleet were over ten years old, by 2012 this figure had fallen to 66%. The age of the fleet has implications for the requirement for vehicle replacement as well as service costs.

Number of registered campervans / motorhomes per 1,000 persons, 2001 to 2012



Age of campervans / motorhomes (by year or manufacture), 2003 to 2012



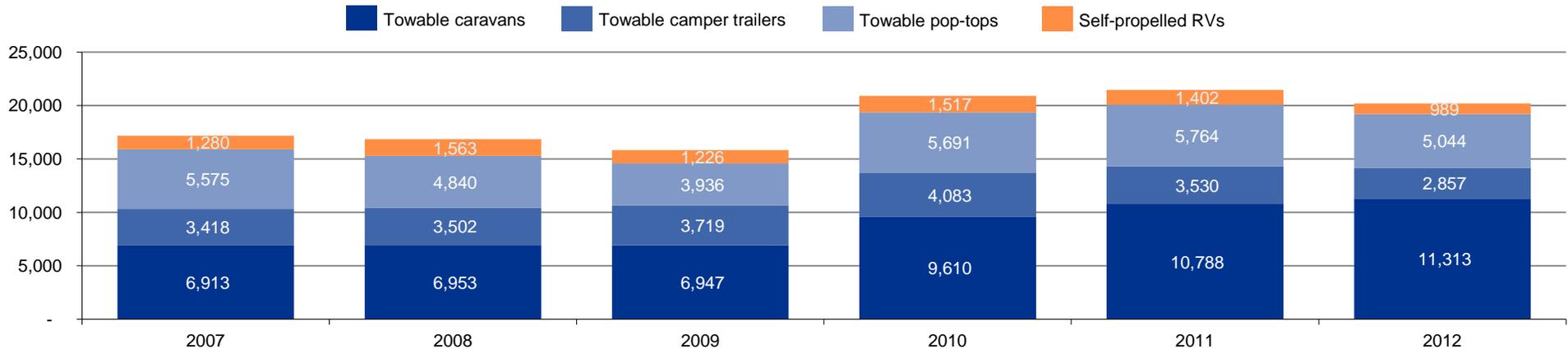
What does this mean for the industry?

- The ABS Motor Vehicle Census counts the number of registered campervans / motorhomes, but is not able to capture the vast majority of the fleet which are non-motorised. As an industry there is a need to establish a reliable dataset to capture this information.
- Demand for the use of campervans / motorhomes has been rising with the number of registered campervans / motorhomes per 1,000 people increasing from 1.7 in 2001 to 2.32 in 2011.
- The age of Australia's registered campervan / motorhome fleet is decreasing. In 2003, 80% of the fleet were over ten years old, by 2012 this figure had fallen to 66%. The age of the fleet has implications for the requirement for vehicle replacement as well as service costs.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

The relative affordability of towable RVs compared to self propelled RVs may go some way to explain production trends

Production of towable and self-propelled RVs, 2007 to 2012



Note: RVM data only relates to production statistics contributed to RVM Australia by its members.

The chart above identifies the production of towable (by type) and self-propelled RVs for the 2007 to 2012 calendar years. It is important to note that this data is thought to capture approximately 90% of Australian manufacturers as the database relies on these manufacturers providing statistics to RVM Australia for collation and reporting purposes. It also excludes vehicles produced overseas and imported to Australia.

The production of towable RVs remained relatively stable between 2007 and 2009 at approximately 15,000 units per annum (even through the GFC). Levels of production increased in 2010 to just under 20,000 units per year (where it has stayed through to 2012).

Caravans have been driving the majority of towable RV production growth between 2010 and 2012. In 2012, caravans represented 59% of towable RV production, compared to 42% in 2007.

The production levels of self propelled (motorised) RVs are significantly lower than that of towables, representing just 5% of total RV production in 2012. The production of self-propelled RVs has fluctuated from a high of 1,517 in 2010 to a six year low of 989 in 2012.

What does this mean for the industry?

- Towable RVs comprise the vast majority of RV production in Australia (95% in 2012).
- While the demand (production of) towable RVs has generally increased between 2007 and 2012, the demand for self-propelled RVs has fluctuated. This may be attributed to relative affordability of towable versus motorised RVs.
- As issues of affordability increase during the family formation phase of life, demand for more budget friendly RVs may continue to enforce this trend.
- The Active seniors market (who may have more time and money on their hands than other life segments) may be a key area of focus for the luxury self-propelled RV market over the coming decade.

Source: KPMG Demographics; Based on RVM Australia Unpublished Data, 2013

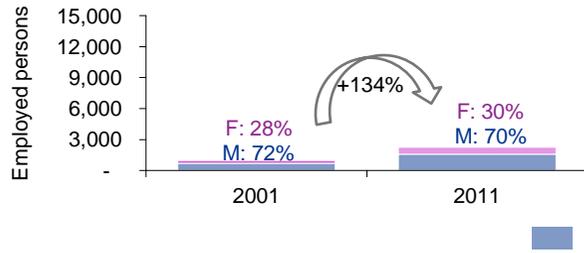
Workforce Trends

The retailing side of the camping and caravanning industry is primarily male dominated

Employment by industry and gender, 2001 and 2011

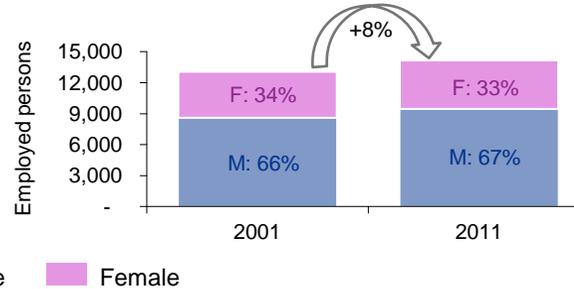
Trailer and Caravan Dealing

Comprises people mainly engaged in wholesaling or retailing of caravans or trailers. This class also includes units mainly engaged in selling mobile homes or cabins.



Sport and Camping Equipment Retailing

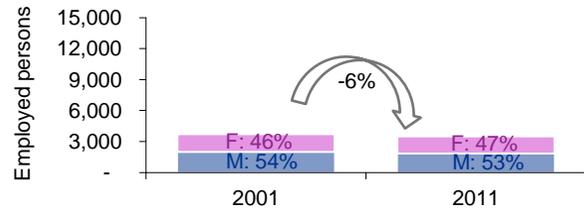
Comprises people mainly engaged in retailing sporting goods, camping equipment or bicycles.



Employment by occupation and gender, 2001 and 2011

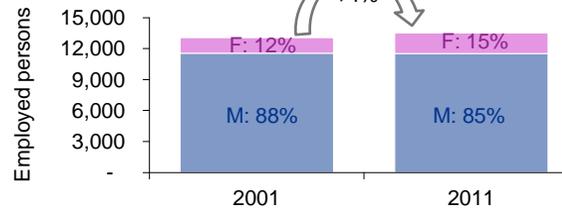
Caravan Park and Camping Ground Manager

Organise and control the operations of caravan parks and camping grounds in providing accommodation and leisure services.



Motor Vehicle or Caravan Salesperson

Sell new and used motor cars, motor cycles, trucks, boats, caravans or earthmoving equipment in retail or wholesale establishments.



What does this mean for the industry?

- The retail side of the camping and caravanning sector is heavily male dominated. Identifying strategies to improve gender diversity may be an area of future focus for the sector.
- The gender profile of Caravan Park and Camping Ground Managers reflects the broader workforce trends, perhaps due to the number of husband and wife teams managing parks.

At the time of the 2011 Census there were 10 million persons employed in Australia's workforce (up 1.76 million or 21% in the decade from 2001). Some 53% of the workforce is comprised of males (compared to 55% in 2001).

Due to the diversity of the sector, persons employed within caravan, camping and manufactured housing would fit into a number of industries and occupations. The charts to the left identify two key industries and two key occupations related to employment in this sector and identifies how the number of persons employed in the respective industries / occupations have shifted in the decade to 2011.

Industry data is a count of persons employed by the role of the business and its activities they are employed in. The role of a person employed in this business could vary from unskilled to highly skilled. What defines this count is the organisation they work for and its main activities.

Occupation data relates to the actual role of the person employed. In the case of a caravan park, the manager of that park is counted as a "Caravan Park and Camping Ground Manager", whereas a cleaner employed full-time would be counted as a "Commercial Cleaner".

The size of the Trailer and Caravan Dealing industry workforce has more than doubled in the decade to 2011, up 134% to 2,252 employees. The industry does however remain male dominated (70%).

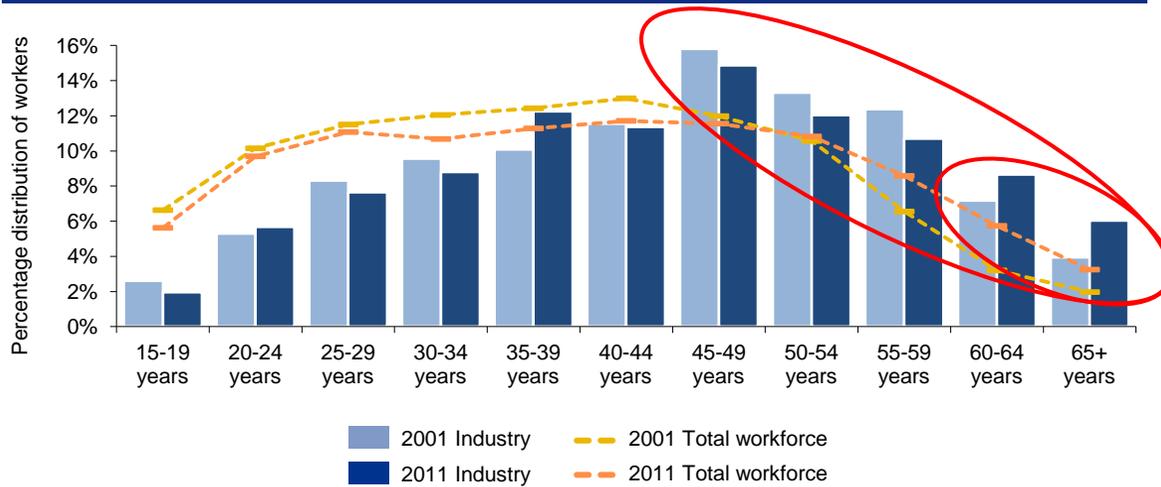
The Sport and Camping Equipment Retailing industry employed 14,156 persons as at June 2011 (67% were male). The industry has grown modestly over the last decade, increasing by 1,093 persons or 8% between 2001 and 2011.

The number of Caravan Park and Camping Ground Managers in Australia decreased by 218 persons or 6% in the decade to 2011 (associated with the closure of a small number of parks). It is interesting to note however that the gender split is in line with national workforce trends; 53% of employees were male in 2011.

The vast majority of persons employed as Motor Vehicle or Caravan Salesperson are male (85% in 2011), but it is interesting to note that this has declined by 3 percentage points from 2001. In 2011, there were 13,525 persons employed as Motor Vehicle or Caravan Salespersons, which was up by 4% from 13,055 in 2001.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Percentage distribution of persons employed in the Trailer and Caravan Dealing industry by age cohort, 2001 and 2011



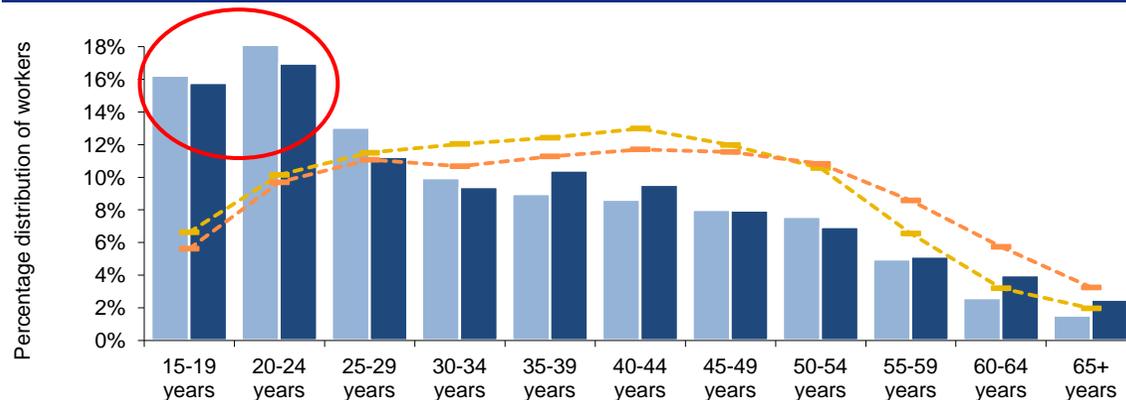
The age profile of a workforce can highlight both opportunities and challenges for an industry. The charts to the left identify the percentage distribution of the workforce by five-year age cohort in 2001 and 2011, benchmarked against national workforce trends.

In 2011, some 37% of Australia's 2,252 Trailer and Caravan Dealing industry workforce were aged 50 years or over. At this time just over one-quarter (28% of the total Australian workforce was aged over 50 years). While the proportion of the industry workforce aged 50 years and over has not shifted from a decade earlier, the proportion of the workforce aged 60 years and over has increased from 11% to 15%.

Given that 25% of all domestic Caravan and Camping visitors in Australia were aged 55 to 70 years, a slightly older workforce profile could appeal to key buyers of caravan products.

Reflective of broader trends within Australia's retail-based workforce, the age profile of persons employed within the Sport and Camping Equipment Retailing industry is relatively young. One-third (33%) of the Sport and Camping Equipment Retailing industry workforce were aged under 25 years in 2011 (down slightly from 35% in 2001). The proportion of the workforce aged under 25 years is more than double that of the total Australian workforce (15% in 2011).

Percentage distribution of persons employed in the Sport and Camping Equipment Retailing industry by age cohort, 2001 and 2011



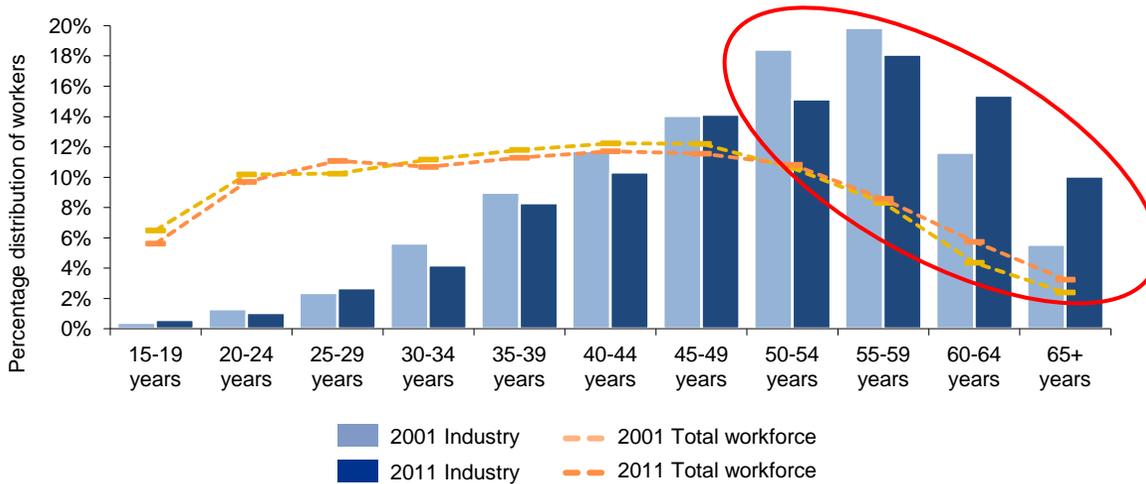
What does this mean for the industry?

- There is an over representation of persons aged 50 years plus employed in the Trailer and Caravan Dealing industry, particularly persons aged 60 years and over.
- Given that a key target market for the industry is Young and Established families, consisting of 30-54 year olds and their children, it is important that the workforce understands the current needs of this age cohort and generation regardless of their own age.
- Workforce planning may be an area of focus for the Caravan Dealing industry over the next decade. This may involve assisting workers transition into retirement (including managing the loss / transfer of knowledge), and attracting the age profile of workers to match the industry's target market over the next decade.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

The holiday / caravan park industry may need to consider the implications of an ageing workforce

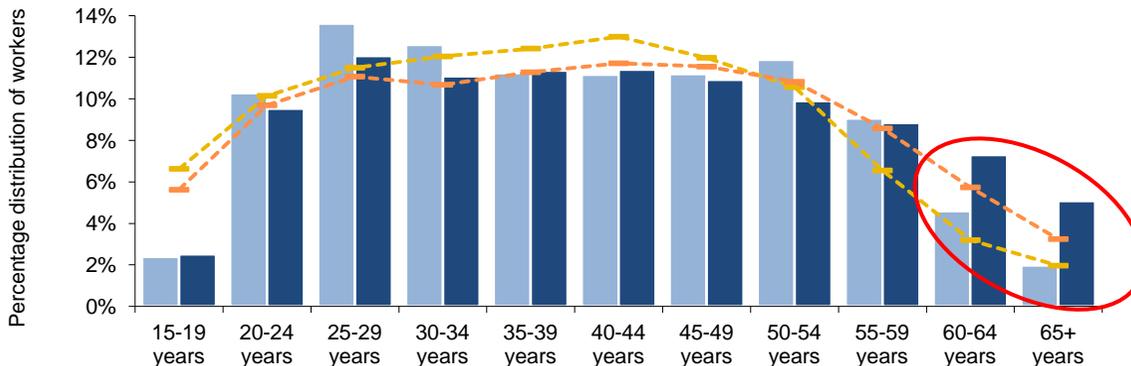
Percentage distribution of persons employed as Caravan Park and Camping Ground Managers by age cohort, 2001 and 2011



The chart to the left shows that 59% of Australia's 3,497 Caravan Park and Camping Ground Managers were aged 50 years or over in 2011, compared to 50% in 2001. The proportion of the workforce aged 50 years and over is almost twice that of the total workforce (28% in 2011). Attraction and retention strategies focussed on recruiting younger people to these jobs may be a focus for the industry over the next decade, as if historical trends prevail, 14% of Caravan Park and Camping Ground Managers will be aged 65 years plus by 2021. Strategies focused on recruiting a younger demographic to holiday park manager roles may assist the industry in better aligning the age profile of the workforce with the consumers the industry is trying to attract.

The age profile of the Motor Vehicle or Caravan Salespersons workforce is broadly in line with national workforce trends, with the exception of a below average participation among 15 to 19 year olds and above average representation among persons aged 60 years and over. In 2011, some 13% of persons employed as Motor Vehicle or Caravan Salespersons were aged 60 years and over, compared to 9% among the total workforce.

Percentage distribution of persons employed as Motor Vehicle or Caravan Salespersons by age cohort, 2001 and 2011



What does this mean for the industry?

- The holiday park industry may need to consider the implications of an ageing workforce. This may include retirement transition planning, knowledge transfer and recruitment of a younger demographic to holiday park manager roles.
- One of the issues / obstacles regarding the attraction and attention of younger workers to the industry is competition with mining camp management jobs that are able to offer higher wages.
- A key target for the holiday park industry may be young couples, as the flexibility of managing a holiday park lends itself to couples with young children due to the ability to raise children while working within the parks.
- Strategies focused on encouraging a younger demographic to consider holiday park manager roles may also assist the industry by better aligning the age profile of the workforce with the consumers the industry is trying to attract.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Conclusion

- The Young family life segment is projected to be one of the largest and fastest growing segments over the next decade. Affordable and kid-friendly offerings will be key to attracting the Young family market. Manufactured housing may offer a valid housing option to this demographic (both first and second home owners) if the industry is able to navigate some of the current regulatory barriers and negative connotations associated with manufactured housing.
- Although the Retiree life segment is projected to experience rapid population growth in the decade to 2021 (average annual growth rate of 4.4%), it is important to note that this segment is projected to remain relatively small at 2.0m in 2021. Given that participation rates in camping and caravanning tend to drop among persons aged 65 years and over, the Retiree life segment is not likely to represent a significant market for the camping and caravanning industry over the coming decade.
- The Lone person household segment is projected to grow rapidly in the decade to 2021. The social and interactive nature of camping / caravanning, as well as the affordability and safety offered by manufactured housing villages may go some way to meeting the needs of this growing market segment.
- Australia's population base is undergoing a period of transition from European to Asian influences as levels of Asian migrants to Australia increases. Tapping into these non-traditional markets may be increasingly important for the industry's growth prospects. Increasing the levels of exposure and changing the perception of camping and caravanning among Asian-based ethnicities will be the key challenge in boosting the caravanning and camping industry from both a domestic and international visitors perspective. Migrants from newly industrialised countries may be particularly receptive to nature based, healthy outdoor activities due to limited opportunities in their country of origin.
- Workforce planning will become increasingly important for the industry as the workforce continues to age. This will include assisting with retirement transition including knowledge transfer and succession planning. Attracting a younger demographic to the industry may be limited by salary expectations and career development opportunities offered by the industry.
- The retail side of the camping and caravanning sector is heavily male dominated. Identifying strategies to improve gender diversity may be an area of future focus for the sector.
- 'Online' is an increasingly important research and sales channel for the retail and tourism sectors. There is growing importance to embrace this technology from both a research and holiday booking / payment perspective.
- Developing strategies to compete with the alternative holiday model of overseas travel will be increasingly important as the cost of international travel drops.

Appendices

Demographic Variable	Methodology
Detached house	Proportion of occupied private dwellings on Census Night which were traditional separate dwellings.
Own their home outright	Proportion of homes occupied by owner (as opposed to renter) without a mortgage.
Mortgage on home	Proportion of homes occupied by owner with a mortgage.
Employed full-time	Proportion of the total labour force that are employed full-time. Definition of 'total labour force' includes unemployed persons.
Unemployed	The unemployment rate as defined by the Australian Bureau of Statistics and released for the 2001 and 2011 Censuses.
High income	The proportion of Australia's 15+ population who stated their income, and are high income earners. High income earners are defined as earning \$1,000 or more per week in 2001, and \$1,250 or more per week in 2011.
White collar	Proportion of employed persons who described their occupation as any of the following: Managers, Professionals, Community and Personal Service Workers, Clerical and Administrative Workers, Sales Workers
Year 12	Proportion of the population aged 15 years and over who have completed Year 12 (excluding persons currently studying).
Bachelor Degree or higher	Proportion of the population aged 15 years and over who have completed a Bachelor Degree or higher (excluding persons currently studying).



cutting through complexity™

© 2013 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International).

Liability limited by a scheme approved under Professional Standards Legislation.