



CARAVAN TRADE & INDUSTRIES ASSOCIATION OF VICTORIA
T/A CARAVAN INDUSTRY VICTORIA

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Victorian State Budget 2026–27 - Caravan & Camping Industry Summary

Overview

The Victorian Government has delivered a modest budget surplus, marking a step toward financial stabilisation following several challenging years.

However, the broader economic context remains important:

- State debt continues to grow over the medium term
- Government spending remains focused on core services and cost-of-living support
- Capacity for new industry investment is limited

1. The Big Picture – A “Surplus” with Structural Pressure

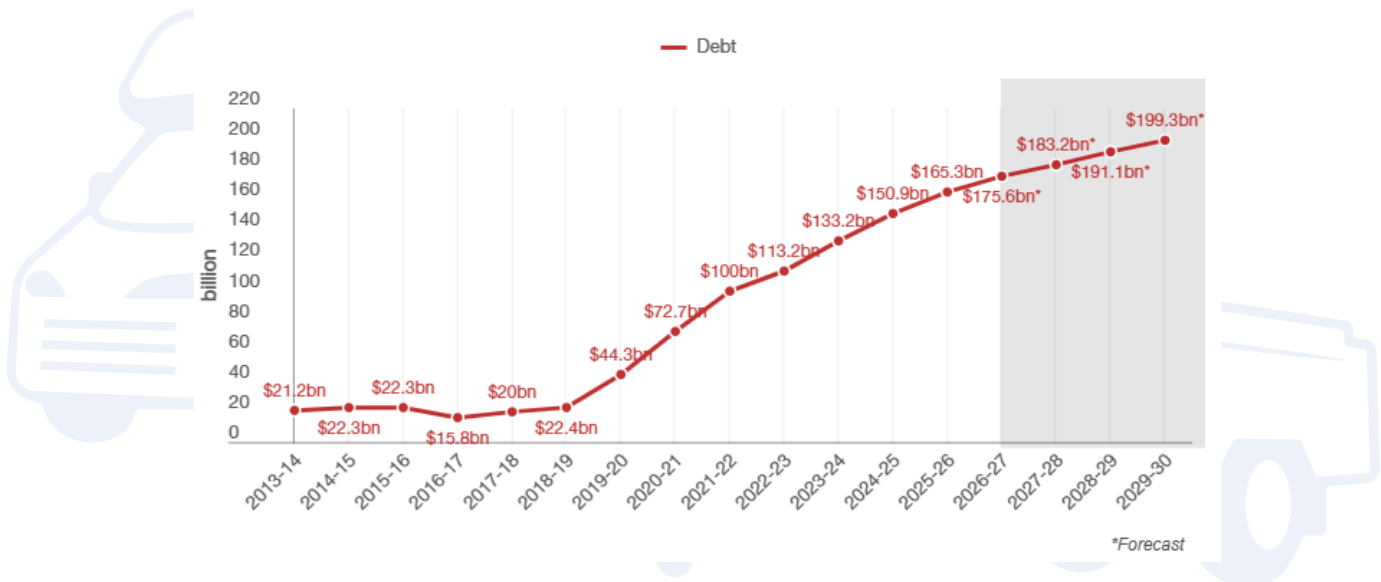
The Victorian Government has delivered a **\$727 million surplus**, the first since COVID, but this sits alongside **significant long-term financial challenges**.

- State debt is forecast to reach **~\$200 billion by 2030**
- Interest payments alone will rise to **~\$11.8 billion annually**
- Economic growth remains modest at **~1.5%**
- Tax revenue is increasing strongly, driven by **land tax, payroll tax and property-related revenue**

What this means:

This is not a “growth budget” — it is a **financial stabilisation budget**, with limited capacity for new industry support.

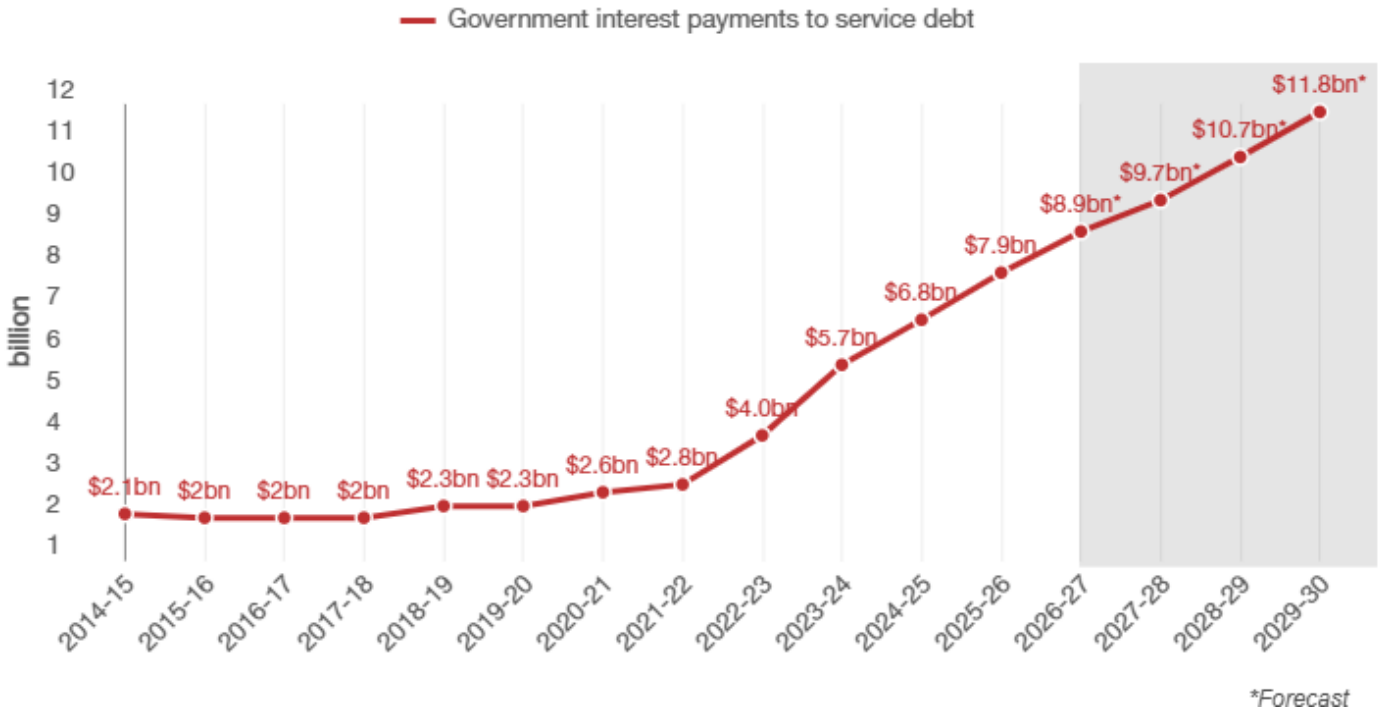
GOVERNMENT DEBT





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GOVERNMENT INTEREST PAYMENTS TO SERVICE DEBT



2. Economic Conditions – What Businesses Should Expect

- Inflation (~3.5%) continues to **outpace wage growth in the short term**
- Consumer confidence is expected to remain **constrained**
- Global risks (energy prices, geopolitical instability) remain a factor
- Cost-of-living pressures continue to influence spending behaviour

Industry impact:

- Continued pressure on **discretionary spending** (core to caravan & camping)
- Customers will be **more price-sensitive and value-driven**
- Financing conditions remain tight, impacting large-ticket purchases (caravans, motorhomes)

What this means:

Customers are continuing to travel and engage with the sector, but are increasingly:

- Value-conscious
- More considered in their purchasing decisions
- Focused on timing and affordability



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3. Taxation & Cost Environment

- Victoria is projected to collect **record tax revenues (~\$50 billion)**
- Continued reliance on:
 - **Land tax**
 - **Stamp duty**
 - **Payroll tax**

Business Environment

- Taxation (including land and payroll tax) remains a key cost consideration
- Operating costs across labour, materials, and compliance remain elevated

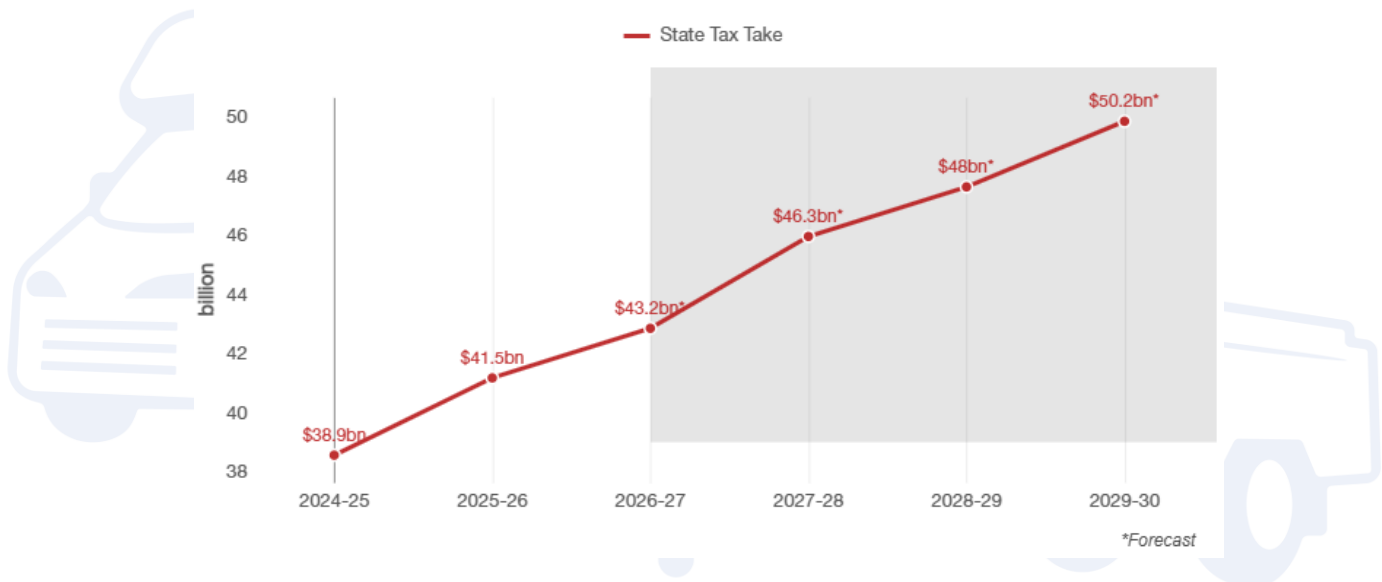
Industry impact:

- Increased **operating costs for members**, particularly:
 - Dealerships with land holdings
 - Manufacturers with large sites
 - Parks and accommodation operators
- Reduced investor appetite in property-heavy sectors (including holiday parks)

Implications for industry:

- Continued focus on efficiency and cost management
- Importance of maintaining strong value propositions for customers

STATE TAX TAKE





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4. Tourism & Visitor Economy – A Missed Opportunity

There is **no major uplift in tourism funding or destination marketing**, continuing a trend of underinvestment.

- Previous cuts to tourism marketing funding remain largely **unaddressed**

Industry impact:

- Reduced national/international demand stimulus
- Greater reliance on **industry-led marketing and events (e.g. shows)**
- Missed opportunity to leverage a **\$40B+ visitor economy**

Implications:

- Industry-led initiatives (events, campaigns, partnerships) will remain critical
- Strong opportunity for caravan and camping to lead in **domestic and regional tourism**

5. Housing Policy Context (Critical for Our Sector)

While housing remains a major government focus:

- Continued emphasis on **long-term rental supply and housing affordability**
- Ongoing policy pressure on **short-stay accommodation and land use**

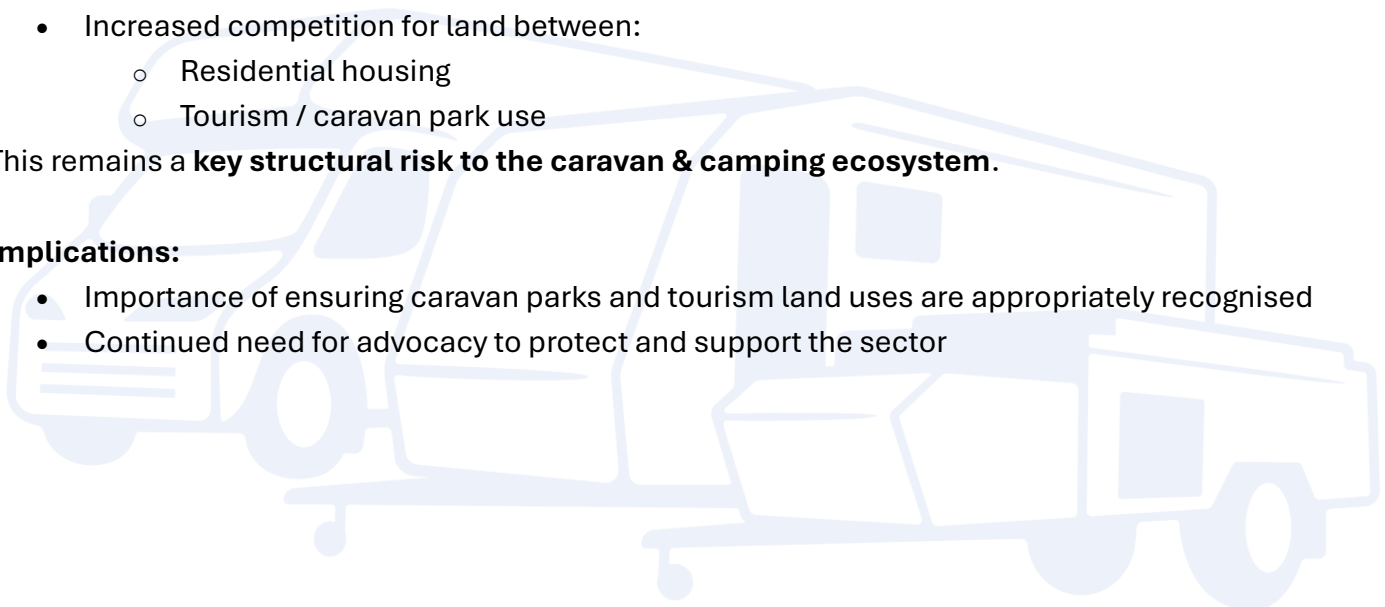
Industry risk:

- Potential tightening around:
 - Holiday Park land use
 - Short-stay accommodation models
- Increased competition for land between:
 - Residential housing
 - Tourism / caravan park use

This remains a **key structural risk to the caravan & camping ecosystem**.

Implications:

- Importance of ensuring caravan parks and tourism land uses are appropriately recognised
- Continued need for advocacy to protect and support the sector





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6. Infrastructure & Regional Investment

- Continued investment in **roads and regional infrastructure** (including ~\$1B+ road upgrades)
- Some transport cost relief (rego discounts, public transport subsidies)

Industry impact:

- Positive for **regional travel and dispersal**
- Supports **drive tourism**, which is core to caravanning
- However, **major new tourism infrastructure investment is limited**

Implications:

- Supports regional travel and dispersal
- Reinforces the strength of drive tourism across Victoria

FORECAST EXPENSES 2029-30



\$199.3BN
NET DEBT



\$32.33M
INTEREST PER DAY
ON STATE DEBT



\$45.5BN
GOVERNMENT
SECTOR WAGES BILL



\$181BN
VALUE OF PROJECTS
ON THE GO (2026-27)



\$19.4BN
INFRASTRUCTURE
SPENDING

**Forecast*





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7. What This Means for Caravan & Camping Businesses

Opportunities

- Regional road investment supports **domestic travel growth**
- Cost-of-living relief may sustain **entry-level travel demand**
- Continued consumer shift toward **value-based holidays (caravanning)**

Challenges

- High taxation environment impacting **business viability**
- Weak tourism investment limiting **market growth**
- Soft consumer conditions affecting **sales and bookings**
- Housing policy creating **land use pressure and uncertainty**

Industry Outlook

Despite a measured economic environment, the caravan and camping sector remains well positioned:

- Strong alignment with **value-based travel trends**
- Continued demand for **flexible, regional and nature-based experiences**
- A resilient domestic market

8. Strategic Takeaways for Members

Short-term (next 12–24 months):

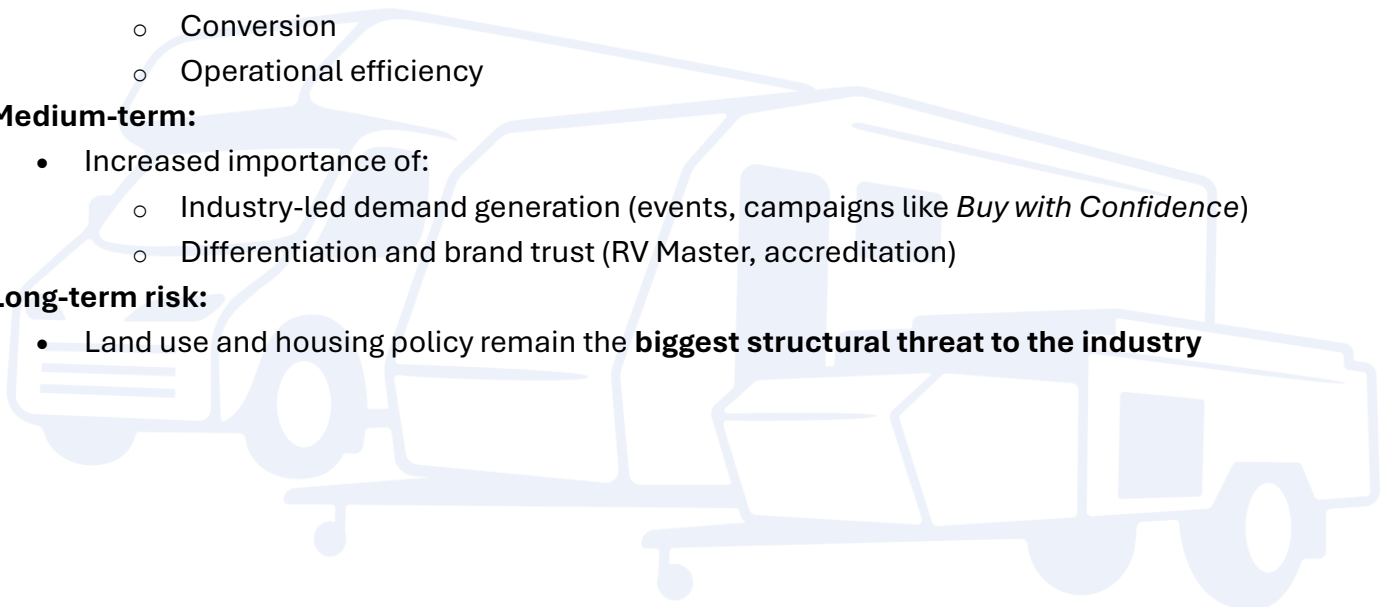
- Plan for **tight trading conditions**
- Focus on:
 - Value proposition
 - Conversion
 - Operational efficiency

Medium-term:

- Increased importance of:
 - Industry-led demand generation (events, campaigns like *Buy with Confidence*)
 - Differentiation and brand trust (RV Master, accreditation)

Long-term risk:

- Land use and housing policy remain the **biggest structural threat to the industry**





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CIV Position & Advocacy Message

Key Message to Members

This budget reinforces what we have been consistently advocating:

Victoria's financial position is limiting its ability to invest in growth industries — including caravan and camping.

Our Position

- CIV has been **actively advocating to both Government and Opposition**
- We have consistently raised:
 - The importance of the **visitor economy**
 - The role of caravan & camping in **regional economic development**
 - The need for **fair policy settings around land, housing, and tourism**

Reality Check

- Government remains **highly constrained financially**
- There is **limited appetite for major industry reform or investment**
- Policy settings continue to prioritise:
 - Housing
 - Social services
 - Cost-of-living relief**→ not industry growth**

CIV Forward Position

This budget strengthens the case for:

- **Stronger, unified industry advocacy**
- Continued pressure on:
 - Tourism investment
 - Planning protections for caravan parks
 - Fair taxation settings

And importantly:

If government won't drive growth, industry must lead it.



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Key Takeaway

The current environment reinforces the importance of a strong, united industry — one that continues to lead in delivering value to consumers while advocating for the settings needed to support long-term growth.

For further information, please contact Caravan Industry Victoria.

