# Review of camping opportunities in New Zealand

Report to the Minister of Conservation

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Department of Conservation
*Te Papa Atawhai*

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Prepared by
Heritage Appreciation Unit
Research, Development & Improvement
Department of Conservation
65 Victoria Street
Wellington
New Zealand

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69 Beach Road Holiday Park. HAPNZ

Cover photo: Northland. Barbara Ware, DOC.
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Left: Lake Tekapo Holiday Park
Right: Beach Side Holiday Park


Left: Aaron Lodge Top 10 Holiday Park
Right: Queenstown Top 10 Holiday Park

# 1.0 EXECUTIVE SUMMARY

## 1.1 Background

The sale and subsequent closure of iconic coastal campgrounds has attracted significant public attention over recent years. This trend appears to be increasing as development pressures on the coastal margin intensify, particularly in the upper North Island.

In January 2006, the Minister of Conservation asked the Department of Conservation (DOC) to "review the availability of family-friendly camping opportunities for New Zealanders, particularly in coastal areas".

This report is intended as a catalyst for further discussion. To that end, it lays out the issues and options, but does not offer recommendations. Rather, it provides the basis for discussions with the camping industry, local communities and government that will identify appropriate and sustainable solutions which can be implemented at a local level.

The review has been co-ordinated by the Department of Conservation and involved representatives of a wide range of organisations and individuals with an interest in New Zealand's camping sector.

## 1.2 Government themes

Providing camping opportunities in New Zealand is a key component of the Government's three themes:

- Economic transformation
- National identity
- Families – young and old

## 1.3 The demand for camping

The review has found that:

- Demand for camping has remained constant over the past decade, and has the potential to increase.
- More than one-third of all New Zealanders go camping, and 57% have an interest in going camping.
- There is strong demand for camping in the upper North Island, reflecting the concentration of New Zealand's population.

## 1.4 The nature of the problem

- Increasing land values, particularly in coastal areas, have resulted in a number of commercial holiday parks / camping grounds being sold and the sites redeveloped for other uses.
- The result is a 6% reduction over the past 10 years in the number of camping areas nationally, particularly affecting prime locations with a water frontage (New Zealanders' preferred camping areas).
- The areas most affected are among New Zealand's most popular camping destinations: Coromandel Peninsula, Greater Auckland, East Coast / Hawke's Bay, Rotorua / Central North Island and Waikato / Bay of Plenty regions.
- If land values continue to increase, closures of commercial holiday parks / camping grounds are likely in other parts of the country.
- Even without further closures, many camping areas in these popular regions are already at capacity between Christmas and early January.

## 1.5 Options available

A number of options exist to meet current and future demands, deal with the reduction in the number of camping areas and manage peak demand over the Christmas period. These include:

- Extending the network of camping areas on public conservation land, including providing opportunities for private operators to enter lease arrangements.
- Establishing a fund to purchase prime camping areas in public ownership.
- Reviewing the Camping Grounds Regulations 1985 to enable other organisations to provide basic camping opportunities similar to those provided by DOC.
- Encouraging existing camping areas to expand onto adjacent land over peak periods.
- Encouraging camping on sports fields, open space reserves and rural school grounds over the peak season, where there is clear demand.
- Providing the New Zealand public with better and more accessible information about camping opportunities.

No single solution will address all issues identified in this report. The review found that the most effective way to retain the current range and distribution of camping opportunities is to consider a suite of potential options.

The best outcome will encourage and sustain diversity – of operators, types of camping areas and geographic locations. Diversity will lead to a more resilient and robust sector as no one issue will be able to undermine the entire camping sector, better ensuring its long term viability. This diversity will also better meet the needs of campers, as not all campers are alike.

## 1.6 Structure of this report

Section 2.0 of the report describes the purpose of the review, its scope and the approach taken by DOC.

Section 3.0 presents background information to describe the context of camping in New Zealand today. This covers its importance to New Zealanders, current and future demand, and the nature of the problem that sparked this review.

Section 4.0 presents the various options available to address the issues. It is expected that these will form the substance of ongoing discussions with the camping industry, local communities and government.

The appendices provide additional background information where this is relevant to support specific options presented. They include the place of camping in the Kiwi culture and the demand for it, a description of all current facilities, and a summary of facilities provided by DOC.

Taumarunui Holiday Park

# 2.0 INTRODUCTION

## 2.1 Purpose of the review

In January 2006, the Minister of Conservation asked the Department of Conservation (DOC) to "review the availability of family-friendly camping opportunities for New Zealanders, particularly in coastal areas".

The review acknowledges that summer camping holidays are an important part of Kiwi culture and it is therefore essential that opportunities continue to be available for all New Zealanders to enjoy.

This report is intended as a catalyst for further discussion that will identify appropriate and sustainable solutions which can be implemented at a local level.

To that end, the report identifies the issues around providing camping opportunities in New Zealand and outlines potential options to resolve them, both short term and longer term. While some analysis of the options is provided, this is not in detail, and there are no recommended solutions. It is intended that these will be developed through discussions with the camping industry, local communities and government.

## 2.2 Scope

The review's scope is to assess whether DOC's existing facilities can compensate for the loss of private campgrounds, and, if not, to identify the best options for doing something about the issue. The review therefore explores:

- The extent of any change in the availability of family-friendly camping opportunities around the country.
- Trends in the demand for camping, and how this demand matches the variety of campground types available.
- Particular holiday areas where there is an acute shortage of camping opportunities, and the opportunity.
- Opportunities to use public land administered by DOC for new or enlarged camping opportunities in those high-demand areas.
- Private sector interest in providing new campground initiatives.
- Opportunities to tender concessions and / or establish partnerships with local government, community groups and the private sector to maintain and provide campgrounds.

## 2.3 Approach

The review has been co-ordinated by DOC and involved representatives of a wide range of organisations and individuals with an interest in New Zealand's camping sector.

It captures and analyses all existing data related to camping in New Zealand, and examines four main topics:

- Supply – what currently exists and how has this changed over recent years?
- Demand – is camping still relevant and valued by New Zealanders? If so, what do they want?
- Is there a problem, or the potential for one to develop in the near future?
- If problems are identified, what are the potential options to resolve them?

As only limited information was available to determine the demand and likely future demand for camping, market research was conducted to fill the gap and establish the views of the New Zealand public. It focused on the following questions:

- What is the current demand for camping?
- What are the drivers for camping and the motivators for campers?

- What are the barriers to participation in camping?
- What is the likely future demand for camping?

The methodology used focus groups that brought together campers, potential campers and non-campers, and also a nationwide telephone survey.

## 2.4 Definitions

"Camping area" is used extensively within this report to describe all areas maintained for the primary purpose of camping, and in preference to the less generic terms of "campground" and "campsite". For example, a "camping ground", a "holiday park" or a basic "campsite" are each considered as one "camping area".

The total number of camping areas available is used as a surrogate measure for camping capacity. This is because there is no effective way to assess total camping capacity across New Zealand and how this may have changed over recent years.

Mimiwhangata Coastal Park. DOC

# 3.0 THE PLACE OF CAMPING IN NEW ZEALAND TODAY

## 3.1 The importance of camping to New Zealanders

Market research carried out as part of this review shows that the vast majority of New Zealanders (91%) consider access to places to go camping to be either "extremely important" (60%) or "important" (31%) (Mobius, 2006). Even people who have never been camping and never intend to do so, share the perspective that this is something that is important to New Zealanders and should be protected so that future generations are able to have similar experiences.

Camping is described as a right to be enjoyed by all, similar to perceptions about access to and use of national parks and the coastal environment. Participants in the focus groups were almost unanimous in the view that that camping is "part of the kiwi way of life"; an activity that epitomises what it means to be a New Zealander and helps to define who we are and the values that we stand for.

By necessity, camping involves a back-to-basics approach that enables people to experience and appreciate the environment, their families and the people around them in a way that they cannot do in their normal busy day-to-day lives. This is a highly valued attribute, with many focus group participants underlining the importance of "being able to relax and get away from it all", something more important today than ever before (Mobius, 2006).

Access to camping areas is seen as an indicator of New Zealanders' ability to access the coast, a key heritage right. There is a common view that: "If I can still go camping in these places then there is probably not too much to be concerned about". This suggests that the public views camping areas, even those in private ownership, to be land that is generally accessible to them and therefore no different to public land. With this in mind, the closure of iconic camping areas and their subsequent development for other land uses, has highlighted coastal development issues generally.

Market research indicates 62% of New Zealanders are "concerned" or "extremely concerned" about recent camping area closures. This is recognised in the Government's current priorities.

The market research also identified that 13% are "not concerned" or "not at all concerned" about these closures (Mobius, 2006).

A detailed discussion of this topic is contained in appendix 1.

## 3.2 Demand for camping

Most of New Zealanders (80%) have been camping at some point in their life. Fifty-seven per cent have an interest in going camping, and 37% of the population considers themselves to be "regular campers" (people who have been camping at some point in the in the last few years and intend to go camping at some point in the foreseeable future).

When compared against figures from Sport and Recreation New Zealand's (SPARC) Participation Survey, the percentage of the population who have been camping in the last 12 months (13%) is similar to the percentage who have played tennis, or who have been tramping, cycling, running or jogging over the past year (SPARC, Participation – NZ Adults, 2006).

The number of people camping means 9% of total domestic guest nights are accommodated in camping areas, a figure that has been stable over the past five years. This trend is at odds with popular opinion and media articles arising from recent campground closures which suggest that camping is less relevant to contemporary New Zealanders and demand for camping is reducing.

The domestic travel market is predicted to grow by 1.0% a year over the next 5 years. This growth is underpinned by the increase, from 2007, in the statutory minimum annual leave entitlement. In addition, market research indicates that most (80%) of regular campers are likely to camp about the same amount or more often in the future, confirming that overall demand for camping amongst New Zealanders remains strong.

Whilst it is commonly assumed that a large proportion of camping occurs in the upper North Island, the actual figure is still surprising - more than 90% of New Zealand campers have indicaated that they use places in the upper North Island (Mobius, 2006). This is likely to be the result of a range of factors, including the proportion of the New Zealand population living close to these regions, favorable climate, suitable locations next to water and the large number of already established camping areas.

The Southern Lakes area in Otago is the most popular region for camping in the South Island attracting a substantial proportion of all campers who live in the South Island.

Camping is predominately a summer activity in New Zealand, for obvious reasons. Camping in good weather is easier, more comfortable and more enjoyable for all involved (Mobius, 2006). It is also the time of the year when children are on holiday and parents are more likely to get extended time off work, thanks to statutory holidays and many businesses closing down for the Christmas / New Year period. New Zealand also has a relatively short summer.

The combined effect of these factors is that a significant number of camping areas in preferred holiday regions are at or close to capacity for up to 14 days during the period between Boxing Day and early January.

A change to this pattern is unlikely. Consequently, this period of peak demand is likely to continue and will have to be managed.

A detailed discussion of this topic is contained appendix 2.

## 3.3 The nature of the problem

### 3.3.1 Summary

The most significant issue is that current demand exceeds supply in a number of specific locations over the peak summer holiday period. This is due to the closure of commercial holiday parks and camping grounds over the past few years, and has driven the public perception that the supply of camping areas has decreased dramatically in recent times.

The second most significant issue is the potential for future camping area closures and in a greater number of regions throughout New Zealand. The factors underlying recent changes are expected to continue into the foreseeable future.

### 3.3.2 Fewer camping areas

Just over 1000 camping areas are currently managed nationwide (excluding areas where people freedom camp). Almost half are commercial holiday parks – a mixture of privately-managed parks on freehold land; privately-managed parks on public land and local authority owned and managed parks. The remaining camping areas provide only rudimentary facilities to support basic camping experiences. Most are managed by DOC, but Auckland Regional Council and a number of district councils (Waitaki District Council and Gisborne District Council are notable examples), manage a significant number in specific localities.

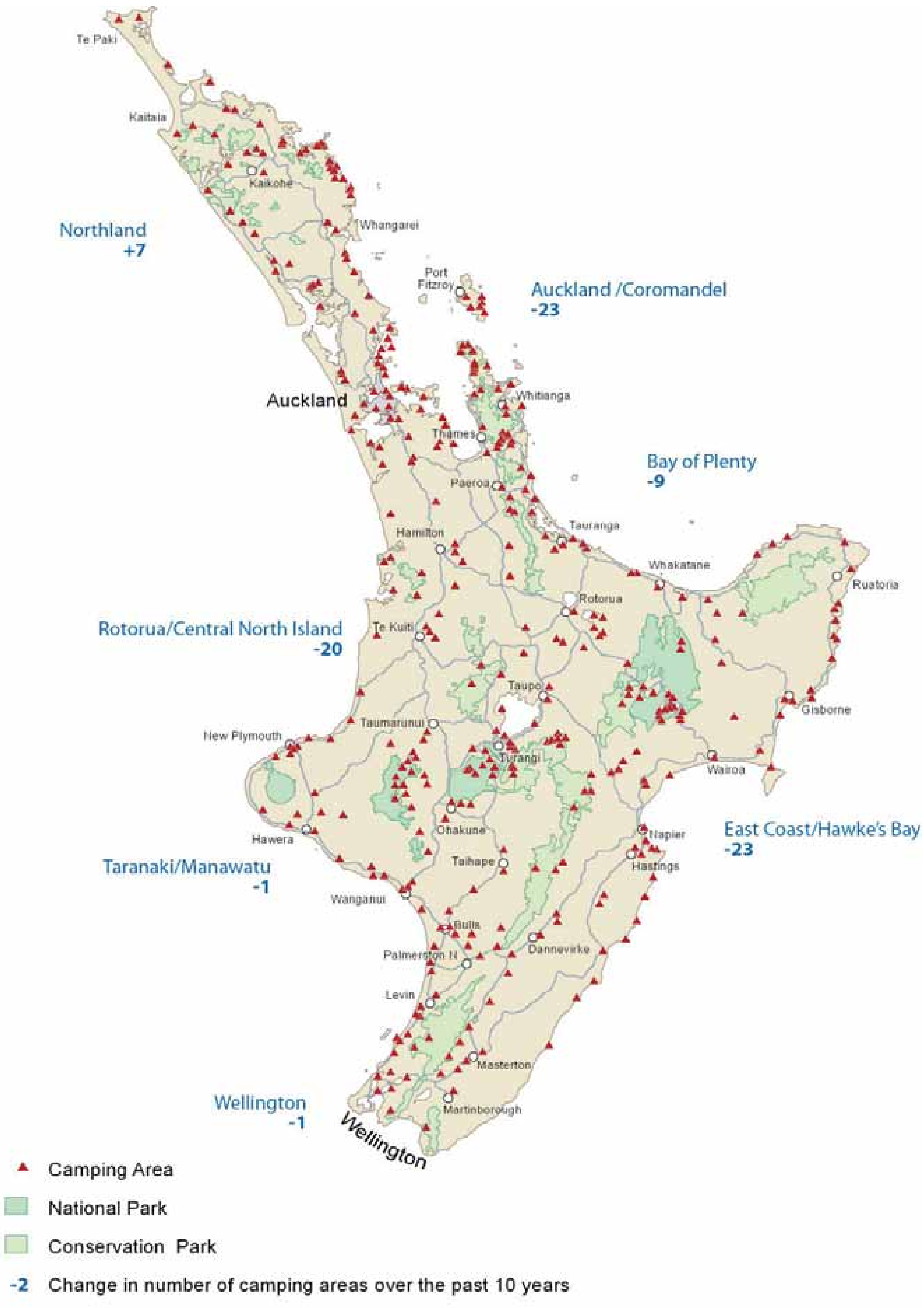
The distribution of these camping areas is shown on figures 1 and 2 on the following pages.

Over the past 10 years, there has been a 6% net reduction in the number of camping opportunities available – today there are around 70 fewer camping areas than in 1996. Most of this change has occurred since 2001, with the period 1996-2001, showing little, if any, change. The reduction in the number of places to camp is clearly a recent event and against the previous trend of stability within the sector.

Most of the reduction is in commercial campgrounds on privately-owned freehold land. There has been very little change in the number of camping opportunities on public land over the past decade.

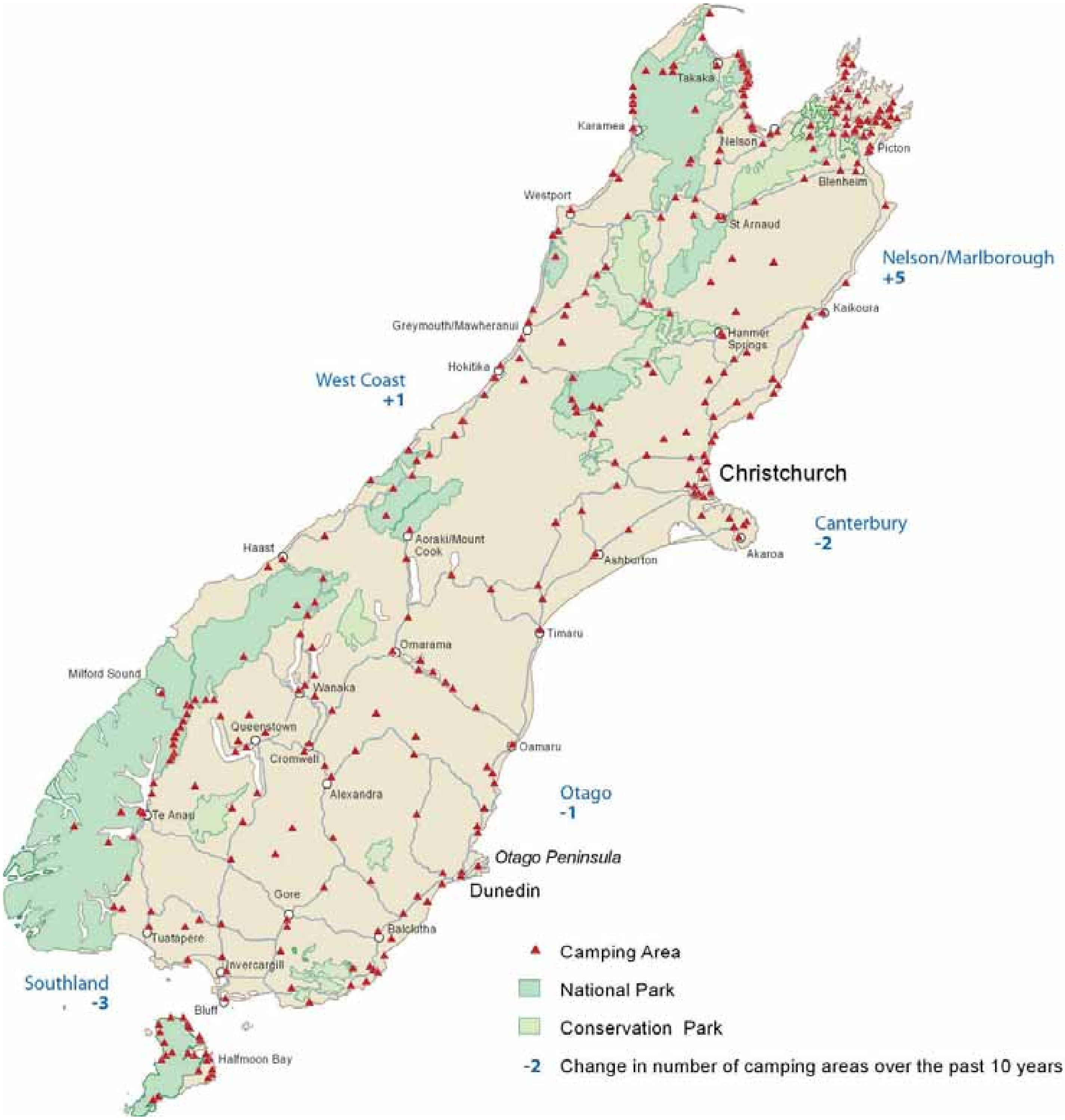

Left: Amber Park Tourist Flats
Centre: Martinborough Village Camping Park
Right: Fox Glacier Holiday Park

FIGURE 1 :NORTH ISLAND – CAMPING AREA DISTRIBUTION




SOURCE: COLLATION OF MATERIAL FROM THE NZ CAMPING GUIDE, HAPNZ AND DOC

FIGURE 2: SOUTH ISLAND – CAMPING AREA DISTRIBUTION




SOURCE: COLLATION OF MATERIAL FROM THE NZ CAMPING GUIDE, HAPNZ AND DOC

The national net reduction is played out differently in different regions – the number of camping areas has increased in some regions, decreased in others and has remained approximately the same in most. Those regions with a noticeable net reduction in the number of camping areas are:

- Auckland / Coromandel
- East Coast / Hawkes Bay
- Rotorua / Central North Island
- Waikato / Bay of Plenty

The most significant reduction has occurred in the Auckland / Coromandel region where more than 20 camping areas have closed over the past 10 years resulting in one third of the total commercial camping capacity of the Coromandel Peninsula being lost (Tourism Research Council Commercial Accommodation Monitor).

### 3.3.3 The Influence of land values

Recent and substantial increases in land values, particularly in prime scenic and / or holiday locations are likely to have accelerated the demise of many camping areas on freehold land and inhibited the development of new ones. The properties' high commercial value results from their physical location on the water's edge in popular holiday locations, and because they are relatively easy and profitable to redevelop – many are large flat properties with good road access and services, and relatively free of infrastructure. Owners may be able to make more money by selling the property and investing the return elsewhere, than by continuing to operate the site as a camping area.

Similar pressure is anticipated to continue into the foreseeable future, with more localities likely to be affected over time. The rate of this change will be determined by the factors that drive the New Zealand property market. This is a normal reality in the business world and underlies the changes seen in recent years.

Commercial pressures do not have the same influence on operators of camping areas on publicly-owned land because they only own the right to operate a camping area and not the right to sell the property. Further, because they do not have to buy the land in the first instance, they are able minimise the upfront capital costs of their business, which influences the level of return required for the business to be a viable and worthwhile investment. As a result, camping areas on public land are more likely to persist into the future than those on private freehold land.

### 3.3.4 Commercial viability

The increase in land value is not the sole driver of these changes. Discussions with individual campground managers and the Holiday Accommodation Parks of New Zealand ((HAPNZ), the national industry advocate for camping area managers) confirm that the business viability and performance of individual camping areas varies widely, as with most businesses. Many perform extremely well, but some only generate enough income to cover day-to-day basic maintenance and running costs but not the renewal and replacement of infrastructure. In these cases, increases in land values may provide a way to exit the business with a return before key infrastructure has deteriorated to the point where the property can no longer operate as a camping area.

The cost of new or replacement infrastructure may also have led to the sale and closure of some camping areas, especially those in locations not serviced by local authority infrastructure. These have to provide their own water supply to the required standard, treat and dispose of all wastewater generated from the property and collect and dispose of all rubbish and recyclable material. They are not able to enjoy the benefits of economies of scale that businesses based in urban or peri-urban locations can access via the local authority. In addition, the physical location of many of these camping areas next to water and in scenic areas with high natural values, makes infrastructure maintenance or renewal more difficult and costly due to a reliance on technical solutions. The high values generally associated with these locations may also create complications in obtaining the necessary resource consent approvals to operate in such an environment.

Another issue raised during this review is the formula used by local authorities to calculate rates charges, largely based upon the unimproved value of the land occupied. Camping areas generally occupy large areas in highly desirable locations which means their land value has increased at a disproportionately high rate when compared to the average. Over the past 10 years, owners of camping areas have reported significant increases in rates charges.

A detailed discussion of changes in the supply of camping opportunities is contained in appendix 3 of this report.

## 3.4 Why should the Government be involved?

Ensuring the long-term survival of camping opportunities in New Zealand falls largely to the organisations and individuals involved in the camping industry, but there is also a role for central and local government to help make sure prime locations remain part of the mix.

Public support for government involvement was tested as part of the market research conducted during the course of this review. Three questions were asked, and the responses are shown in Table 1. Almost two thirds of all respondents "disagree" or "strongly disagree" that there is no need to replace camping areas that had closed. A similar number (61%) support local or central government playing a role in ensuring the current supply of camping areas in New Zealand remain open. Only 16% of the population "disagree" or "strongly disagree" with this position.

TABLE 1: LEVEL OF SUPPORT FOR GOVERNMENT INVOLVEMENT IN THE MAINTENANCE OF CAMPING OPPORTUNITIES IN NEW ZEALAND

| LEVEL OF AGREEMENT OR DISAGREEMENT | THERE IS NO NEED FOR CAMPGROUNDS THAT ARE CLOSING DOWN TO BE REPLACED | THAT LOCAL OR CENTRAL GOVERNMENT SHOULD ENSURE THAT THE SAME NUMBER OF CAMPGROUNDS ARE AVAILABLE | THAT LOCAL OR CENTRAL GOVERNMENT SHOULD PLAY A ROLE IN ENSURING THAT THESE CAMPGROUNDS REMAIN OPEN |
|---|---|---|---|
| 1 - Strongly disagree | 45.4 | 3.0 | 5.3 |
| 2 | 17.4 | 8.1 | 10.7 |
| 3 | 21.3 | 20.3 | 22.6 |
| 4 | 6.9 | 22.6 | 21.6 |
| 5 - Strongly agree | 9.1 | 46.1 | 39.8 |

(Mobius, 2006)

The reasons given are surprisingly consistent – campers and non-campers alike hold the view that camping is a right for all New Zealanders, and is a key part of the New Zealand way of life. This was expressed in the focus groups as a desire for:

- Maintained access to camping and continued availability of camping areas – both now and for future generations.
- Camping to be affordable for all New Zealanders. If camping areas become fewer in number, demand for access to these places will increase, along with the cost and camping may become a pastime only for available to those who can afford it.
- Availability and affordability being protected through subsidies (if and as necessary). This included at a cost to the wider public, including the non-camping public, via rates, taxes or the loss of other services. Camping is perceived as a mixed private / public good which should receive significant public sector support.

(Mobius, 2006)

There is also strong support for protecting prime camping areas currently in private ownership – that may not be available for camping in the future. This includes protection at a financial cost to the wider public. The main reason given is that it ensures ongoing access to prime land (and especially coastal land) for the wider public, and in particular for people who are economically disadvantaged.

## 4.0 OPTIONS TO ADDRESS THE ISSUES

There is no single solution to address the current and future demand for camping areas, deal with the reduction in the number of camping areas, and/or manage demand at the peak time of year. The most effective way to retain the current range and distribution of camping opportunities is to consider a suite of potential solutions covering a range of options. This approach minimises the risk of any one adopted solution being unsuccessful and increases the likelihood that the identified issues will be addressed. It is also likely to achieve greater buy-in across the sector.

The best outcome is therefore based on encouraging and sustaining diversity – of operators, types of camping areas and geographic locations. Diversity will lead to a more resilient and robust sector as no one issue will be able to undermine the entire camping sector, better ensuring its long term viability. This diversity will also better meet the needs of campers, as all campers are not alike.

A range of solutions are suggested in this section as a basis for further discussion by the camping industry, communities and local government.

It is important to note, before any potential solutions are discussed, that all camping facilities need be managed properly to ensure that the quality of the experience for the camper does not suffer. Poorly managed camping areas do not meet the needs and expectations of campers and have the potential to detrimentally affect New Zealand's reputation in key international tourist markets. All of these following options should only be pursued where it is clear that a quality camping experience can be sustained.

### 4.1 Do nothing different

This option provides a useful beginning point to examine what could happen if nothing substantially different is done.

Continued increases in land values, and people seeking affordable locations to buy holiday homes, will most likely continue to drive the closure and re-development of camping areas on private freehold land. The effect of this trend is likely to be felt in an increasing number of regions in both the North and South islands.

However, despite continued increases in land values, private operators are likely to continue to establish new camping areas in response to demand pressures, but these are likely to be in less desirable locations from the campers' perspective, away from waterfront and scenic locations.

DOC has already signaled its intention (through the Recreation Opportunities Review process concluded in 2004) to continue to manage a similar number of camping areas, and local government has given no indication it intends to substantially change what is currently provided. Likewise, Auckland Regional Council has recently reviewed their role in the provision of camping areas and remains committed to the management of their existing areas.

Recent experience on the Coromandel Peninsula illustrates the logical end state of these trends. Over the past 10 years, there has been a 30% reduction in the total camping capacity of this locality. A noticeable reduction of camping capacity in other popular holiday locations can therefore reasonably be anticipated over time if current conditions prevail.

Such a significant reduction in opportunity is not considered to be in the interest of New Zealand campers, and not meet their aspirations as expressed through responses provided to the market research.

### 4.2 Better use of existing public land

Capacity issues are largely confined to the peak summer holiday period, particularly between Boxing Day and the end of the first week in January. At other times of the year there is, almost always, sufficient capacity in most locations to accommodate those who want to go camping.

Because the need covers such a short period it makes no sense for anyone, public or private, to develop permanent infrastructure, at significant cost, to meet it. An obvious option is to encourage better use of existing public land and infrastructure. The following are some examples of how and where this could be achieved.

These options do not require changes to existing legislation or government policy and are currently available, but have not been widely put into practice. This suggests that awareness is low. This review notes the worth of promoting these opportunities among the camping sector and wider public as they may provide viable options in specific locations where camping opportunities have decreased in recent years.

It is anticipated that the key to using public land successfully will be to encourage effective partnerships between those who manage the land and those with the necessary skills and experience to run successful camping areas. Initial discussions with HAPNZ suggest that existing commercial operators would be very interested in such partnering arrangements. The intent is to create win-win situation that complements rather than undermines the viability of existing operations, and shares the revenue generated with the manager of the public land. To help ensure this outcome, detailed discussions should preferably be initiated by existing campground managers.

The priority for developing any of the following options should be areas where current demand pressure is significant and unable to be met by existing facilities or where significant growth potential has been identified.

### 4.2.1 Expand existing camping areas onto adjacent land over the peak season

The Arrowtown Motor Camp, on recreation reserve administered by the Queenstown Lakes District Council, provides a useful example of what can be achieved.

One half of the reserve is used as a sports ground by the local rugby club. Over the summer period, when the demand for camping is high and the need for rugby sports grounds is low, the camp will be allowed to operate over the entire site, using the sports ground's ablution facilities. The campground manager becomes responsible for maintaining the entire reserve and its associated facilities over this period to ensure that no additional costs accrue to the council. The result is better use of the reserve and its associated infrastructure in a manner that remains entirely consistent with the recreation purpose for which the reserve is held.

This opportunity could equally apply to adjacent private land where a camping area is able to secure an agreement with the adjacent landowner to access some land for a set period. The camping area becomes responsible for the management of camping on that land, including providing the infrastructure necessary to support this. A revenue sharing arrangement could be entered into with the landowner resulting in a win-win situation for all involved and benefiting the New Zealand camper.

Such arrangements help make sure the campground operation can maximise its potential revenue over this period and remain economically viable. In the first instance the camping area manager should be the one who identifies the need and approaches the adjacent land owner. If proven successful it is possible that such arrangements could become permanent with camping areas able to occupy adjacent land each year over the peak camping period.

### 4.2.2 Camping on sports fields over the peak season

Many sports fields are not well used over the summer period. Those located in rural areas or adjacent to small communities may provide suitable locations for camping over the peak holiday period. These sites are suitable as they have good road access, a flat area to camp on and often have associated ablution facilities. They could easily be operated by existing local camping area operators in conjunction with their existing operation, local authorities or the local community itself.

If used to accommodate camping for specific periods, consideration needs to be given to:

- Any existing use that may be compromised if camping is allowed over the peak summer holiday period.
- Whether or not this location is a suitable and desirable place to camp from the perspective of the camper.
- Whether or not camping can be properly managed at that location and any negative effects minimised.

### 4.2.3 Camping on open space reserves over the peak season

Areas of reserve land around the country currently managed as day use / picnic areas or for open space recreation could also be managed to meet the needs of campers over the peak holiday period. This is particularly the case where key infrastructure (toilets and a water supply) is already present, or where temporary facilities can be practically provided.

As an example, Gisborne District Council (GDC) operates a very effective system on the foreshore reserves it manages. Over the summer period, GDC supplements the existing on-site facilities by installing and maintaining very basic temporary infrastructure which enables campers to use and enjoy these reserves. Campers buy a pass before going camping, and the revenue offsets the costs of providing and servicing the additional infrastructure. At the end of the summer holiday period all temporary facilities are removed. This is a cost-effective way of increasing peak camping capacity within a local area.

If used to accommodate camping for specific periods, consideration needs to be given to:

- Any existing use that may be compromised if camping is allowed over the peak summer holiday period.
- Whether or not this location is a suitable and desirable place to camp from the perspective of the camper.
- Whether or not camping can be properly managed at that location and any negative effects minimised.

### 4.2.4 Rural schools in suitable locations

Using rural schools in suitable locations offers opportunities to supplement existing camping capacity where there is demonstrated demand but no justification to develop new land and the facilities to support camping.

Some rural schools have the potential to be used as camping areas in locations where existing facilities are booked out and at capacity. These schools are not being used at this time of the year and already have the necessary infrastructure to facilitate camping – a flat area to camp on, a water supply and toilet facilities.

This idea is not a new one; camping has occurred at a small number of coastal rural schools in Northland for many years.

Current Ministry of Education policy (The use of Schools for Overnight Accommodation, 2005) empowers each school Board of Trustees to determine whether or not camping is considered appropriate and, if so, whether or not it is worthwhile pursuing. As the Board is made up of local people, they are in the best position to assess the potential popularity of the school as a camping area and ensure that this use does not conflict with the effective functioning of the school. Once a decision has been made to allow camping, the Board becomes responsible for the management of this activity but is able to retain all revenue earned. This provides additional revenue for the school, as well as benefiting New Zealanders by allowing them to camp on the school grounds.

This option is likely to be most successful if pursued in partnership with an experienced camping area manager.

## 4.3 Create new camping areas

On their own, the solutions in 4.2 are unlikely to sufficiently compensate for the number of closed camping areas. New camping areas are also needed as part of the mix to meet the current level of demand for such opportunities and offset the impact of recent closures.

It is important that any additional opportunities are located to meet the needs of campers who have been displaced by recent closures and that they also provide the correct level of facilities and services expected by these campers. This means additional camping areas should be in regions where New Zealanders want to go camping and where there has already been a noticeable decrease in camping opportunity and capacity. It also means that they should be focussed at the higher facility end of the camping spectrum (camping ground or holiday park). The following regions are considered priorities for additional investment by the private and public sector in the immediate future: Coromandel, Auckland, Bay of Plenty, Central North Island and East Coast\Hawkes Bay.

### 4.3.1 Developing private land

Despite the issues previously discussed in this report it is a given that privately owned camping areas will continue to be developed on private land. In 2005, 11 new private camping areas were developed and this is expected to continue in response to market forces and clear demand.

There is a risk in relying solely on such investment because private investors primarily seek to maximise the return on their investment, with the needs and expectations of the camper of secondary importance to the profitability of the business. A possible outcome is that new camping areas developed to fill gaps caused by the closure of others will not be located on prime coastal space as this would be cost-prohibitive to develop. Therefore, over time, the quality of the camping experience may diminish.

There is also often a time lag between a camping area closing and the development of a new one to fill the gap. This can be more than one or two years. In the meantime, the camper is displaced or forced to give up camping altogether.

### 4.3.2 Developing Māori-owned land

Some of the priority locations which have suffered the greatest reduction in camping opportunities over recent years (Coromandel, Central North Island and the East Coast) have numerous properties in communal Māori ownership. Many of these are in attractive natural settings next to water and may be well-suited for camping.

Developing camping opportunities on Māori-owned land may enable a sustainable revenue stream to be derived without the negative consequences that result from many other forms of development. However, despite its significant potential, this business opportunity is commonly overlooked as it has a low profile in comparison with others.

An opportunity exists to collate the necessary information and provide it to Te Puni Kokiri to disseminate through its Business Facilitation Service, a free business development service for Māori interested in starting up a business or wanting to improve an existing business. The service is for commercial opportunities only and targets small to medium-sized businesses. The service provides mentoring, facilitation, guidance, information and advice.

### 4.3.3 Developing public conservation land

While DOC manages around one third of New Zealand's total land area, very few have similar characteristics to the camping areas which have closed in recent years.*

Notwithstanding this, as part of this review, DOC undertook a nationwide survey to identify all locations on public conservation land that would, if developed, make great camping areas. The criteria used assessed the site's overall camping potential, including how close it is to water, other activities available or potentially available nearby, and the known impediments to its development as a camping area. Consideration was also given to its distance from the nearest community, existing infrastructure connections, and any existing use of the site.

This survey identified 30 potential new sites within the priority regions of Auckland, Coromandel, Bay of Plenty, Central North Island and East Coast/Hawkes Bay. These sites have not been formally analysed to confirm that camping areas can be practically and legally established, but their identification suggests that real opportunities for new camping areas do exist on public conservation land.

Potential camping areas have also been identified in non-priority regions, but the Department believes there is insufficient justification to develop them at this point in time. Should factors change in the future these sites may be also considered for development as camping areas.

* Details about the camping areas the Department already manages, and their future, is presented in Appendix 4

TABLE 2: NUMBER OF POTENTIAL NEW SITES FOR CAMPING AREAS ON PUBLIC CONSERVATION LAND BY PRIORITY REGION

| REGION | POTENTIAL CAMPING AREAS |
|---|---|
| Coromandel | 10 |
| Auckland | 8 |
| Bay of Plenty | 7 |
| Central North Island | 3 |
| East Coast\Hawkes Bay | 2 |

Note: Specific locations have not been included in this report as the information was derived from an initial assessment and no specific analysis has been done to ensure camping areas can practically and legally be established at the identified locations.

Further analysis is required before any decision can be made on the development of all or any of the 30 potential sites to help make sure the location and type of camping area proposed best meets the needs of campers affected by the most by recent camping area closures.

For example, although market research highlights a preference amongst New Zealand campers for relatively basic facilities, these are not the type of camping area that has recently been sold and closed. Those closed have been larger commercial camping grounds with a higher standard of facilities and services, often located close to water and commonly near an urban area. Of the 30 sites identified on public conservation land in the five priority regions, at least 13 are unlikely to fill this gap as they are only suitable for small-scale development and are unlikely to be commercial propositions (see table 3 below).

TABLE 3: TYPE OF CAMPING AREA

| REGION | SITES SUITABLE FOR SMALL BASIC CAMPING AREAS ONLY (<30 SITES) | SITES POTENTIALLY SUITABLE FOR LARGER CAMPING AREAS (30 - 200+ SITES) |
|---|---|---|
| Coromandel | 7 | 3 |
| Auckland | 7 | 1 |
| Bay of Plenty | 0 | 7 |
| Central North Island | 1 | 2 |
| East Coast\Hawkes Bay | 2 | 0 |
| Total | 17 | 13 |

If a decision is made to develop any of the 30 potential sites as camping areas, two scenarios exist, as follows.

- The Department could undertake the development. This scenario is likely if the type of camping area is at the basic end of the camping spectrum and there is unlikely to be interest from private operators due to the low economic return (17 of the 30 sites identified).
- It is more likely that new opportunities will be targeted at the 13 sites that have potential as larger camping areas, as this is where the greater need lies. In the first instance, these will be tendered and a lease issued to develop, maintain and manage the camping area. Following this process, if no suitable potential operators express an interest, the Department could consider developing the site itself subject to funding being available.

The second scenario has a number of advantages. First, it tests the market to establish whether there is private sector interest to develop and operate the camping area before committing the public funds. Second, it gives existing operators the opportunity to undertake the development. This is important as any new camping areas will be seen to compete with existing ones in the local area irrespective of the number that have closed in that locality in recent years.

### 4.3.4 Developing other public land

Most public land close to urban areas is managed by city and district councils for the benefit of their local communities. Local authorities could carry out an exercise similar to DOC's and discussed in 4.3.3. Auckland Regional Council has already expressed an interest in working with DOC to do this.

If such an analysis is completed nationwide, it will enable a complete assessment to be made of the camping potential of public land throughout New Zealand and help make sure that the optimal sites are selected for development.

## 4.4 Government purchase of iconic camping areas

In some circumstances, the opportunity may exist to use public funds to buy iconic camping areas whose future is threatened, to secure them in public ownership. Such investments would be strategic and in the public interest to allow future generations to continue to camp in these iconic locations.

This option is suggested as part of the mix because it is unreasonable to put planning controls on such properties to try to make sure private owners continue to manage them as camping areas.

At present, no fund exists that can be relied upon for such purchases. A Ministerial fund specifically focussed on securing iconic camping areas could be established if it was agreed that the Government's purchase of iconic properties is a desirable approach.

If the fund proceeds, its criteria will have to be carefully established to ensure only iconic camping areas are considered, and to avoid the potential for it to result in property speculation. The criteria should enable any party to submit a property for consideration. It is anticipated that this fund, if established, will be used as a backstop measure and only considered once all other opportunities have been exhausted. It is therefore expected that the funding pool would not need to be large to achieve its objectives.

Any property bought with the fund would most likely be classified as a recreation reserve under the Reserves Act 1977, and tenders called for the opportunity to manage the camping area via a lease. It is unlikely that DOC would manage the camping area on a day-to-day basis because there are sufficient experienced operators who are interested in such opportunities.

## 4.5 Review the Camping Grounds Regulations 1985

The Camping-Grounds Regulations 1985 specify the minimum standard of facilities and services to be provided at a camping area and all camping areas are required to comply. The regulations are considered to be very important by commercial camping area managers. The industry perceives significant risks if the regulations are revoked and not replaced.

However, despite their importance, the regulations do not create a level playing field for people managing camping areas. This option therefore suggests that they be reviewed to create parity.

The issue arises under the section 14 (3) of the regulations which says: "A local authority may grant the operator of a remote camp site a certificate of exemption from such requirements of these regulations as it specifies in that certificate". The intent of this provision is a sensible one and reflects the fact that because not all camping areas provide the same camping experience, there is no need for a 'one size fits all' approach. It provides a mechanism to exempt certain requirements where these are clearly impractical to implement, or where they are inconsistent with the needs and expectations of campers at that location.

However, this provision can only be applied to "remote camp sites". Within the regulations, this is defined as a camping ground in a national park, state forest, state forest park, or public reserve, or on Crown land (Camping-Grounds Regulations, 1985). Any camping area not located on a public reserve or other Crown land is unable to be managed to meet the needs of campers wanting only basic facilities.

It does not seem reasonable that a Crown agency or local authority is able to legally operate a remote camping area with minimal facilities, while someone managing the adjacent property and wishing to do the same is unable to do so. This is despite the fact that both sites contain the same facilities and present similar potential risks to any campers.

Consequently, DOC supports a review of these regulations to ensure that any individual or organisation is able to manage any remote camping area. It is anticipated that such a change will support and encourage the development of camping areas at the basic end of the camping spectrum by a variety of people and organisations, including farmers, marae committees and forestry companies. The intention in seeking a review is not to lessen the standard, but to ensure that the minimum standards are appropriate and can be applied to all remote camping areas, irrespective of who manages them.

The Ministry of Health has no plans to review these regulations in the foreseeable future. In addition, a review of these regulations is not supported by the industry as they are seen as valuable tool to maintain the standard of services and facilities at camping areas nationally. Some current operators believe that because existing operators have had to meet these requirements, at significant cost, they should continue to represent the minimum level of entry for any new operator.

The Department does not believe that these existing inequities should be perpetuated. If the objective is to ensure that the camping sector is sustained into the future so that New Zealanders are able to continue to go camping, then we must ensure that there are no unnecessary barriers that may be preventing investment in this industry.

If agreed to, any review should be led by the Ministry of Health and involve camping area managers (HAPNZ), local government, and the Department of Conservation to ensure any changes meet the needs of the variety of camping areas currently provided.

## 4.6 Review the Reserves Act 1977 – section 44 (2)

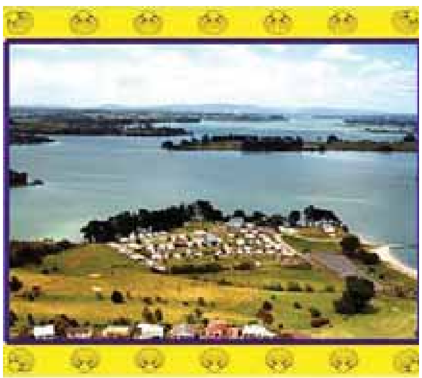
Section 44(2) of the Reserves Act 1977 intends to prevent the semi-permanent occupation of public land over the high summer season. The aim is to avoid anyone restricting other people's right to access, use and appreciate public land. It does this by preventing the occupation of any part of a reserve by a vehicle, caravan, tent or other removable structure for a period exceeding four weeks over summer.

However, despite section 44(2), private camping structures have been allowed to develop and stay on reserves and this is of concern to DOC and some local councils.

Commercial campground managers who lease public land have advocated for some time for the review of this provision as it prevents structures such as caravans and tents from being able to stay on-site in their facility throughout the year. If strictly enforced, this provision removes a significant revenue opportunity. For some camping areas, revenue from this source is essential to sustain the business over the winter months and therefore necessary for the business' ongoing viability.

Before any decision is reached to strictly enforce this provision an analysis should be undertaken to understand the potential effect on existing camping areas and their economic viability. Any review of this provision should be led by the Department of Conservation and must involve representatives of camping area managers (HAPNZ) and local government.

Left: Awakeri Hot Springs. Centre: Clarks Beach Holiday Park. Right: Aaron Lodge Top 10 Holiday Park



## 4.7 Grow the market

An obvious strategy to ensure the future success and stability of the sector is to grow the market to achieve its full potential by increasing the number of people who go camping. Focussing on the growth potential provides an incentive for all camping area managers to work together, and may drive additional investment in new and enlarged camping areas.

Market research indicates that nearly 20% of the New Zealand public are not campers but are interested in the activity (Mobius, 2006). This means the potential domestic market is at least 50% bigger than its current size. The challenge is to turn this level of interest into people going camping.

Because it appears that these latent or potential campers have very similar expectations and preferences to people who regularly camp, the sector should be able to meet the former group's needs and expectations without any additional cost or inconvenience.

### 4.7.1 Attracting could-be campers

Latent campers fall into two distinct groups. The first contains people who have been camping in the past and remain interested, but for one reason or another have not recently been camping. This group amounts to 15% of the total population (Mobius, 2006). The second group are those who have never been camping (almost 5% of the population), but are interested.

For the first group, the most common reason given for not continuing to camp is being too busy (Mobius, 2006). This may be partly addressed by the Government's initiative to increase the minimum holiday leave entitlement from three to four weeks from 2007, which should result in an increase in bed nights spent in camping areas. In addition, the recent decision to extend the summer school holiday period by one week into early February may also increase the time available for New Zealand families to go camping. Anecdotal evidence from camp managers suggests that this had a positive effect over the past summer, with many families camping for longer periods to take advantage of the better weather at the end of January.

Another barrier identified by just over 8% of latent campers relates to the cost of the equipment needed to go camping. Compared to many other holiday activities, camping can require a lot of equipment. The up-front cost of this equipment may not be able to be afforded by lower income New Zealand families.

A potential solution to this issue already exists but it is not widely known and was not identified by anyone during the focus group discussions with campers and non-campers. The solution is established businesses that rent all necessary camping equipment. Building awareness of this service among the general public is likely to be a big challenge.

An alternative is for camping area managers to buy equipment or work in partnership with an existing rental business and rent this equipment to campers as part of a package deal that includes the site.

Left; Bowentown Beach Holiday Park.
Right: Kaiteriteri Beach Motor Camp

The second group of latent campers who make up almost 5% of the total population (Mobius, 2006), are people who have never been camping before but are interested. The main reasons given for not camping are largely similar to those discussed above, with one major addition – around 20% note a lack of knowledge or awareness as the main reason for not having camped before. For some people in the focus groups, this lack of awareness has developed into a fear of the unknown which holds them back. This is a significant issue as people are more likely to choose another activity if they do not have ready access to the necessary information.

The most common gap in knowledge is where camping is allowed, followed by uncertainty about the cost and a general uncertainty about where to access relevant information. This lack of basic knowledge and awareness was also a significant finding in a recent study of camping on Auckland's Regional Parks (ARC, 2005). It highlights that current efforts to brand, advertise and promote camping areas is not effective at reaching all parts of the target market and something different needs to be done.

The internet is by far the most frequently mentioned source that campers refer to when looking for information about camping in New Zealand (Mobius, 2006). Awareness of all other sources of information is much lower.

However, internet-based information about camping in New Zealand is split over a multitude of websites managed by a range of different agencies and businesses, which means there is no easy way for the latent camper to find out about where camping is available. One relatively simple option to improve this is to create an internet portal (one single website) referencing all available information. From the campers' perspective this would provide a one-stop-shop and significantly improve their ability to access relevant information.

This option is likely to succeed as it builds on existing behaviours of searching the internet, and simply improves the service provided. It would need the support of all parts of the New Zealand camping sector.

The Department must also, as a priority, improve the camping information provided on its website to make sure all camping areas it manages are described.

### 4.7.2 Encouraging people to choose camping

During focus groups, a number of the participants said they were not encouraged to think about camping holidays in the same way they were for other types of holidays and destinations. For example, New Zealanders are being sold the concept of an overseas holiday, but not the traditional Kiwi summer camping holiday. Focus groups participants thought it important that some attempt be made to convince New Zealanders to go camping within our shores.

Sector-wide agreement and involvement will help achieve this. However, the sheer number of operators means the camping sector is currently fragmented. Marketing groups, such as the "Top 10 Holiday Parks", have done a great deal with their available resources, but lack the scale and resources necessary to effectively influence the holiday behaviour of New Zealanders on their own.

A co-ordinated sector-wide marketing approach needs to be developed in conjunction with industry players. The focus of this strategy should be simple; to get New Zealanders to think about going camping and, as a result, get more people camping.

The focus groups suggested modelling a campaign on the successful "Push Play the Kiwi Way", and including a series of advertisements highlighting the differences between everyday life and that experienced when camping.

SPARC may be a useful organisation to advise and assist in co-ordinating, developing and implementing a strategy, given its experience with the Push Play programme. SPARC may also be able to leverage off existing Push Play messages and campaigns. SPARC's involvement would fit with its mandate to get more Kiwis participating in outdoor recreation activities with the consequent benefits of happier and healthier New Zealanders.

### 4.7.3 Build camping into the school curriculum

Focus groups suggested that more families would go camping if parents were sure their children were interested in the activity. A simple way to develop this interest is to ensure schools include camping activities as part of their Learning Outside of the Classroom activities.

The health and physical education curriculum is currently under review by the Ministry of Education and this provides an opportunity for the issue to be discussed and for camping to be included in the revised curriculum guidance. The Department of Conservation will advocate for camping activities to be included as part of these programmes.

### 4.7.4 Supporting first time campers

Focus groups with non-campers highlighted the high levels of uncertainty for people who are interested in camping but have never done it. They therefore lack basic information and skills, such as how to set up a tent. To harness these people's interest in camping and turn it into action, opportunities need to be provided where they can learn about camping in a non-threatening and supportive setting.

One suggestion is "learn to camp" weekends. These could be held at selected camping areas nationally, outside of the peak camping periods, and could be run in a manner similar to a trade fair, with the latest gear provided by camping equipment suppliers and manufacturers, and opportunities provided for people to learn how to assemble the equipment correctly. Other camping-related information would be provided, and novice campers could be given the opportunity to spend a night with their family on-site in a tent that they have assembled.

## 4.8 Review fees charged at DOC-managed campsites

Numerous comments over the course of this review highlight that fees charged at DOC camping areas are an impediment to families being able to use these areas. While this was not raised as a significant issue by the market research, the level of feedback is sufficient to warrant further examination.

The Department of Conservation has an existing Recreation Facilities and Services Pricing Policy (2005). One of its key principles is that: "Fees should not be a significant barrier to the public recreating in protected areas or learning about conservation". The comments suggest that current fees at DOC-managed camping areas may not be consistent with the principle outlined above, and this should be reviewed.

Suggestions put forward for consideration include the creation of a camping pass that could cover a year, month or week designed to make it easier and more affordable for families to go camping.

Northland.
Barbara Ware, DOC

# APPENDIX 1: CAMPING AS PART OF KIWI CULTURE

Camping as a form of outdoor recreation has evolved from its original association with hunting and gathering type activities. Back then, the term described an outdoors activity that hinged on accommodation in a tent or similar rudimentary shelter, and self sufficiency. You needed the skills to source your own water and food, and make a fire to cook on, as often there was no one else to rely on for your survival.

Over time the camping concept has evolved and changed in line with changes in New Zealand society. Camping today is quite different to 50 years ago. But despite this it can be described in a similar way – it remains an outdoor activity where self sufficient people are accommodated in a rudimentary shelter. The main difference is that the terms "rudimentary shelter" and "self sufficient" mean quite different things in today's context.

From the modern campers' perspective, a rudimentary shelter can be a much wider variety of accommodation types, most of which would have not been considered to be rudimentary by past standards. While it can still describe a very basic shelter made of locally-sourced material, this is no longer the norm. Today many people accommodate themselves in tents of myriad colours, sizes and designs, while others stay in caravans, motor homes, campervans or house buses. Even small re-locatable buildings or permanent on-site caravans are becoming commonplace in some locations. Importantly, people staying in all of these forms of accommodation still consider themselves to be camping.

The term self-sufficient also means something quite different in today's context. While, at a basic level, it still means to look after yourself, this ranges from the hunter gatherer to simply having easy access to somewhere to buy a takeaway meal. For most campers it is somewhere in between, where campers take food with them and prepare and cook it using the equipment they have bought with them.

Although the equipment, skill levels and experience may have changed quite dramatically over the past 50 years, it is clear from market research (Mobius, 2006) that campers believe the experience of camping remains largely the same and they obtain similar benefits. The activity of camping has evolved to meet the diverse needs and expectations of contemporary New Zealanders.

## The benefits of camping

The market research results show that camping is an important activity that New Zealanders value and want to see protected for current and future generations. This view most likely arises from the benefits, real or perceived, that accrue when people go camping.

Until the market research, it was unclear what benefits New Zealanders derived from camping, or these were different from the benefits offered by other activities. The information presented below results from this work.

From the campers' perspective, the benefits arising from camping can be grouped together as follows:

- Social relationships
- The environment
- The activity - simple, uncomplicated, no stress
- The experience - different to "normal" life

People in focus groups of regular campers consistently identified the same benefits. For them, camping is predominantly about:

- Being able to get outside and back to a simpler, less complicated way of life.
- Being able to spend quality time with family – doing things they don't have the chance to do at other times of the year.
- Socialising with friends and other campers – the camping experience, for most people was very much a social experience. Regular campers spoke about the camaraderie and sense of common purpose they felt with, and among other campers.

- Feeling as if you belong to a community – being able to see the same people every year and getting to know them a bit better each time was viewed extremely positively, particularly for campers who return to the same site.
- Not having it too easy – for many regular campers, camping is about having to work a little bit harder but feeling a stronger degree of satisfaction about their achievements. For example, having to put a tent up to provide their own accommodation, and cook a meal without too many home comforts. One comment is that "the food just tastes so much better when it takes longer to get it all together".
- Time out and down time, particularly from an urban lifestyle. Camping is about slowing down, not worrying about what's happening around you and forgetting about the stress of a normal urban lifestyle.
- Safe and healthy fun for children, and instilling a different set of values – for many regular campers, the activity is about educating children that there's much more to life than play-stations and television.
- Appreciating the environment (plants and animals) – again this was considered to be an extremely important part of camping with children.
- Affordable holidaying – most regular campers agreed that camping is still an affordable holiday option for a family who might otherwise not be able to take a break (Mobius, 2006).

Results from the wider survey of New Zealanders identified very similar benefits which are summarised in the following table.

TABLE 4: IDENTIFIED BENEFITS OF CAMPING – NEW ZEALAND REGULAR CAMPERS AND LATENT CAMPERS 2006.

| MAIN BENEFITS OF CAMPING | % OF RESPONDENTS (MULTI-RESPONSE) |
|---|---|
| Chance to get outside / enjoy the outdoors | 67.3 |
| Spend time with family | 65.8 |
| Relax / unwind | 44.8 |
| Spend time with friends | 28.1 |
| Healthy lifestyle / way of life | 21.7 |
| Enjoy the scenery | 20.2 |
| No stress | 15.3 |
| Simple way of life | 8.4 |
| Creates a sense of community / community among campers | 6.2 |
| It's a challenge | 2.8 |
| Fun | 1.1 |

(Mobius, 2006)

The most commonly identified benefit of camping is that it provides an opportunity to get outside and enjoy the outdoors. More than two thirds of campers and latent campers surveyed identified this benefit (Mobius, 2006). Whilst this is not something unique to camping, it does highlight that campers have a particular affinity for the physical environment that they choose to go camping in.

Equally as significant is that more than two thirds of all surveyed campers also identified that camping enabled them to spend quality time with their family (Mobius, 2006). Many other outdoor activities do not provide a similar opportunity.

Most benefits are interrelated. For example, the sense of community amongst campers is created by a combination of people being able to relax/unwind in a no-stress environment, sharing the limited equipment they have bought with them to enjoy a more simple way of life. It is this unique combination of benefits that ensures camping continues to be valued by New Zealanders.

## Private and public benefits

Camping is widely perceived to deliver both benefits to the individual and to society in general. Virtually all focus group participants identified a mixed private/public good. This included those people who had never been camping and never intended to do so. Examples of the public good benefits identified included:

- Reduced healthcare costs.
- Increased environmental awareness and appreciation.
- Happy, well functioning families.
- Money spent in local communities rather than overseas.

## Frustrations and annoyances

Some negative things about camping were identified by the market research. It is important to understand these in order to address them and enhance the overall value of the camping experience.

Information gleaned about frustrations and annoyances is illustrated in table 5. Just over 25% of campers did not identify any negative aspects for the activity.

TABLE 5: LESS POSITIVE ASPECTS OF CAMPING – NEW ZEALAND REGULAR CAMPERS AND LATENT CAMPERS.

| LESS POSITIVE ASPECTS OF CAMPING | % OF RESPONDENTS (MULTI-RESPONSE) |
|---|---|
| Nothing at all | 25.9 |
| The weather | 23.5 |
| Crowded campgrounds | 20.1 |
| Insects / bugs | 15.8 |
| Not enough campgrounds available | 9.8 |
| Noisy / annoying other campers | 9.7 |
| The cost of camping – e.g. the campground | 4.5 |
| The cost – e.g. of camping equipment | 4.4 |
| The basic ness of it i.e. hard ground, cold showers | 3.4 |
| Cleanliness / hygiene standards / pollution / litter | 2.7 |
| Difficulty in booking a campground | 2.2 |
| Getting there i.e. long drive, packing, getting lost | 0.9 |

(Mobius, 2006)

Some members of the focus groups also identified theft as an issue. This was not detected in the national survey, indicating that it is unlikely to be a significant problem at this point in time. It is, however, a very real issue for those who have been the victims of such acts.

A number of the less positive aspects identified are either very difficult or impossible to resolve. These include the New Zealand climate, insects and the problems associated with other campers.

Others are potentially possible to resolve, including capacity (crowding, not enough campgrounds and difficulty in booking), cost and the standard of facilities and services. These should be addressed by all those in the camping industry.

## Level of public concern

Media reports related to campground closures over the past few years are one indicator of the level of public interest and concern with respect to this issue. Media interest in the closure of camping areas has appeared to have increased over recent years and is consistently at its most intense over the summer holiday period. This is understandable as it is the time of the year when any closures over the course of the past year actually impact on the plans and actions of people who want to holiday in these places.

In an attempt to quantify the actual level of concern amongst the New Zealand public, the following question was asked: “Do you have any concerns about the future of camping in New Zealand?”. More than 60% of respondents noted that they were. Further, when asked to describe what it was that they were concerned about, more than 80% of responses cited the closure, selling off and development of existing campgrounds as the reason for their concern (Mobius, 2006).

Sixty-two per cent of people described themselves as “concerned” or “extremely concerned” about recent camping area closures. Conversely, 13% of respondents were “not concerned” or “not at all concerned” about these closures (Mobius, 2006).

The key reasons for being “concerned” or “extremely concerned” are:

- It reduces the opportunity to camp and makes it more difficult for people and families to camp and relax.
- Because camping is a way of life in New Zealand.
- Because people will miss out on enjoying and experiencing the outdoors (Mobius, 2006).

Pelorus Bridge Campground. Diane Parr, DOC

Waihi Beach Top 10 Holiday Park

## Domestic travel trends generally

Domestic overnight trips fluctuated around 20 million a year between 1999 and 2002, before falling to around 18.4 million by 2004. The recent decline in overnight trips has mainly been caused by a large increase in outbound travel over the same period.

Of the overnight trips, about 40% of these are holidays, the single largest category. A further 30% can be attributed to visiting friends and relatives, and 22% are business-related.

In 2005, the number of overnight trips was forecast to decrease further to 18.1 million (actual information is not yet available for the 2005 calendar year), before gradually recovering to 19.8 million by 2011. This represents a growth of 1.0% a year from current levels and is underpinned by the one-week increase in the statutory minimum annual leave entitlement from 2007.

This information indicates that the domestic travel market will not decrease over the foreseeable future. The challenge for camping area managers remains to convince people to go camping during these holidays.

## Who goes camping?

While it is clear there will be a similar sized domestic travel market in the foreseeable future, it is important to ascertain what the level of demand for camping will be in future, and whether it will be sufficient to sustain a viable sector.

Market research undertaken as part of this review indicates that most (80%) of the New Zealand population have been camping at some point in their life. This high level of exposure to camping may help explain why camping is considered to be part of the Kiwi way of life, and something that defines what it means to be a New Zealander. This was a consistent theme in the focus groups.

Significantly, the same research also highlights that 57% of New Zealanders have an interest in going camping, and 37% of the population considers themselves to be ‘regular campers’ (people who have been camping at some point in the in the last few years and intend to go camping at some point in the foreseeable future). Consequently more that one third of all New Zealanders currently go camping.

In New Zealand, camping was traditionally seen as holiday recreation for the working class family with a large number of children and a low household income (Nolan, 1975). Today, this statement is not an accurate representation. People from all “walks of life”, from urban and rural areas, and with a wide range of household incomes can be seen enjoying this form of recreation. Recent research backs this up. It illustrates that no one part of New Zealand society seems more or less likely to go camping, indicating that the activity appeals to a broad cross section of the New Zealand public (Mobius, 2006).

Interestingly

- Males and females are just as likely to go camping.
- People from all age groups actively engage in camping.
- People living in a family situation (a household with more than three people) are slightly more likely to be campers than those living a smaller household.
- More than half of the regular campers have a household income (before tax) exceeding $50,000.

Thirteen per cent of New Zealanders identified that they have been camping in the last 12 months. This is a significant proportion of the population and is similar to the percentage of the population who have played tennis, or have been tramping, cycling or running/jogging over the past year (SPARC, Participation – NZ Adults).

The effect of all these people camping is that 9% of total domestic guest nights are shown to be accommodated in Caravan Parks (Domestic Travel Survey). In this context, the category Caravan Park includes all camping areas except those managed by DOC and those informal areas used by freedom campers.

Table 6 shows that, over the past five years, caravan parks have maintained a similar share of total domestic guest nights. This trend is at odds with popular opinion and messages contained in a number of media articles associated with recent campground closures which suggest that camping is becoming a less and less relevant activity contemporary New Zealanders and as such the overall demand to go camping is reducing. This does not appear to be the case.

TABLE 6: NIGHTS SPENT IN EACH ACCOMMODATION TYPE AS A PERCENTAGE OF TOTAL NIGHTS SPENT AWAY

| ACCOMMODATION TYPE | YE DEC 00 | YE DEC 01 | YE DEC 02 | YE DEC 03 | YE DEC 04 |
|---|---|---|---|---|---|
| Private Accommodation | 67 | 66 | 66 | 62 | 63 |
| Motel | 11 | 13 | 14 | 13 | 15 |
| Caravan Park | 9 | 9 | 9 | 10 | 9 |
| Hotel | 7 | 7 | 8 | 8 | 8 |
| Backpacker | 2 | 2 | 2 | 3 | 2 |
| Other Commercial | 1 | 2 | 1 | 2 | 2 |

SOURCE: TOURISM RESEARCH COUNCIL, DOMESTIC TRAVEL SURVEY

Further, 80% of regular campers indicated that they were likely to camp about the same amount or more often in the future confirming that overall demand for camping amongst New Zealanders remains strong.

## When do New Zealanders go camping?

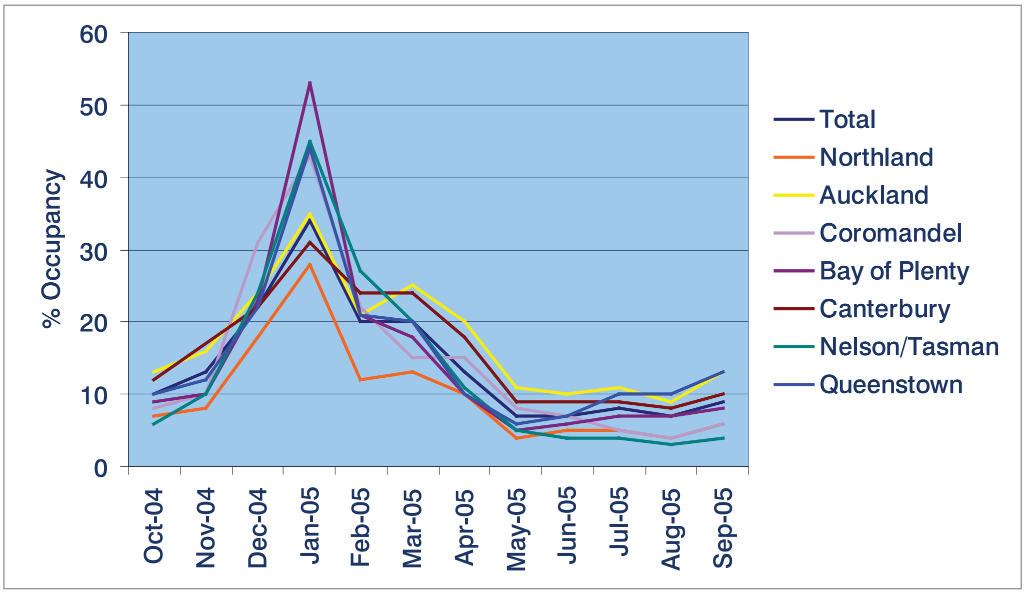
It should not be a surprise to anyone that, in New Zealand, camping is predominately a summer activity. The reasons for this pattern are easy to discern. It is summer and camping in good weather is easier, more comfortable and more enjoyable for all involved (Mobius, 2006). It is also a time of the year when children are away from school (school holidays) and parents are more likely to be able to get extended time off work. This is because of the number of statutory holidays and the fact that many businesses do not operate over this same period. This combination of factors leads to the summer period being the most desirable time for New Zealanders, and in particular New Zealand families, to go camping.

The market research information confirms this pattern. It indicates that the majority of campers are most likely to go camping in the summer school holidays (between Christmas and the end of January each year). Approximately half of all regular campers surveyed recorded this response. A further 38% of regular campers cited the Christmas / New Year period as the time that they were most likely to be camping (Mobius, 2006).

It is obvious that those camping over the summer school holidays are camping at the same time as those over the Christmas / New Year period (90% of all regular campers prefer camping at this time). The effect of this is a very pronounced “peak” of camping activity over this two week period. This pattern also describes the New Zealand summer holiday generally.

The extent of this “peak” is illustrated on the following graph (figure 3). This shows the average occupancy of commercial camping areas in New Zealand by month.

FIGURE 3: CAMP OCCUPANCY BY MONTH -2004 / 2005




SOURCE: TOURISM RESEARCH COUNCIL, COMMERCIAL ACCOMMODATION MONITOR

The graph clearly highlights that camping is predominantly a summer activity. In comparison the period from May until October shows only a low level of camping activity. Due to the factors described above it is unreasonable to assume that it is possible to change the holiday patterns of the majority of New Zealanders to attenuate the severity of the peak. It is unlikely that any attempt to achieve this would be successful and it is unlikely to be and approach that would be supported by the majority New Zealanders. The reality is that New Zealand has a relatively short summer and people will take advantage of the additional opportunity afforded by statutory holidays to get out and enjoy themselves with their family and friends. Consequently, this period of peak demand is something is likely to continue into the future and will have to be managed.

Those people camping during the summer school holiday period are more likely to be those living in a family situation with one or more children. This period, more than any other throughout the year, is the time when families have the opportunity to go on holiday together.

This is also the time of the year that longer camping trips tend to take place. The factors that influence this are the same as those that have already been outlined above (time, and weather). More than half of the regular campers surveyed camp for one to two weeks at a time. A further 14% indicated that they camped for more than two weeks at a time (Mobius, 2006). This information is enlightening. Although it was commonly known that a proportion of New Zealanders spent significant periods of time camping, the large number of campers participating in this “extended camping” is a surprise. These people invest the majority of their annual holidays in camping each year. Few other activities could claim a similar level of commitment amongst such a wide cross section of New Zealand society.

Shorter camping trips (for example, weekend and long weekend breaks) tend to occur throughout the year, but are still more likely to occur over the warmer and more settled summer months (Mobius, 2006).

So campers engage in both short and longer camping trips but how often do New Zealanders go camping? Of those regular campers who have camped in the last 12 months, just over half have camped either once or twice (52%). This means that the remaining 48% have camped three times or more in the last 12 months. Once again this number of repeat activities indicates a high level of commitment and enthusiasm for the activity of camping. Camping is more than simply something to do to fill in your holidays. It appears to be an activity that New Zealanders continue to be passionate about.

## Where do people camp?

It is useful to identify those regions where New Zealanders currently go camping as this can then be compared with the current provision of camping areas to see to ascertain if the current supply is likely to meet the needs and wants of contemporary campers.

Of course responses given to the question will, at least in part, reflect the current supply. This is because as you can only go camping where there are suitable maintained areas to camp. To this extent you would not expect any region with a small supply of camping areas to feature prominently as a region often camped at by New Zealanders.

The table below summarises the regions identified by New Zealand campers from most popular to least popular.

TABLE 7: REGIONS NEW ZEALANDERS CAMP AT – NEW ZEALAND REGULAR CAMPERS 2006.

| AREAS / REGIONS | % OF REGULAR CAMPERS (MULTI-RESPONSE) |
|---|---|
| Auckland/Coromandel | 26.2 |
| Northland | 23.6 |
| Waikato/Bay of Plenty | 15.8 |
| Rotorua/Central Plateau | 14.5 |
| Southern Lakes/Otago | 12.8 |
| East Coast/Hawke's Bay | 11.8 |
| Southland | 8.8 |
| Nelson/Marlborough | 7.7 |
| Wairarapa/Kapiti-Horowhenua / Wellington | 6.4 |
| West Coast South Island | 6.4 |
| Canterbury | 6.1 |
| Taranaki/Manawatu/Wanganui | 3.7 |
| North Island (variety of regions) | 0.3 |
| South Island (variety of regions) | 2.7 |
| Nationwide (variety of regions) | 5.1 |
| Other | 4.4 |

(Mobius, 2006)

Whilst it is commonly assumed that a large proportion of camping occurs in the upper North Island it was surprising that more than 90% of New Zealand campers identified regions in the upper North Island as locations where they go camping. This is likely to be the result of a range of factors including the proportion of the New Zealand population living close to these regions, favorable climate, and suitable locations adjacent to the sea, and a large number of already established camping areas.

The Southern Lakes area in Central Otago is clearly the most popular region for camping in the South Island and no doubt attracts a substantial proportion of all campers who live in the South Island.

## Standard of facilities and services required by New Zealand campers

We have ascertained where, in a general sense, New Zealanders go camping but what type of camping areas do people camp at? Do more New Zealanders prefer basic camping areas with only rudimentary facilities or is there a preference for those camping areas with more highly facilities like those found at many Holiday Parks?

There was no existing information available to answer this question so once again information used to answer this question has been drawn from the market research undertaken in conjunction with this review. This information establishes that a reasonable level of demand exists amongst New Zealand campers for both basic and higher standard camping areas.

Two thirds (67%) of New Zealand regular campers camp most often at camping areas that do not have electricity. 56% of these people camp most often at areas with only very basic facilities such as a long drop toilet and with access to water.

At the other end of the spectrum, 23% of New Zealand campers most often stay at those camping areas with electricity, running water and flush toilets. But less than one-third of these campers (7%) choose to camp at those areas with top of the line holiday park type facilities. This is a very surprising finding. There are a large number of camping areas providing this standard of facilities and services in New Zealand. The majority seem to be in demand so where is this demand coming from. If not New Zealanders is it international visitors staying at these higher standard camping areas?

TABLE 8: TYPE OF CAMPING AREA MOST FREQUENTLY CAMPED AT BY NEW ZEALAND CAMPERS

| TYPE OF CAMPING AREA | % OF REGULAR CAMPERS |
|---|---|
| Basic campground with some facilities such as a long drop and access to water | 37.7 |
| A campground with facilities such as flushing toilets, running water, a cooking area BUT no power | 29.0 |
| Total Unpowered | 66.7 |
| A campground with facilities such as flushing toilets, running water, a cooking area, that DOES have power | 16.2 |
| A holiday park that has all facilities including an entertainment area, cooking facilities, hot showers etc. | 7.1 |
| Total Powered | 23.3 |
| Depends on time of year/needs/wants | 4.7 |
| Other type of campground | 5.4 |
| Total Depends/Other | 10.1 |

(Mobius, 2006)

Discussion in the focus groups continually highlighted the fact that many New Zealanders see camping as a back to basics activity so these results are not entirely surprising. Many people value the opportunity to do something that is different to the way that they live in their day to day lives. Basic camping provides them with such an opportunity.

Those Regular Campers aged less than 35 years were more likely than those in older age groups to camp at a camping area with some basic facilities but no power (44% for those aged less than 35 years compared with 29% for those aged 35 years and over). Significantly this indicates that this is not a dying trend in New Zealand. Rather it is one that is being driven by the younger generations and consequently there is likely to continue to be significant level of demand for basic camping into the future.

Interestingly there was no association between presence of children in the household and campground preference. It was previously assumed by many in the camping industry that campers with young children were more likely to go to camping areas with a higher standard of facilities and services. This does not appear to be the case.

New Zealand campers' choice in the type of camping areas is also influenced by the number of times that they go camping each year. In general those who go camping the most frequently, but for shorter periods, are more likely to camp at sites with basic facilities whereas those who camp only once a year, but for longer periods, are more likely to stay somewhere with a better standard of facilities and services. This is a logical relationship. For those people camping only once a year this tends to be a significant part of their summer holiday. When you stay somewhere for more than a few days it becomes important to have access to better facilities, e.g. showers.

The following table highlights how the choice of type of campground is impacted on by the frequency with which regular camper's camp.

TABLE 9: INFLUENCE OF FREQUENCY OF CAMPING ON CHOICE OF CAMPING AREA

| TYPE OF CAMPING AREA | ONCE A YEAR % | 2-5 TIMES A YEAR % | 6 OR MORE TIMES A YEAR % | TOTAL % |
|---|---|---|---|---|
| Unpowered | 26.0 | 58.2 | 15.8 | 100 |
| Powered | 44.0 | 52.0 | 4.0 | 100 |

(Mobius, 2006)

## Likelihood to return to same camping area

Campers within New Zealand vary between those who enjoy more structured campground experiences (with ‘good’ facilities and amenities) and those for whom this is less important (basic facilities only). From the discussions in the focus groups conducted during market research to support this review indicated a connection between the level of facilities and services sought at a camping area and the likelihood that the camper returns to the same camping area year after year (a site specific loyalist) or continually changes camping areas (a site-switcher).

There is an interesting trend evident within camping in New Zealand. This is that a large number of New Zealand campers tend to return to the same location; indeed for many it is important that it is the exact same site, year after year for their holidays. These locations are often considered to be a ‘second home’, a place where the camper feels as strong a connection as in their real home. This ‘connection’ is often initially driven by the physical attributes of the place (the surrounding landscape, setting and access to good fishing areas, etc) but develops into one that is driven by the social experience of being amongst a group of other likeminded campers. Many New Zealand families grow up alongside each other at camping areas spending their summer holidays camping at the same site next to the same family. What develops is a real sense of community and shared ‘ownership’ of these camping areas. This is why many camping areas have allowed semi-permanent occupation of sites to occur as a way of ensuring that these campers are able to access ‘their’ site at their convenience.

69% of regular campers surveyed have such a strong connection with a place and tend to return to the same camping area for many of their camping experiences. Of these people almost one third return to the same camping area for all of their camping experiences. Just over one quarter (27%) of all regular campers noted that they always go to different camping areas (Mobius, 2006).

TABLE 10: LIKELIHOOD OF NEW ZEALAND CAMPERS TO RETURN TO THE SAME CAMPING AREA

| LIKELIHOOD | % OF REGULAR CAMPERS |
|---|---|
| I mainly go back to the same campground each time | 22.2 |
| I often go back to the same campground but sometimes also try different campgrounds | 46.5 |
| I always go to different campgrounds | 26.9 |
| Other | 4.4 |

(Mobius, 2006)

It is obvious that people with such a strong connection to a place will be severely affected if they are unable to access that place i.e. the camping area closes. For these people the loss of ‘their’ camping area is not something that can be simply offset by moving to another camping area because the same physical and social characteristics are not likely to be able to be replicated.

A similar situation is not likely to occur for those campers who are always seeking out new places to camp. These campers do not have the same strong connection to a particular place but rather have a strong connection to the activity of camping and a desire to experience new places.

Consequently the closure of one camping area may not have any significant impact of these people so long as a diverse range of opportunities to camp are maintained into the future.

The following information is drawn from the market research report. It characterises site specific loyalists and site switchers. In the focus groups, the Regular Campers who said they often returned to the same campground tended to be once a year campers (usually during the Christmas/New Year period), camping with children. Camping in this respect was treated as an annual family holiday – and often there was considerable enjoyment experienced from going back to a familiar campground and seeing many of the same people there year after year. Through this camping experience, many of these people had built long-term friendships with other campers, particularly those at a similar life-stage. Those Regular Campers who identified themselves as site-specific loyalists:

- Tended to prefer more structured campgrounds with more in the way of facilities and amenities.
- Enjoyed the community aspect and familiarity of the experience of returning to the same campground and seeing the same other campers - "our kids have grown up together at this camp site".
- Were more likely to be camping with children (including older children/teenagers over 15) – for these people, a more structured campgrounds made for an easier and more relaxing camping experience.
- Were more likely to enjoy a few home comforts – many of these people had extremely well-equipped 'tents' which sometimes included freezers, and often included double air beds.
- Were more likely to take longer trips, but less frequently – for example, one week, 10 days and up to two weeks.
- Were more likely to utilise private campgrounds – mainly because of the facilities and amenities available.
- Were more likely (but not exclusively) to be once a year campers (often during the Christmas/New Year period).

**The site switchers in the focus groups:**

- Were more likely to be slightly younger and more likely to camp with friends – fewer of these Regular Campers camped with children
- Used a mix of private and non-private campgrounds – private campgrounds tended to be used for longer holidays when more facilities and amenities are preferred, while non-private campgrounds and more basic campgrounds were more likely to be used for shorter holidays and weekends when facilities and amenities were considered less important – *"I can last for a few days without a hot shower"*
- Were more likely to camp two to three times or more each year – often taking one longer trip as well as a number of shorter breaks.

(Mobius, 2006)

## Why do New Zealanders go camping?

Camping is very much a social activity. Almost all campers (98.6%) indicate that they go camping with friends and or family.

In terms of the regular campers in the focus groups, almost all had begun camping at an early age and had been introduced to camping by their parents. Very few had 'become' campers as adults. Those who had, had generally been introduced to camping by their partner. These people continue to camp now, as adults, because they consider camping to be an important part of their life and a tradition (begun at an early age) that they wish to continue with their own family and friends. As adults, they want their own children to be able to experience the same 'benefits' from camping that they experienced as children. The majority of these campers expressed a desire that their own children will, in turn, carry on the tradition.

It is almost impossible to ascertain exactly what has changed over the past few years and the exact extent of any change because no census of camping areas in New Zealand has ever been compiled or maintained. This being the case, the information contained in this report draws on the best information available at the time of the review from a collation of a range of data sets including the Domestic Travel Survey and Commercial Accommodation Monitor administered by the Ministry of Tourism, information provided by HAPNZ and from material derived from the New Zealand Camping Guide (1995-2006) written by Gay Kerr.

## Current Context – what is managed and by whom?

The most complete assessment of the total number of areas managed for camping has been obtained from a collation of material from the New Zealand Camping Guide. Information from this source indicates that there are currently just over 1000 camping areas managed (excluding areas where people may freedom camp from time to time).

Just over 1000 camping areas are currently managed nationwide (excluding areas where people freedom camp). Almost half are commercial holiday parks – a mixture of privately-managed parks on freehold land; privately-managed parks on public land and local authority owned and managed parks. The majority of the remaining camping areas provide only rudimentary facilities to support basic camping experiences. Most are managed by DOC, but Auckland Regional Council and a number of district councils (Waitaki District Council and Gisborne District Council are notable examples), manage a significant number in specific localities. A small number of areas to camp are provided ancillary to another business (for example, camping associated with a farm stay or within the grounds of a backpacker hostel).

These camping areas are not all alike and do not provide the same facilities and services. The best way to describe this diversity is to think of a spectrum or continuum of camping opportunity. This spectrum extends from freedom camping areas where no facilities are provided through to Holiday Parks where a comprehensive range of facilities and services are provided for the camper. This concept is illustrated below:

DOC's camping areas are predominantly those with basic facilities only. Where DOC had previously managed camping areas with higher standard facilities these have now been leased or are operated via a management contract by individuals with an interest and a passion to manage these facilities. Local Government's involvement extends right across the spectrum and includes a mixture lease arrangements, management contracts and direct management. Private operators tend to concentrate their efforts providing a higher standard facilities and services from which a greater return on their investment can often be obtained.

In this sense, camping opportunities on public land, with an emphasis on more basic and inexpensive camping, are complementary to the higher serviced and invariably higher cost, opportunities predominantly provided by the private sector.

### Number of places to go camping

Information derived from the New Zealand Camping Guide (Kerr) highlights a change in the number of camping areas managed over the past 10 years. The number of camping areas available is of interest in this discussion as every camping area is unique, in one way or another (landscape setting, size, the level of facilities and services provided, etc), so any reduction in the number available will affect people's ability to go camping in a location that best meets their needs and expectations.

Overall there has been a net reduction in the number of camping opportunities available. This reduction is in the order of 6% or approximately 70 fewer camping areas available when compared to that available in 1996. The majority of this has occurred since 2001 which coincides with the increase in the number of media reports highlighting camp sales and closures. The period 1996 to 2001, by comparison, shows little, if any, change. From this we can conclude that the reduction in the number of places to camp appears to be a very recent event that is inconsistent with the previous trend of stability within the sector.

Although a net reduction is evidenced nationally, different regions have experienced different outcomes. In fact, the number of camping areas has increased in some regions, decreased in others and has remained approximately the same in the majority.

Those regions with a net reduction in the number of camping areas are:

- Auckland / Coromandel
- East Coast / Hawkes Bay
- Rotorua / Central North Island
- Waikato / Bay of Plenty

The most significant reduction has occurred in the Auckland / Coromandel region where in excess of 20 camping areas have closed over the past 10 years.

The loss of camping areas within these regions, all of which are in the upper North Island, is significant. More than half of the New Zealand population lives north of the King Country and these people need places to be able to holiday. Since not all people have the means or the motivation to travel a great distance to a holiday destination, locally based opportunities will always be highly valued and utilised.

There are regions where the number of camping areas has actually increased over the past decade. These are:

- Northland
- Nelson / Marlborough

Northland is interesting as it is the only region north of the central north island to experience an increase. This level of increase is not enough to offset the losses experienced in the other regions.

There is no readily identifiable reason to suggest why the trend within these two regions is different to that experienced in others parts of New Zealand.

## Camping area capacity

Information obtained suggests there has been a reduction in the total number of camping areas nationally. This equates to a reduction in the number of locations where people are able to go camping but what does this mean in terms of capacity – the number of sites available for people to pitch a tent, locate a caravan or park a motor home so that they can go camping.

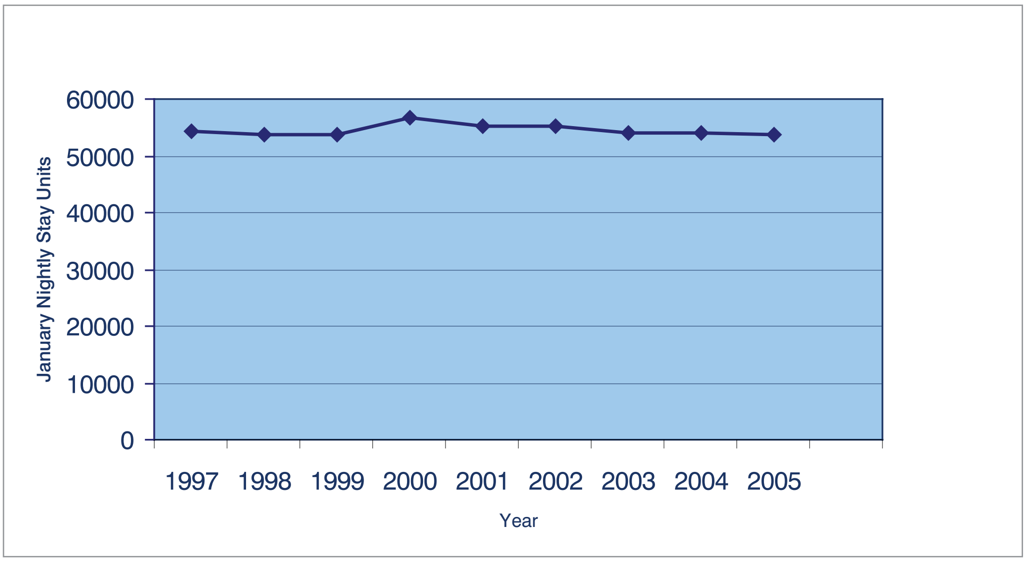
Capacity information can be obtained from the Commercial Accommodation Monitor (CAM). This survey provides regional data on the commercial accommodation sector, of which camping areas are a part. It measures capacity, occupancy rates and guest nights each month, and employment and guest nights by origin every third month by accommodation type. The data collection, data processing and analysis are conducted by Statistics New Zealand on behalf of the Ministry of Tourism.

The CAM is a census (i.e. not a sample) but the information collected and reported is not representative of the entire camping sector. It is only a census of those organisations that are GST registered as accommodation providers with a gross annual turnover of $30,000 or more. Thus, it does not collect information for any DOC / Local Government camping area, any camping area with insufficient turnover or any camping area managed in association with another activity where the other activity is deemed to be the primary revenue generating activity (e.g. camping at a backpacker lodge where the information related to camping would be included in the backpacker accommodation type).

Notwithstanding these issues, information from the CAM does provide an ability to see what, if any, change in capacity has resulted from the reduction in camping areas over the past few years. So what does information from the CAM tell us?

The average January nightly site capacity is illustrated on the following graph.

FIGURE 4: JANUARY CAMPING AREA CAPACITY - 1997-2005

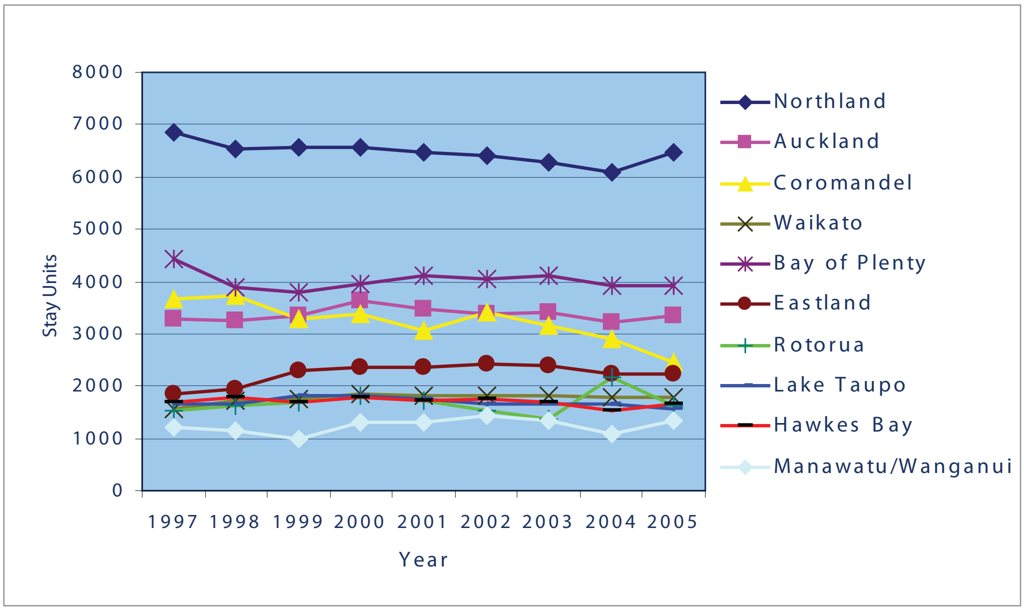



Source: Tourism Research Council, Commercial Accommodation Monitor.

Total camping capacity has remained relatively stable, if the 2005 capacity is compared to that available in 1997. Closer examination of the graph shows two distinct trends; an increase in capacity in the late 1990's peaking in 2000, and a slow decline in capacity since this date. This decline in capacity is at a similar scale and over a similar timeframe to the reduction in number of camping areas shown in the information from the New Zealand Camping Guide (Kerr, 1995-2006).

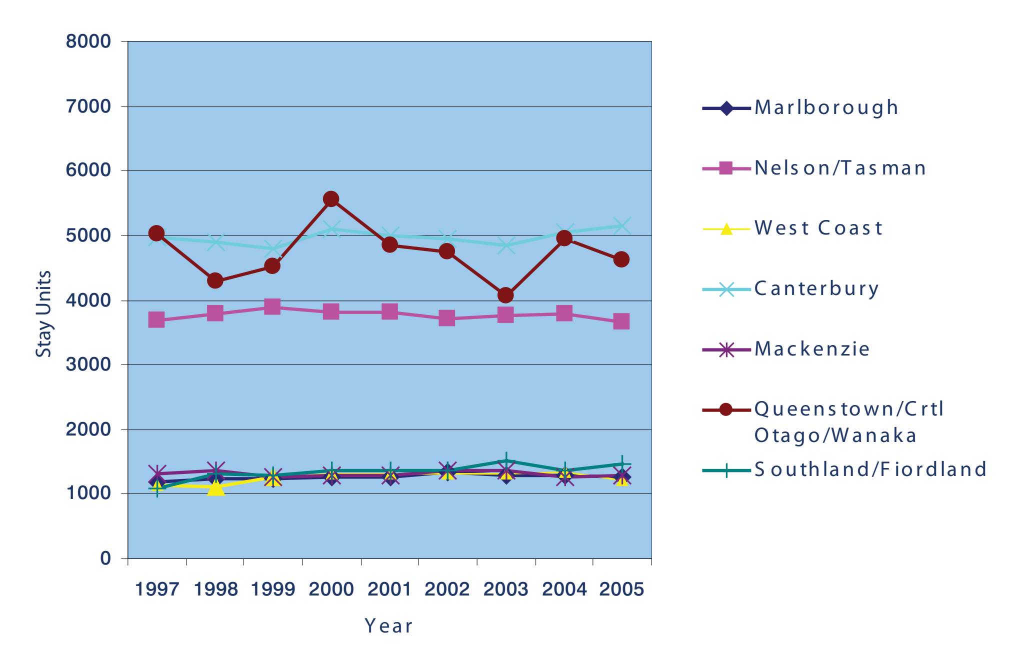
By region, the January capacity over the past 9 years is as follows.

FIGURE 5: JANUARY DAILY CAPACITY CARAVAN PARKS, NORTH ISLAND




Source: Tourism Research Council, Commercial Accommodation Monitor.

FIGURE 6: JANUARY DAILY CAPACITY CARAVAN PARKS, SOUTH ISLAND




Source: Tourism Research Council, Commercial Accommodation Monitor.

Northland has the greatest current capacity with approximately 6500 January stay units. Surprisingly the regions with the next largest capacity are from the South Island. These are Canterbury (5100 January stay units) and Queenstown/Wanaka/Central Otago (4600 January stay units). The extent of south island camping capacity most likely reflects the number of international visitors to this part of the country, many of whom are travelling and staying in rental motor homes. All other regions have a peak camping capacity that is currently less than 4000 January stay units.

These graphs illustrate different trends across the different regions. Coromandel is shown to have suffered the greatest reduction in peak camping capacity. Here there has been an average 4% reduction per year since 1997 leading to a total loss of one third of the total camping capacity in this region. Again this trend has been particularly evident since 2002.

In addition, of the regions previously shown to have a reduced number of camping areas, Hawkes Bay/Eastlands and Auckland also show a reduction in peak capacity.

## Permanent and semi-permanent camping

It has been suggested that additional capacity over the peak period could be obtained by removing permanent and semi-permanent occupation of camping sites. Despite the requirements contained in the Reserves Act 1977 applying to all camping areas located on public reserve land, the position taken in this review is that these are obviously people who greatly enjoy the activity of camping and the location so much that they are prepared to invest their precious time and money to be able to stay in these places for longer periods. Even if they were unable to have such permanent or semi-permanent arrangements it can reasonably be assumed that they would still be camping at these, or similar, locations over the peak holiday period anyway. Consequently there would be no net effect on the available capacity at this time and no need to further investigate this issue within the scope of this review.

HAPNZ continues to advocate that for many of their members permanent and semi-permanent camping provides an essential revenue stream that is independent of influences that may impact upon their main revenue earned from "temporary campers". Revenue from these sites improves the resilience of many businesses allowing them to survive those years when the revenue earned from campers over the peak period is less than anticipated. Examples of such problems include poor weather over the summer holiday period, changes in international tourist patterns, etc.

HAPNZ also recognises that it is not in the interest of their members to have too many sites tied up in this way. This is because the revenue earning potential is far greater if the site is let on a nightly basis rather than be subject to an annual rental. It is also unwise to have permanent or semi-permanent occupation of "prime" sites as these again are those that potentially generate the greatest revenue over the course of the year. In this regard they believe that this issue is one that is self regulating.

## Factors contributing to these changes

### Land value

Undoubtedly recent and substantial increases in land values, particularly in "prime", scenic or holiday locations have accelerated the demise of some existing camping areas and inhibited the development of new ones. Further, a recent television documentary (TV 3, "House Trap" Inside New Zealand) speculated that, since locations adjacent to water were now beyond the reach of the "average New Zealander", a similar rise in the popularity and consequent value of bush clad properties in the hills and mountains should be expected. This will place a similar pressure on those camping areas with these attributes as we have seen on those adjacent to water over recent years.

Several media reports have suggested that camping areas generate a relatively low rate of return on capital when compared to other potential uses of the same land. Camping areas are often located on large flat sites in prime locations and are relatively free of built infrastructure. Such sites are desirable and profitable ("easy") to develop. Certainly the newspaper article reporting the recent sale and redevelopment of Puriri Park Top 10 Holiday Park in Orewa made no apology for the fact that this was the right business decision. There was more money to be made by selling the property (for redevelopment) and investing the return elsewhere than by continuing to operate it as a camping area.

This is a normal reality in the business world but is one that does not have the same level of influence over operators of camping areas on publicly owned land. This is because they do not own the land, only the right to operate a camping area on it. Consequently, they are able minimise the upfront capital costs of the business which influences the level of return expected from the business to be a viable operation.

### Business viability

But this increase in land value cannot be the sole driver behind these changes. If camping areas are viable business propositions in their own right, generating reasonable rates of return for investors, they would continue to be seen as good investments in their current form. Discussions with individual campground managers and HAPNZ have confirmed that the performance of individual camping areas, like most businesses, varies widely. The vast majority perform very well but others exist in a situation where the income generated is sufficient to cover the day to day basic maintenance and running costs (insufficient to cover the renewal and replacement of key infrastructure). Where this is the case the increase in land value may provide the current operators with a convenient way to exit the business with a return before key infrastructure has deteriorated to the point where the property can no longer operate as a camping area.

### Infrastructure requirements

The cost of new or replacement infrastructure has also been cited as an issue that may have led to the sale of some camping areas. Camping areas are particularly vulnerable to these effects as many of them are in locations that are not serviced by local authority infrastructure. This means that they have to provide their own water supply to the required standard, treat and dispose of all wastewater generated from the property and collect and dispose of all rubbish and recyclable material. These properties are not able to enjoy the benefits of economies of scale in a similar way to many other businesses the majority of which are based in urban or peri-urban locations. In addition, the physical location of many of these properties, adjacent to water in scenic locations with high natural values, also makes it more difficult and costly to undertake due to a reliance on technical solutions and the added complication of obtaining the necessary resource consent approvals to operate in such an environment.

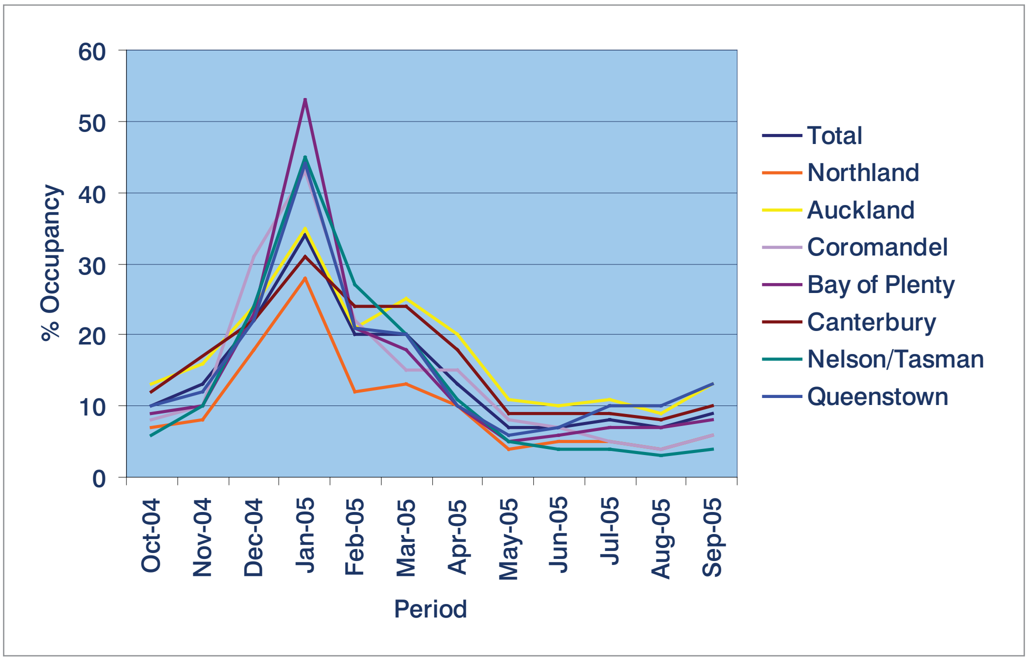
### Rates charges

The predominant formula used by local authorities for calculating rates charges has also been questioned during the course of this review. The current formula is largely based upon the un-improved value of the land occupied. Camping areas generally occupy large areas of land in locations that are highly desirable (waterfront or adjacent to other scenic feature). Because of these factors the land value of these properties has increased a disproportionately high rate when compared to the 'average' increasing the rates contribution of the property at an equally disproportionate rate to the average of the city or district. Over the past 10 years camping areas report significant increases in the rates charges being applied to them.

### Occupancy analysis

An analysis of occupancy data is useful to determine whether or not there are periods of the year where occupancy levels are such that demand is exceeding supply. The following graph contains average monthly occupancy data for camping areas using information from the Commercial Accommodation Monitor.

FIGURE 7: CAMP OCCUPANCY BY MONTH -2004/2005 - COMMERCIAL ACCOMMODATION MONITOR




Source: Tourism Research Council, Commercial Accommodation Monitor.

This highlights that overall January occupancy is only 34%. A simplistic assessment would suggest that sufficient capacity already exists within the industry to accommodate the lost capacity from those camping areas that have closed over recent years. But such a conclusion would be an incorrect one. Although there is additional capacity over the entire month of January anecdotal evidence from discussions with camping area operators, media reports and personal observations indicate that a large number of camping areas are at capacity for up to 14 days in the period between Boxing Day and early January. There is consequently very little spare capacity, if any, over this period, the period when most people want to go camping.

## APPENDIX 4: THE DEPARTMENT OF CONSERVATION'S CURRENT COMMITMENT

The Department of Conservation currently manages 334 camping areas. Their management was recently reviewed in a nationwide process involving the public and interested parties, to determine the priority visitor facilities that DOC could and should continue to manage. The changes that resulted from this review are summarised below.

Seventeen camping areas will be closed. In almost all cases, the rationale for closure relates to low or very low use of the camping area, which indicates that these are not desirable places to go camping. In addition, some of the areas are poorly sited, such as in locations prone to flooding, landslip or not on land managed by DOC. Seven of these camping areas have already been closed and the remaining 10 will be closed by the end of 2006.

Another 25 camping areas will be managed by another organisation, group or individual who has indicated an interest in doing so, enabling DOC to concentrate its efforts on other camping opportunities. These camping areas will continue to be available for use by the public.

The capacity of four camping areas will be increased (two in Northland, one in Nelson / Marlborough and one in Otago), and the standard of facilities and services at another 16 camping areas improved. To implement these commitments, DOC has spent more than $1.2 million on the redevelopment and improvement of 10 camping areas over the past three financial years. In addition, more than $1.9 million will be spent upgrading infrastructure to better meet the needs of campers at an additional six camping areas over the coming year. This investment has significantly improved the key infrastructure required to support camping at these locations.

Through the Recreation Opportunities Review, DOC has also agreed to develop and maintain 15 new camping areas. These opportunities will be developed in locations where there has been significant demand expressed by campers. These new opportunities are to be developed in the following regions.

The result of all these changes is that there will be two fewer camping opportunities available for public use, but by making strategic decisions to close a number of low value existing camping areas and develop new ones in locations better suited to meet the needs of campers, this will result in a significant net benefit to campers.

Pelorus Bridge Campground. Diane Parr, DOC

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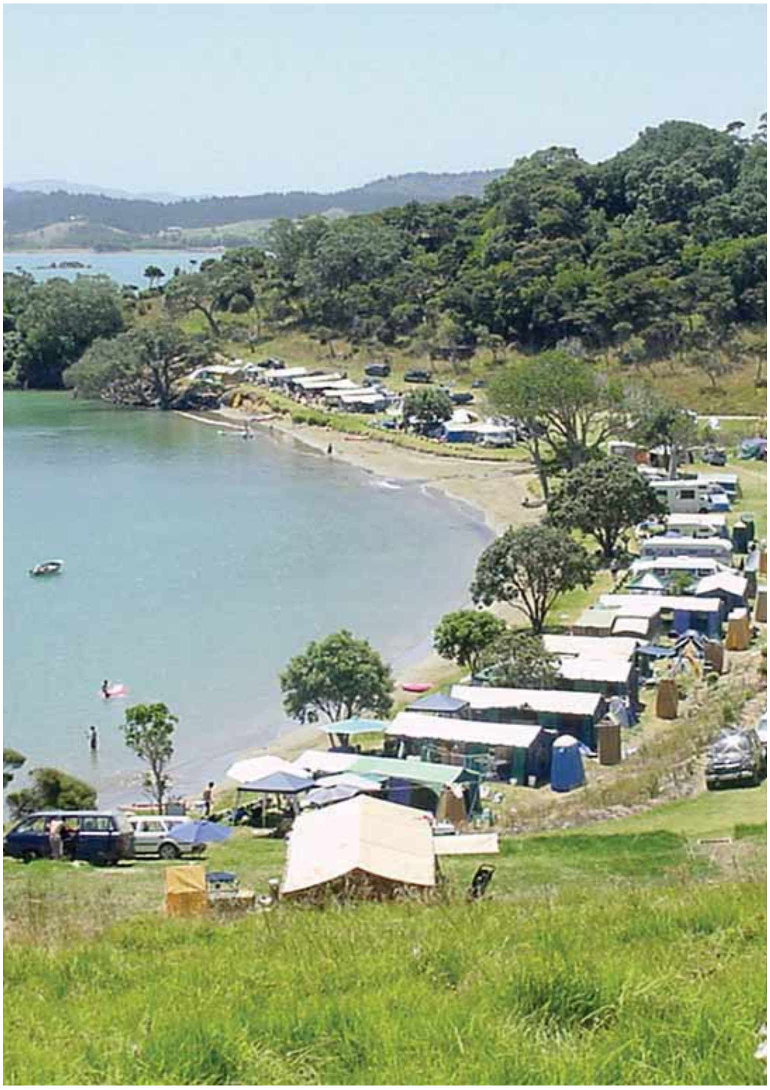
Top: Big Bay Motor Camp & Fishing Lodge
Centre: Thornton Beach Holiday Park
Bottom: Castlepoint Holiday Park
Right: Northland. Barbara Ware, DOC

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- Tourism Holdings Ltd
- Tourism Industry Association of New Zealand

Left: Martinborough Village Camping Park. Right: Lake Tekapo Holiday Park