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Tips for Trips – The Grey Nomad

As grey nomads¹ get set to embark on their annual pilgrimage north to chase the endless summer, Suncorp Bank is urging them to ensure they have undertaken adequate preparation for their trip to avoid getting caught short financially.

Grey nomads are expected to contribute significantly to Australia's \$7 billion² camping and caravanning industry in 2013, with each spending on average \$500 a week³ whilst travelling.

Suncorp Bank Executive Manager Tony Meredith said for the majority of Australians all the planning that was required for their annual four week holiday was packing a bag and some sunscreen and asking their neighbours to check their mail, but for many Australians of retirement age, the annual holiday can mean so much more.

"For the 3.8 million Australians aged 55-70, the annual holiday can become a year-long travelling odyssey that requires careful planning and preparation," Mr Meredith said.

Suncorp Bank has devised five key *Tips for Trips* to help grey nomads prepare for their next big adventure:

1. **Save time with technology** – Essential tasks like paying bills and keeping in touch with the grandkids can be made much faster and easier by taking advantage of technology.

Utilising internet banking to set up direct debit to pay bills can help, while free social media applications like Skype, Facebook and Twitter can help you keep in touch with loved ones. If you are not technologically savvy, many local libraries provide introductory lessons on a number of applications and programs, or alternatively you can ask the grandkids for a lesson or two before you leave.

2. **The 'Big trip' requires a 'Big budget'** – Finance can be a real conundrum for many would-be grey nomads planning to turn their travelling dream into a reality. It's vital to develop a comprehensive budget well in advance of your trip which considers your major costs like petrol, food and accommodation. It's also important to consider cost variations in regional areas, across different states, and peak vs. low seasons.

For example, a powered caravan park site can cost upwards of \$55 a night⁴ while national parks cost a fraction of this.

A solid budget also takes into account contingency funds for those 'once in a lifetime' opportunities like a helicopter ride, while an 'emergency stash' is essential for unexpected circumstances that may arise. Everybody's financial situation is different, so it's worthwhile talking to an expert such as a financial adviser who can assist with a budgeting plan that is specifically designed for you and your situation.

¹ See "Profile of a grey nomad" (page 2)

² http://www.ret.gov.au/tourism/Documents/tra/Snapshots%20and%20Factsheets/2012/CC_Snapshot_2012.pdf

³ <http://www.brisbane-australia.com/brisbane-caravan-parks.html>

⁴ <http://www.brisbane-australia.com/brisbane-caravan-parks.html>

- 3. Health matters** – Your health and the health of your vehicle are paramount to ensure a safe and enjoyable trip, so organise a thorough health check before you set off on your journey. Ensure your car, caravan or motorhome is kitted out with safety devices like a sat nav, extra jerry-cans, spare tyres and a first aid kit. Instead of taking paper copies of your health records and prescriptions why not take advantage of the Federal Government's eHealth initiative? Visit www.ehealth.gov.au for more information.
- 4. Ensure you have insurance** – Australia has the third largest caravan industry in the world with 21,500 new caravan registrations in 2012⁵. There are 330,000 campervans, caravans and motorhomes registered across Australia,⁶ and with the average cost of a caravan setting you back more than \$35,000⁷, it is a significant investment.

Making sure your car, caravan or trailer is fully insured is absolutely crucial, as it will effectively be your home for the duration of your trip. A high quality insurance policy will make sure you are not financially crippled in case of accident, theft, storm damage or sudden illness. Caravan and campervan coverage for the over 55s is available through specialist insurance companies like Apia.

- 5. Don't feel guilty** – Approximately 5.2 million Australians aged over 50 say they would rather spend their money in order to enjoy their retirement than leave it for their kids.⁸ You've worked hard for your 'time in the sun' so don't feel guilty about spending the kids' inheritance. Future generations have the benefit of compulsory superannuation payments, something that many boomers and grey nomads haven't had the luxury of throughout their working life.

Profile of a grey nomad⁹

- Aged between 55 and 70 years.
- Possess more disposable income than any other tourist segment
- Spend on average 163 days a year travelling
- Cover approximately 14,000 kilometres a year
- Spend between \$66 and \$73 dollars a day while travelling

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⁵ <http://thegreynomads.com.au/2013/03/grey-nomads-help-australia-rule-the-caravan-world/>

⁶ CCIA, 2008, Caravan and Camping Industry Profile

⁷ <http://www.caravan-camping.com.au/files/mediakits/Caravan%20and%20Camping%20Industry%20Profile%20S.pdf>

⁸ <http://www.apia.com.au/aussie-baby-boomers-kill-inheritance>

⁹ <http://www.cmca.net.au/pages/about/government/documents/SelfContainedTraveller.pdf>