



# Time's on your side at a host of destinations

**Christina Pfeiffer** puts the microscope on vacation clubs, one of the fastest growing sectors of Australia's tourism industry

**M**OST people wouldn't think twice about owning a house or a car, but owning future vacations is a strange concept to the majority of travel-loving Queenslanders. In recent times, there has been a surge in the numbers of travellers enticed by the idea of owning future vacations by buying a membership with a vacation club.

Vacation clubs are the most recent development in the shared-ownership industry, a concept that began in the 1970s with timeshare. The idea has gained momentum in the US and Europe but is still a fledgling industry in Australia. But, according to research, the \$700 million timeshare sector is the fastest-growing segment of Australia's tourism industry, with an average growth of about 10 per cent per year for the past five years. The Australian Timeshare and Holiday Ownership Council predicts the ownership base of 125,700 will more than double over the next decade.

At a vacation club, you typically pay somewhere between \$15,000 and \$30,000 upfront for the right to use accommodation at resorts affiliated with the club for the life of the club (Australian law limits this to 80 years). While the old timeshare products were restricted to a set amount of time in a specific property, vacation clubs are a more flexible system but with as many complications as a frequent-flyer plan.

Members are awarded points which can be used at the club's resorts and hotels. Memberships can usually be sold, transferred or gifted, and most companies will offer a guarantee against inflation by fixing the number of points required to stay at each club property. Some clubs also provide members with additional discounts on accommodation over and above

bookings made with club points.

These days, club members are not just limited to properties run by the club they join. International exchange companies such as Resort Condominiums International and Interval International provide vacation club members, from different clubs, the mechanism to exchange their allocated time with members of other clubs around the world.

The Australian market is dominated by two players, Accor Premier Vacation Club (APVC), owned by Accor Asia Pacific, one of the world's largest hotel and tourism groups, and WorldMark South Pacific Club, the largest club in the South Pacific region, owned by Wyndham Vacation Resorts Asia Pacific. Other players include Classic Holidays, which manages 14 resorts mainly on the Gold Coast and Holiday Concepts which has 17 resorts, mainly in Victoria and Queensland.

Potential club members are offered a reward in return for attending a 90-minute presentation. APVC's incentive is accommodation vouchers for up to four nights in return for a small administration fee, while Wyndham Vacation Resorts provides a variety of rewards from MP4 players and cameras to Dreamworld tickets and Captain Cook coffee cruises.

"The rewards we offer our guests are carefully selected based on market research and are always of good quality covered by limited factory warranties," says Clive van Deventer, senior vice-president of marketing, Wyndham Vacation Resorts Asia Pacific.

Members of WorldMark South Pacific Club use holiday credits to book accommodation at 16 WorldMark South Pacific resort destinations, including the sought-after Denarau Island Resort in Fiji, and 11 associated resorts, the most prominent

being Q1 Resort and Spa on the Gold Coast. The company also has more than 70 affiliated resorts in Australia, New Zealand, Fiji, Canada, Mexico and the US that members can access.

APVC's members use points to access 18 lodgings in Australia and New Zealand at popular resorts such as Twin Waters Beach Houses on the Sunshine Coast, Mt Lofty House in the Adelaide Hills and Oakridge Resort Apartments on Lake Wanaka in the South Island of New Zealand. In addition to these club properties, there are another 35 Accor properties that members can book, on request, once a year.

Marty Kandel, CEO of APVC, says: "What I keep hearing from our members is their love of the club's diversity; not only of vacation experiences but geographic and activity choice."

Members are automatically enrolled in Interval International's worldwide holiday exchange program where they can apply for vacation exchanges with more than 2200 resorts around the world, including well-known brands such as Hyatt, Marriott, Hilton and Disney.

While vacation club members come from a range of age groups, a large proportion are time-rich mature buyers, over-50s, with more than three weeks of leisure time per year. Many would-be members are wooed into joining by the idea of guaranteed vacations each year in accommodation that feels familiar and more like home than a hotel.

Club accommodation is largely apartment-style, furnished with washers and dryers, dishwashers, microwaves and verandas with barbecue facilities.

One of the key things when considering joining a vacation club is to make sure the properties offered by that particular club are right for you.



There's no use signing up for apartment-style accommodation if your passion is disappearing for weeks on off-the-beaten-track hikes in the wilderness. Another point to consider is that vacation clubs work best for those who are well-organised and can plan ahead to secure bookings at first-choice spots.

But the main question on most people's minds is whether joining a club will provide financial savings.

One customer who believes this is Geoff Cooper. After attending an APVC

presentation, Geoff and his wife, Jane, parted with nearly \$14,000. Six months into his membership his comment was: "I now believe it to be the best decision I have made. I have accurately recorded my actual APVC costs with current street costs and estimate we have already had a return of nearly \$2000 in savings. At this rate we will have our money back within three to four years."

Timeshare purchases are now classified as managed investment schemes which fall under the supervision of the Australian Securities and Investments

Commission. Don't jump to the conclusion that this means you'll realise a capital return.

"Although they are legally structured as an investment, timeshares are usually a lifestyle or holiday choice," says Greg Tanzer, ASIC's executive director of consumer protection. "Unlike shares or managed investments that trade on the Australian Stock Exchange, there is no real secondary market where other consumers or investors buy and sell timeshares."

## Essentials

### What do points buy?

**Accor Premier Vacation Club**  
(www.apvc.com.au): A Platinum membership (5000 points) costs \$27,040 plus \$655 annual club fees.

**Booking example:** One week high season at Twin Waters Beach Houses, Sunshine Coast (2700 points), one week value season at Grand Mercure Basilidene Manor, Margaret River (1500 points) and two days mid-season at Novotel Pacific Bay Resort, Coffs Harbour (576 points).

**WorldMark South Pacific Club**  
(www.wyndhamvrp.com): The current purchase price is \$2.34 per holiday credit with a minimum initial purchase of 6000 costing \$13,860.

**Booking example:** A studio apartment for one week mid season at WorldMark Ballarat (5000 credits) and a two-bedroom apartment for one week low season at WorldMark Marama Resort, Rotorua, New Zealand.

**Classic Holiday Club**  
www.classicholidayclub.com.au.

**Holiday Concepts**  
www.holidayconcepts.com.au.

## Buyer's guide

Stay at a couple of resorts to see if you like them before signing up.

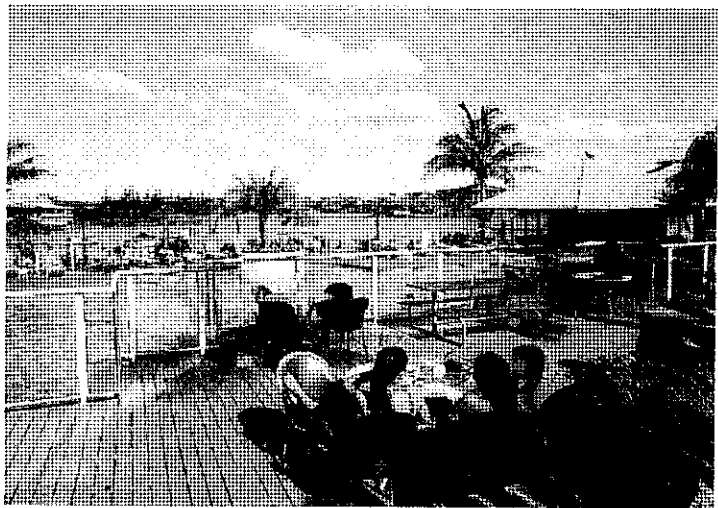
Buy what you know you are going to use; don't sign up just simply because it sounds like a good deal.

Make sure the company has an Australian financial services licence registered with the Australian Securities and Investment Commission and provides you with a product disclosure statement.

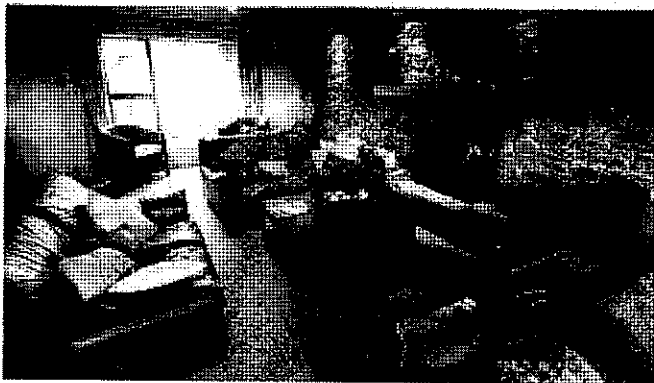
Don't be pressured into signing up on the day.

If you do get swept up in a spur-of-the-moment decision you have the right to a 10-day cooling off period.

Don't forget maintenance fees, exchange memberships (about \$95 a year) and exchange charges (about \$165).



FUTURE'S looking good ... holidaymakers relax on the deck at APVC's Twin Waters resort in the Sunshine Coast



**CLUBS** often offer rewards to potential clients, *above*, and Oakridge Resort at Wanaka, NZ, *below, left*, where skiing is a major winter activity.