

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

Organisation: CASAR Park

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CASAR Park

(Community Automotive Sport And Recreation Park)

Submission to Inquiry into Tourism in Local Communities

**“CASAR Park will be the number one visitor draw card on the Central Coast.
The park will change the economic face of the Central Coast community
through Tourism, Sport & Recreation, and Social Inclusion”**



Key Recommendation:

Private Sector investment in Tourism is hindered due to the ‘*spillover effect*’. That is, the economic benefits generated by Tourism infrastructure are disproportionately shared with supporting businesses (eg accommodation and travel providers). Accordingly the private sector will look at alternate forms of infrastructure, such as property, to enjoy a significantly greater proportion of the economic returns.

Therefore, Government support is necessary for the development of Tourism infrastructure. If combined with a community-based business model, the benefits of this support can be re-invested into the community over the long term.

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Executive summary

What is CASAR Park?

CASAR Park (the 'Park') is a community motor sport and recreation complex that features a 3.5 km race track, undercover pit garages and associated amenities.

The Park is a not-for profit social enterprise that provides sporting, recreational, cultural, economic and social benefits.

In addition, the Park will also offer young people from the Central Coast recreational activities and opportunities to undertake industry specific training. Social enterprise will underpin the project to ensure its' success as an inclusive business.

Once completed, the Park will generate \$17 million in economic contribution into the local economy with 200 jobs and 200 training positions onsite once fully operational, and a further 150 indirect jobs.

By combining complementary activities on the site, it will ensure maximum use of the supporting infrastructure – internal and external roads, public transport access, parking – together with generating a flow of visitors to support the various commercial partners on the site.

The Central Coast region needs a “game-changer”

Local residents and business owners recognise the need for a significant project on the Central Coast. Whilst shopping centres and industrial estates have a role to play in our economic growth, they are somewhat one-dimensional. Also, our region is heavily reliant on the retail sector and residential construction – industries that have suffered significantly since the Global Financial Crises.

The CASAR Park project achieves what we believe is the ideal compromise between economic growth and social engagement. Surpluses generated from the site will be used primarily for reinvesting in infrastructure and providing training and job opportunities for young people from the Wyong shire

Location

Situated on the scenic Central Coast of NSW, the complex will be perfectly placed within a short driving distance of Sydney, the largest population concentration in Australia. The proposed site for the Park is a 115 hectare parcel in north Wyong Shire, near the southern boundary for Lake Macquarie City. The land is privately owned, with early stage discussions for this site being conceptual, informal, and simply to facilitate the drafting of the proposed site plan.

The subject is bounded (broadly) by the Sydney-Newcastle (F3) Freeway to the west, Bushell's Ridge Rd to the north, the Sydney-Newcastle Rail line to the east and to the south by the Motorway Link Rd which joins the Freeway to the Pacific Highway and on to the eastern side of Lake Macquarie.

Travel time would be less than an hour from Wahroonga (the start of the Freeway in the Sydney Metropolitan area), and similar from the centre of Newcastle. The nearest rail access is Wyee station, some 850m from the nearest proposed access point to the Park.

Transport and access requirements for the park include:

- An access road from Toohey's Rd into the site, via neighbouring land
- Minor upgrades to Toohey's Rd
- Pedestrian & cycle path from Wyee station
- Bus services linking nearby transport hubs such as Lake Haven shopping centre and Tuggerah Westfield's

Supporters, Stakeholders and Partners

CASAR Park is the brainchild of local community-minded business people who are passionate about making a difference for the people of the Central Coast. Combining their expertise, technical knowledge and links to the community sector, the founders and partners are committed to establishing a precinct that is a sporting icon and beacon of social entrepreneurship.

Partners

Bolte Civil
SJ Ford
Job Centres Australia
Green Grove Organics
Achieve Financial
Youth Connections
ET Australia

Key Stakeholders

Motorsport Services & Tourism Operators
Car & Bike Clubs
Darkinjung Local Aboriginal Land Council
Wyong Shire Council
University of Newcastle
Road Safety Education Ltd
Northern Lakes Disability Tourism
Motorsport Governing Bodies

Like all truly successful enterprises, our project has a unique and sustainable competitive advantage:

- *This combination of tourism, sport and recreation facilities does not exist anywhere else in Australia*
- *The landowners are also a community-minded organisation and recognise the balance between commerciality and community*
- *The location is perfectly placed within a short driving distance to the largest population concentration in Australia*

Stage 1 – Motoring Complex and Skills Facility

Stage 1 sets the commercial foundations for the site, and will include a motoring complex with a 3.5 kilometre track and a dual use pre-licence training and go-kart circuit. The motoring complex is key to the success of the site, as the positive cash flows will support jobs and training opportunities throughout the entire site. This stage also sees the construction of a community centre which will act as our training facility during Stage 1 and 2, reverting to a traditional community centre upon completion.

The motoring complex is absolutely crucial in ensuring the whole site is financially sustainable over the long term. The objectives of the motoring complex are:

“To promote and develop the knowledge and skills of drivers, motorcyclists, motoring enthusiasts and motorsport participants through:

- *Road safety awareness programs*
- *Driver education programs for Learner and Provisional licence holders through to Defensive and Advanced skills*
- *Motorcycle rider training, licensing and ‘first-timers’ track days*
- *Supporting other Clubs and groups in the holding of events and competitions that promote our objectives*
- *Offering automotive skills training*
- *Supporting businesses that provide goods and services that promote our objectives*
- *Liaison with other Motor Industry participants with a view to working together in achieving our mutual objectives”*

Importantly, the site is not intended for major events such as V8 Supercars. Firstly such events are not in keeping with our objectives. Secondly such an event would place major strain on ours and nearby infrastructure.

Surpluses generated by the motoring complex during the initial 1-3 years will be applied to the construction of Stage 2 infrastructure. A successful outcome from Stage 1 will hold us in good stead for further grant funding.

Industry Analysis

New South Wales:

Sydney Motorsport Park (SMP, formerly Eastern Creek Raceway) – this 3.8 km facility (prior to recently completed extension) is located opposite Eastern Creek Waste Management Facility and has increased its prices considerably since its nearest competitor (Oran Park) was closed to make way for a residential estate. In recent years the track undertook somewhat of a corporatisation – appointing a CEO from a Club industry background (rather than motorsport), arranging performance-based exclusivity contracts with track hirers, and negotiating those contracts based on financial contribution to SMP rather than the enjoyment and satisfaction experienced by end-users. The general feeling among users is that the over-emphasis on generating a surplus has seen grass-roots motorsport lose out.

Wakefield Park – this 2.2km facility is located 8km out of Goulburn and is owned by the Victorian-based Benalla Auto Club. This organisation is more in touch with grass roots motorsport, and events are reasonably well attended (given the location and the odd snowfall in winter) due to the support and enthusiasm of the owners / manager. Unfortunately the track surface at Wakefield is less than ideal and particularly unnerving for motorcyclists.

Simple economics tells is that increased competition is better for the consumer – prices will come down and operators will look to increasing the quality of their service and their facilities to attract customers.

Other States:

Victoria enjoys five (5) motorsport facilities capable of hosting national-level competition – Phillip Island, Broadford, Winton, Sandown and Calder Park. These facilities cover the full spectrum of price and quality, and all have survived for decades competing against each other for the consumer's enjoyment.

Western Australia surprisingly has the same motorsport infrastructure as NSW – that is, one major circuit (Barbagallo) and one minor circuit. In 2008-09, consulting firm GHD Pty Ltd undertook a Needs Assessment in relation to Barbagallo Raceway. The report identified a number of issues pertinent to CASAR Park:

1. Large scale events such as V8 Supercars pose a significant challenge for the event promoter (ie the non-profit organisation that operates the track), with significant outlays and significant drains on infrastructure, all for a once-a-year event.
2. Daily attendances for equivalent events as proposed for CASAR Park range from 6 (for racing driver school) to 880 (for state championship events).
3. Demand for hire days exceeds availability. Given the population disparity between WA and NSW this highlights a significant infrastructure shortage in NSW.

Market Research

In 2009 Wyong Shire Council conducted a feasibility study into the construction of a standalone motoring facility within the shire. Whilst the project did not progress due to difficulties in finding suitable land (that was owned either by council or government), this was not before market research was conducted to determine demand for such a facility. Key points emanating from that study include:

- Only 4 of 196 respondents cited 'affordable rates' (for track hire) as being important in their decision to utilise the facility. This is consistent with the traditional view of enthusiasts – they will spend their last cent on pursuing their passion! According to the ABS, there is even an upward trend in expenditure on sports & recreation vehicles from \$448mil in 2003-04 to \$1,016mil in 2009-10 (even more significant given this was during the GFC).
- 135 respondents provided average attendance at their respective events, 42 of which cited attendance levels in excess of 100 people per day (with 23 of those citing "over 200"). ABS data for 2009-10 places Motorsport as the 4th highest in spectator attendance, with a rate just under half of that enjoyed by AFL, and 90% of that for Rugby League.
- All 196 respondents confirmed they would use a Motoring Complex located in the Wyong Shire;
- 141 respondents provided information on how many times per annum they would use such a facility (ie both here and elsewhere in the state). 137 said they would use a site on average 10 times per year. The remaining 4 advised "more than 50" times per year. Assuming just 50, plus the days from the other respondents, total demand for such facilities is 1,535 days per annum. This demand is enough to warrant at least 4 motoring facilities in the state. In addition there will be demand from the other respondents to the survey, there will be demand from other organisations that did not hear about the survey (ride-day and drive-day operators, driver training, tourism experiences), and there is latent demand from those enthusiasts who have 'given up' due to the severe shortage and high cost of participation in the current market.

Further, in a Tourism Opportunity Plan recently commissioned jointly by Central Coast Tourism, Gosford & Wyong Councils & Regional Development Australia, a Motorsport facility was identified as the number one priority catalyst project for the region (out of 44 projects submitted).

Stage 2 – Tourism & Recreation

Stage 2 provides the opportunity for young people to literally construct their own destiny. Aside from key senior and supervisory positions, the entire workforce will be made up of young people supported by our Partner organisations. Given this process, this stage is expected to take 2-3 years.

Also, as there is an allowance in the operating surplus of the motoring complex for infrastructure reinvestment beyond Stage 2, and given the likely development of new and interesting recreation concepts, further job and training opportunities within the construction component are envisaged over the long term.

Stage 2 includes (proposed):

- Cable Waterski / Wakeboard park
- Chocolate & Licorice Factory with Café / Restaurant and community organic farm
- Showground / amphitheatre / performance space
- Children's playground
- Northern Lakes Disability Tourism's Miniature Train (light rail)
- Outdoor Activities space, which comprises:
 - Downhill mountainbike
 - BMX track
 - Skate Park
 - Half-court basketball
 - Rock-climbing wall
 - Team-building physical challenges
 - Undercover viewing areas / "hang-outs"
 - Grassed open-space areas
 - Outdoor youth and indigenous art displays (Cultural Walk)
 - Graffiti wall
- Camping area
- Green corridor

Tourism

‘Spillover effect’ and market failure

Private investment in tourism is discouraged by the higher return on investment from competing land uses...(residential, industrial etc)...Without active planning measures, the market will invest in competing land uses over tourism. Consequently, the positive ‘spillover effects’ of tourism will not be realised.

The spillover economic activity of tourism leads to market failure, because most of the benefits from the visitor expenditure are external to the investor. Rather than a single entity capturing these benefits, the gains accrue to a range of different businesses and add value to other industries and geographic locations. The ‘spillover effect’ means that without coordinated government action, investment in tourism accommodation and other tourism facilities may be discouraged.

(an extract from the National Tourism Planning Guide)

This spillover effect has been quantified in the recent Tourism 2020 report which stated that every dollar spent on tourism generates a further 91 cents in other parts of the economy. Put another way - the tourism investor receives just over 52% of the benefits generated by their investment.

Locally, tourism business estimates provided by the Tourism & Transport Forum for the electorate of Dobell, tell us that over 32% of businesses in the area are either a ‘tourism characterised business’ or a ‘tourism connected business’. As a significant number of these businesses are micro- or small-businesses, this fragmented market is highly reliant upon government investment, and co-ordinated policy, to stimulate visitor demand.

Travel data from Destination NSW advises that visitors to the central coast stayed for 3.4million nights during the year ending 30 June 2012. Initial calculations for the Park indicate a visitor stream of around 700,000 per annum. Even if only half of these visitors stay overnight either to return to the Park, or, enjoy another part of our great region, this has the potential to add 10% or more to our visitor nights on the Coast.

The Park’s contribution to the “doubling overnight visitation” target (from NSW 2021) includes:

- a wide range of offerings that promote high ‘dwell time’;
- a style and affordability of activities that can be enjoyed on a regular basis;
- the unique nature of the Park compared to other tourism product;
- drawing in a different target market (particularly in relation to the motoring complex); and
- providing convenient and affordable accommodation on site
- providing packaged experiences with other operators who share our demographic

At the Federal level, the Tourism 2020 report clearly states that in order for Australia to truly maximise its competitive advantage there must be improved quality, product choice, skills and infrastructure. CASAR Park (with Government support) will play a pivotal role in achieving the following key deliverables from the report:

- Utilising tools to enhance online marketing and sales, including social media;
- Serving as a high visibility T-QUAL accredited business;
- Acting as a case study for the more 'business friendly' procedures for infrastructure development applications;
- Delivering improved training opportunities for staff; and
- Facilitating a greater level of participation of indigenous Australians in tourism businesses.

The Park would therefore apply for T-Qual Accreditation, recognising that such a significant tourism icon can serve as a positive example of what can be achieved through applying tourism quality standards. The Park will utilise the latest online tools (including bookability / availability functionality) and leverage marketing through Visit NSW and Central Coast Tourism websites.

Recreation

ABS data from 2009-10 tells us that twice as many people participate in non-organised sport, as compared to organised sport. Given the variety of non-organised sport however, there is not a groundswell of voters who are able to influence government policy in the delivery of the necessary facilities. Bring these groups together under their common banner – and the 'twice as many' suddenly becomes a political force worth listening to.

Among these non-organised sports, CASAR Park aims to address the significant shortage of what can best be described as 'non-mainstream' sports. That is, sports other than Football, Netball, Cricket, Tennis etc. A key aspect of these alternative sports is the focus on participation for enjoyment, and competing against your own goals for personal satisfaction. The laid back nature of these sports also lends itself well to relaxed spectating – all fans appreciating the skill of every participant. Hence the provision of casual viewing areas and various refreshment options on site.

Whilst some of these activities (cable ski, go karts) can generate a commercial return, most cannot and thus rely of local government support. CASAR Park is proud to reinvest part of the surplus from the precinct into maintaining and improving these facilities.

Community Benefits Summary

- Over \$17million in economic contribution to the region per annum
- Over 200 training and work experience places
- Over 200 full time equivalent (FTE) direct jobs
- A further 150 indirect jobs
- \$24million construction cost with priority given to local businesses and non-profit organisations
- Diversification of our local economy away from residential construction and retail
- Increased skills for road-users, reduction in at-risk behaviour and road fatalities
- Bringing together local business, training and education providers, non-profit organisations and community
- Helping to give our region its own identity and fair representation within Government
- Providing a role model for the social enterprise concept, attracting further interest to the site and our supporting partners

Social framework

Employment

Locally, the Central Coast Research Foundation's (CCRF) Economic Indicators report for March 2012 suggests a participation rate (inclusive of all demographics) across the Central Coast of 58.6% (the State average sits at 63.6%). So with only 59 out of every 100 residents choosing to enter the labour force we have what they describe as a 'structural brake' on the local economy. That is, with a limited pool of wages available for consumption expenditure in the local region, there is no capacity for growth which in turn creates further employment and increases the pool of wages.

For young people (15-24) in the broader population, employment and participation data is difficult to extract. With a significant proportion of this demographic legitimately involved in schooling, the level of unemployment can easily be misinterpreted (or misused). The most recent data that accurately deals with labour force is from the 2009 ABS report "Education & Training Experience". Table 7 in this report indicates that of those people not at school, 29.5% were either unemployed or simply not in the labour force (ie disengaged).

The NSW Government is fully aware of this challenge, and the target of increasing the proportion of young people in employment or learning, rightly forms part of Goal 1 from the NSW 2021 Plan.

Our youth focus promotes sport & recreation participation, social engagement, and leverages tourism to provide employment and education (vocational and road safety) opportunities.

Education (Work Experience, Training & Road Safety)

The Indigenous Economic Development Framework cites access to high quality education and training opportunities as one of five key strategies. This includes supporting successful transitions from school to work through the provision of cadetships, mentoring and school based vocational education and training.

In support of this, the ABS report "Australian Social Trends (March 2011): Education and Indigenous wellbeing" describes the link between educational attainment and wellbeing. Across a range of indicators including employment, smoking / drinking and living in an overcrowded home, there was a positive correlation across all indicators with level of attainment. For example, more than 30% of adults with year 10 or below attainment were living in overcrowded homes, compared with less than 7% of those with a Bachelor degree or above.

Across the broader community, the 2009 report into the State of Australia's Young People (for the Office for Youth) identifies a direct link between a low socio-economic background and:

- Underperformance in tests of literacy and numeracy;
- Increased likelihood of disliking school, being suspended or expelled or leaving school early;
- Being less likely to continue with education after they leave school.

The report also indicates that "participation in extracurricular activities helps students to develop a sense of belonging in the sense that they recognise the school as an important part of their own lives."

For our future licence-holders we offer Road Safety Education Limited (RSE), a non-profit organisation with a commitment to the reduction of trauma on our roads through the delivery of quality, evidence based road safety education programs (RYDA). On the Central Coast, the award winning RYDA Program is delivered over 14 days to around 2,000 Year 11 students.

Also, as part of the NSW State Government's 2021 Plan, Goal 10 was to achieve a reduction in road fatalities through the introduction of a Safer Drivers course for learner drivers. Insurance companies such as NRMA and AAMI are also actively involved in driver education programs, often providing free courses or discounts on premiums on completion.

Social Engagement & Recreation

Wyang Shire Council's current Community Plan identified a number of key findings that will be satisfied through the CASAR Park project:

- Provide space for events and activities to allow people to connect and engage in an outdoor and active lifestyle
- Address the lack of cultural and entertainment options for families
- Giving young people the space and opportunity to engage in education, training and employment
- Deliver a safe and affordable venue for young people to socialise and meet, whilst addressing community concerns over increased number of young people with nothing to do
- Provide work and lifestyle opportunities that encourage residents to stay on the Central Coast
- Offer a real-life example of people from diverse backgrounds and cultures coming together to achieve a community-strengthening outcome
- Provide infrastructure to meet growing population needs whilst achieving a balance between development and preservation of the natural environment

Look beyond the official strategy though, and engage with the non-profit organisations at the coalface, and a significant at-risk demographic becomes apparent – young people are becoming less and less engaged in their community. This manifests in attitudes towards schooling and education, a lack of employment prospects, pressure from a materialistic society, risk taking (on our roads in particular) and attitudes from the mainstream that young people are a problem to be fixed.

The Bridge Program Evaluation Report prepared by the School of Human Services and Social Work at Griffiths University describes a number of key elements for engaging with (not fixing) 'disaffected young people':

- Match young people's needs with specific project objectives;
- Recognise the significance of the social relationships – it is not the activity *per se* but the social relationships experienced during program activities;
- Enthusiastic, effective, credible, fair and respectful leaders are needed;
- Involving young people in key decisions relating to programs is important; and
- Employ a multi-agency approach – collaborations between different agencies are required to address the wider social contexts of young people's lives.

Further, in a needs assessment performed for young people by South Australia's District Council of Mt Barker, the author brings together a number of key themes:

- Participation in sport and recreation activities outside school has positive effects on the educational, social and health outcomes of young people (McLloyd, 2009);
- For young people not interested in formal sport (football, netball, cricket etc), it is essential they have access to other forms of recreation. Without this, young people will make their own fun, potentially resulting in adverse consequences for young people and the community as a whole;
- A similar outcome could occur due to a lack of entertainment options (Williams, 2009);
- Young people across all focus groups discussed activities and amenities that would have a whole of community benefit – a local market, venues for music and arts, and upgrading the Recreation Centre. Many recognised that if community activities were attractive to their parents, young people would have increased opportunities to hang out together;
- 'hanging out' is the preferred form of interaction among young people, being both developmentally appropriate and necessary; and
- There was a universal desire to feel proud of their community. Something that could be achieved not through developments such as 'home maker centres' but through amenities that will attract both locals and outsiders to the area.

Alignment with Local, State and Federal Policy

The benefits from the Park as a whole are closely aligned with targets from:

Central Coast Regional Plan (RDA Central Coast):

- Address youth unemployment (up to 30% in some areas), increase and diversify local job opportunities
- Expand upon the current narrow jobs base, which is highly reliant upon health, retail and construction
- Improve our levels of education and skills relative to NSW overall
- Take advantage of our position between the Newcastle and Sydney conurbations
- Demonstrate land use that protects the value and benefits provided by the natural environment
- Facilitate community connectedness and participation
- Deliver much needed social infrastructure
- Provide an example of how the community can increase the value it places on education, participation and attainment

NSW 2021 Plan:

- Regional employment growth
- Strengthening of the skills base
- Increased participation of people with disabilities in employment or further education
- Providing options to courts and Police to reduce repeat traffic offenders
- Increase community participation
- Provide an opportunity to partner with the local Aboriginal community
- Increase participation in sport, recreational, arts and cultural activities in rural and regional NSW

Beyond tourism, the Park can also help deliver on Federal policy through providing:

- Work experience places under National Trade Cadetships;
- Trade Training as part of School Reform;
- Opportunities for children, parents and jobseekers under 'Creating Opportunity. Requiring Responsibility.'; and
- A mechanism for connection with Job Services Australia to get unemployed young people skilled-up, job-ready and into the workforce.