

**Submission  
No 110**

## **INQUIRY INTO CROWN LAND IN NEW SOUTH WALES**

**Organisation:** NSW Crown Holiday Parks Trust

**Date received:** 22 July 2016

---



NEW SOUTH WALES CROWN  
**HOLIDAY PARKS TRUST**

**Inquiry into Crown Land**  
**NSW Legislative Council.**

**Contact Officer:** Steve Edmonds, CEO, NSWCHPT

**Telephone:**

**Email:**

**Submission from NSW Crown Holiday Park Trust (NSWCHPT)**

Date: Friday, 22 July 2016

---

**Background: Information on NSWCHPT:**

The NSW Crown Holiday Parks Trust is a Trust established under the Crown Lands Act 1989 to provide coordinated management of some of the State's most iconic coastal and inland caravan parks and reserves.

This includes 26 Holiday Parks on the north and south coasts of NSW and 9 inland parks (total 35) with assets valued at circa \$252 million.

The role of the NSW Crown Holiday Parks Trust is to set the framework and oversee the management of and provide accountability for the holiday and recreational reserves which are enjoyed by hundreds of thousands of domestic and international visitors each year and are an important part of local and regional communities and economies. The Terms of Reference for the Trust Board is to provide a management structure that establishes a business-oriented framework to:

1. Improve the financial viability of the Trust through more strategic management of limited funding and reinvestment to facilitate strategic business growth
2. Ensure consistent policies and procedures for operational and asset management
3. Use economies of scale to provide improved support with marketing, human resource, risk management, financial and corporate systems
4. Make strategic investment decisions across the portfolio to balance social, environmental and economic outcomes

5. Oversight backlog of infrastructure renewals to comply with health and environmental regulatory standards
6. Maintain community engagement through advisory groups for parks/cluster of parks

The Trust is based on a model which recognises the economic, environmental and social importance of Crown Land to local communities and to the State. It also recognises the ongoing need to improve existing facilities and to develop new ones, providing for the sustainability of Crown Land assets for the benefit of the people of NSW – now and into the future.

The Trust is committed to ensuring local communities and other stakeholders are well informed about plans for the upgrade of Holiday Parks and other public Recreation spaces in their area which come under the management of the Trust Board.

In addition the Trust has appointed a Community Advisory Board (CAC). The CAC acts in an advisory role to the Board of the NSWCHPT. It discusses issues of interests of key stakeholders and facilitates the exchange of ideas and information in relation to the management of its portfolio of Crown Land Holiday Parks.

The Trust understands an opportunity could be afforded to individuals to present at upcoming hearing events. As CEO I would like to express an interest in speaking at the 15<sup>th</sup> August 2016 hearing being held in the Macquarie Room, NSW Parliament Macquarie Street, Sydney.

The following is the NSW Crown Holiday Parks Trust response to the inquiry into Crown Land:

**(a) The extent of Crown land and the benefits of active uses and management of that land to NSW.**

**BENEFITS OF ACTIVE USE:**

The Holiday Parks managed by NSWCHPT cater to markets far broader than the immediate local area and therefore are of State Significance. By upgrading these parks and providing improved facilities that cater for a range of interests' active use is increased.

**These active uses include increasing domestic and international tourist visitations to these assets and regions:**

For example, NSWCHPT Eden Tourist Park, on the NSW Sapphire Coast, generates 37% of its business from the Victorian Metro Region and another 26% from the Victorian Country Region. The remainder of visitors come from NSW, Queensland, SA, Tasmania and ACT. These visitors contribute significantly to the local economy and benefit from active use of public space.

In addition NSWCHPT parks allow visitors to enjoy local attractions outside the park. The parks provide affordable holidays through a varied product offering that ranges from primitive camping through to camping, caravan sites and cabins.

**NSWCHPT Holiday Parks generate significant economic benefit to the region with \$1.38 of additional local spending for every \$1 generated in Park revenue\*.**

*(\* reference: Caravan, RV and Accommodation Industry Economic Benefit Report – October 2012, BDO). Note: (Given this figure was determined back in 2012 it would be expected that a higher range would now apply.)* Even so, based on this number, the Trust anticipates it will generate \$48m in revenue this year and thus contribute in excess of \$66M in tourism spending directed into regional economies. This will make a significant difference to the viability of these regions small business.

As park occupancy increases so does the revenue generated, and consequently, more is spent in the local economy. This comes about as visitors buy goods and services from local suppliers. Groceries, clothing, fuel and other daily essentials as well as holiday-based leisure and recreational expenditure are some of the main things Park Visitors purchase outside of Holiday Parks.

As another example, the largest NSWCHPT park, Silver Sands at Evans Head, currently has a 45% annual occupancy. Based on a planned \$14 million-plus investment by NSWCHPT into the Silver Sands Park, the forecast occupancy is expected to increase to around 65% or more. Based on this projected increase \$6.0M per annum will be spent by visitors into the local Evans Head township.

These visitors participate in a range of recreational activities in the park and its surrounds. This includes bush walking, bird watching, water skiing, wake boarding, surfing and fishing.

### **Increasing regional jobs:**

Holiday Parks provide valuable Tourism Industry jobs which are generally in decline in regional Australia.

Holiday Parks are one of the only tourism sectors that are not greatly affected by the growing trend for Australians travelling overseas for their holidays. They need to be operated, managed and developed to meet changing market and consumer demand but marketed appropriately and have the right amount of investment to grow this sector.

## **MANAGEMENT OF THE LAND**

**A specialised independent Government Agency, such as NSWCHPT, is well placed to professionally manage the land through:**

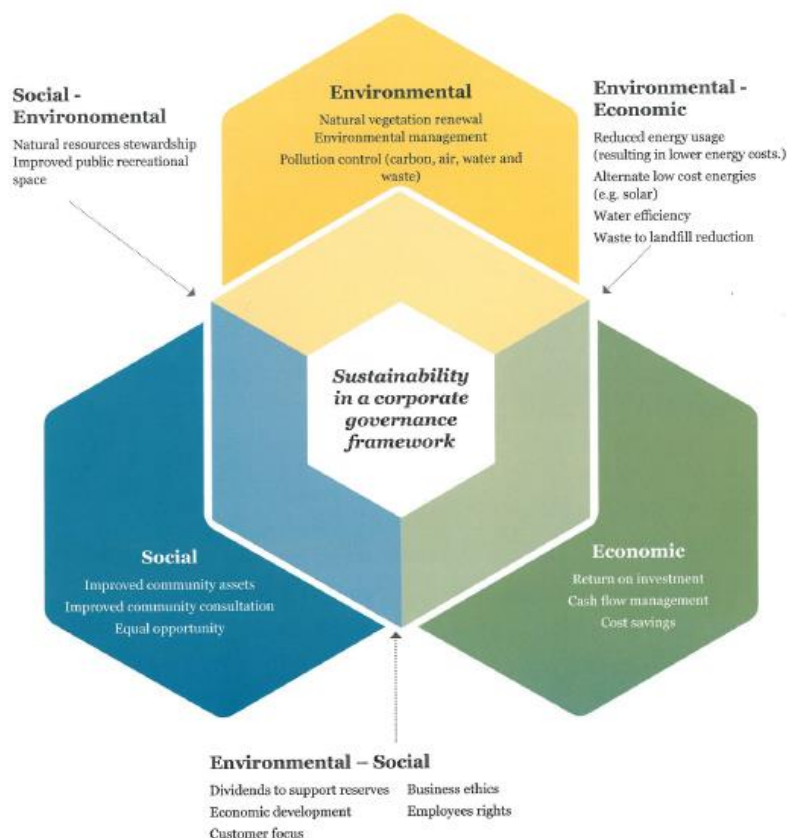
- **Market focus** which is based on the State wide, National and International opportunities.
- **Single business focus** enabling specialisation and maximisation of opportunity.
- **Critical mass in size allowing speciality skills** developed across a range of like assets.
- **Ability to fund the upgrade of these community assets.** As an example the Trust has undertaken the development of Water treatment plants, sewer and electrical upgrades in the regional NSW parks at a cost of \$12M. In addition the Trust will fund fire upgrades to the Inland Waters parks valued at \$7.5M. These upgrades will ensure these crown assets provide good amenity to visitors and a safe place to visit.
- **Systems and processes which are standardised** across the asset group allowing for greater efficiencies and returns.
- **Professional risk management** approach ensuring safety and compliance.
- **Ability to address significant governance issues** at a corporate and Park level.
- **Ability to implement standardised Work Place Health and Safety (WHS)** measures across all Parks.

- **Focus on maximising return on assets and State and community outcomes.**
- **Flexibly in deployment of capital to benefit regional growth.** For example, by allowing investment into income-producing Parks, higher returns can be yielded. These returns can then be redirected to funding investment into income-producing assets in less productive Parks.
- **Economies of scale allowing the incorporation of non-income-producing Reserves into Holiday Park management contracts.** For example, the Coastal Reserve adjacent to the Holiday Park at Urunga is maintained by the Park Managers.
- **Balancing economic, social and environmental outcomes:** The triple-bottom-line approach (economic, social and environmental outcomes) is core to the NSWCHPT Strategic Plan and consistent with the founding principles of the NSW Government.

Both the Trust Board and Executives are committed to this approach and the following is an extract from the Trust's 2015-2025 Strategic Plan.

### *The strategic context that sets us apart*

The below diagram sets out the Triple Bottom Line (social, environmental, economic) context our business operates in. The focus is aimed at leading to sustainability within a framework of good corporate governance.



- **The majority of built form NSWCHPT assets are transportable** which means sensitive coastal lands are protected from over development.
- **Supporting non income producing Crown land assets:** The NSWCHPT also pays a significant dividend to the “Public Reserve Management Fund” (PRMF) and to Councils for the management of Crown Reserves. In addition the NSWCHPT manages sensitive inland and coastal reserves on behalf of the Crown. Last year NSWCHPT contributed \$6.7 M to these funds and reserves.
- **NSW CHPT successfully follows the two-tier model.** The NSW CHPT has established a skill-based Board with clear terms of reference. The Board provides strategic guidance to a structured management team with skills within given markets. Investment decisions are made by the Trust Board to fulfil the terms of reference and Strategic Plan requirements. The Trust Board ensures compliance with good governance principles. The Trust Board oversees compliance requirements under applicable Acts and Regulations affecting Holiday Parks in NSW as well as recognised good corporate governance. The Board also facilitates the Strategic Planning process and ensures capital investments and returns meet key benchmarks.

**(b) The adequacy of community input and consultation regarding the commercial use and disposal of Crown land.**

NSWCHPT has a well established Community Advisory Committee (CAC) which maintains vital community links and provides community advice to the Trust Board. The CAC is a State-wide based Committee representing broad interests including specific user groups and key stakeholders.

The CAC discusses issues of interest to the community and stakeholders and facilitates the exchange of ideas and information in relation to the management of the NSWCHPT portfolio.

In addition, NSWCHPT has adopted a model which involves extensive community consultation prior to park Plans of Management (POM) being adopted. This is beyond what is required by Legislation through public exhibition. Through allowing Council and Community involvement in the planning stage, superior outcomes for the Park and community can be achieved. The NSWCHPT Trust has professional PR and Communications personnel who assist in delivering these outcomes.



**(c) The most appropriate and effective measures for protecting Crown land so that it is preserved and enhanced for future generations.**

NSWCHPT holiday park assets are sited at iconic locations. This includes Parks on the coastline of NSW and Parks located on major water bodies such as inland storage dams. The Trust's role is to preserve and enhance these assets as holiday parks.

For some Crown sites, particularly on the coast, the highest and best value of the land may not be as a Holiday Park and with rezoning, could yield very high returns as a one-off asset sale to the private sector. If ownership of these holiday park lands were sold to private interests there would be no guarantee these sensitive coastal sites would remain as holiday parks. This is supported by industry research which has shown that a high number of privately held holiday parks have been converted to manufactured housing estates and residential developments. In fact over the last 20 years, 465 holiday parks across Australia are no longer holiday parks. During this time only 2 new parks have been built. Tourism Research Australia found that over the five years prior to 2013/14, 65 establishments were lost to the Holiday Park industry. Many of these sites have been redeveloped in rapidly populating areas such as Gosford, Ballina and Great Lakes.

Further erosion of this asset supply will see significant one-off benefits to developers resulting in a decline in ongoing economic benefit to the region. If these assets were transferred to Local Government ownership they could be reclassified as operational land under the LGA and sold to the private sector providing a significant windfall to that Council. This could be a very attractive option for NSW Councils which suffer from significant infrastructure backlogs on core assets and budget deficits.

Funding for infrastructure maintenance and renewal has been described as the "biggest management challenge in Local Government" (Source: "Allan Enquiry into financial sustainability of NSW Local Government").

**(d) The extent of Aboriginal Land Claims over Crown land and the opportunities to increase Aboriginal involvement in the management of Crown land.**

The NSWCHPT supports the objects of the proposed new Act being:

- a) Provide for the management of Crown Land for the benefit of NSW.
- b) To provide a system of management for Crown Land that is efficient, fair and transparent.
- c) To integrate social, economic and environmental considerations in decisions.
- d) To provide for the management of Crown Land by local government other entities and the community as well as by the NSW Government.
- e) To provide that the disposal of Crown land be for the benefit of the people of NSW.
- f) To ensure that Crown land is put to its best use in the public interest.
- g) To encourage public use, enjoyment and, where appropriate, multiple use of Crown Land.
- h) To preserve cultural heritage (aboriginal and non aboriginal) on Crown Land
- i) To encourage aboriginal use, and where appropriate co – management of Crown Land.
- j) To provide and appropriate system of land tenure and to facilitate diversification of land use in the Western Division of NSW.

These objects are consistent with the NSWCHPT Terms of Reference.