

INQUIRY INTO CROWN LAND IN NEW SOUTH WALES

Organisation: Mojo Surf

Date received: 15 August 2016



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What do we bring to tourism in NSW?

- 1. In 2015 we spent \$810,000 in marketing for regional areas in NSW**
- 2. We travel the world visiting travel agencies and training their staff not just on our product, but on the wonderful coastline in which we operate**
- 3. This results in a 5 million annual turnover and the ability to be able to employ 80 plus people in regional areas of NSW**
- 4. This impact on regional areas of NSW by bringing jobs and tourists who spend money in these areas. We brought 20, 833 people last year, of which 95% were international tourists.**
- 5. Travellers participating in our product spend at least \$95 per day, which at 20,833 we estimate is 9.2 million spent annually in regional NSW**
- 6. We want to keep doing this but we are frustrated by the lack of stability provided by the councils in the areas we operate. The councils often have their own agenda that is not focused on small business growth.**

Mojosurf Current Licenses

- 1 year license in Umina
- 1 year license at Kempsey
- 1 years License in Coffs
- 3 years Ballina- Tender
- 3 years Byron Bay – Tender

How many?

53 surf schools in NSW

What's at risk?

Jobs

International Marketing of regional areas

Investment from tourists visiting these areas



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Current Issues:

- **You can't sell your surf school because licenses are not transferable**
- **You can't invest in your business or the region because your license is up for tender**
- **Conditions imposed on licenses restrict trade and growth**
- Changes to our Coffs Harbour license before it had expired - restricting the area we could operate and our operating numbers
- Inability to transfer the license we purchased at Ballina but able to operate it under a management agreement
- No business security or potential for investment or securing finance for investment in infrastructure
- No value in the business as licenses are not transferable
- Multiple bodies involved in the process- National Parks, DPI and Council
- Previously Ballina council have allowed one operator to have more than one license. This was then amended to only one operator per license
- Customer numbers are allocated for council regions, rather than taking into account specific location impact on beach users

Attempts at finding a solution

- Attended an enquiry at state government of the impact of local councils on tourist operators. Recommendations were made but nothing came of this.
- Meeting with National Parks, DPI and Coffs Council
- Presenting submission to councillors at Ballina Council – they voted against transferring of license and more than 1 operator allowed to have a license
- Met with Department of Investment who also attended our meeting with Coffs Council
- Met with Destination NSW who also attended the meeting at Coffs
- Referred to the Office of NSW Small Business Commissioner who is now reviewing our case

Support Activity and Tourism Operators



- NSW is recognised as having some of the best Surfing & Water Sports coastline in the world.
- The Activity Tourism industry creates jobs and careers in Regional NSW
- As an example; Mojosurf employs up to 80 people in regional NSW
- Mojosurf promotes Regional NSW globally at Tourism Expo's and Conferences actively for the last 15 years
- Over the last year Mojosurf hosted 20,833 visitors, 95% of whom are international tourists.
- We support and deliver educational programs, promoting beach safety to the domestic and international tourists.
- We support Regional tourism and local businesses with \$5.1 million spend in the local economies
- We are supportive of tourism and sustainability.
- We need to maintain and invest in our businesses, important in enhancing the visitor experience.

Current policies of natural asset and resource management bodies are inconsistent, restrictive and subsequently we feel they are significantly impacting on NSW's ability to maintain its world class positioning. The poor tenure coupled with difficult trading policies offered to commercial operators as well as the complexities of dealing with various organisations for one license are affecting future investment opportunities and professionals within the industry are being attracted to overseas prospects.

Support Activity and Tourism Operators

Mojosurf Pty Ltd Profile:

(One of the many activity operators in NSW)

- Mojosurf started operating in 1998 with 2 staff and \$10k capital investment.
- Mojosurf is owner operated.
- We teach people from the world over how to be safe in the ocean and learn how to surf.
- 95% or 20833 of our clients are Uni students, young travelers and backpackers from overseas.
- We employ 60 to 80 people seasonally adjusted in regional areas of NSW.
- We will spend over \$2.2million in wages for 2016/17.
- Our total spend in regional areas will be \$5.1 million for 2016/17.
- Our customers indirect spending into regional NSW would be A\$6.6 million.
- We have tirelessly worked to achieve our vision and by this we have built an industry, a business and created many jobs.
- We are passionate about what we do and who we are.
- We have an international sales and marketing team and travel the world promoting Australia, NSW and surfing.
- We invest in regional and rural NSW.
- We need supportive operational policy to help us grow
- Our greatest threat are not the sharks in the sea but the policy we operate under that determines our business future.
- There are many companies like us waiting to grow with proactive and supportive policy.



Support Activity and Tourism Operators

Recommendations:

- Long term standardised license agreements for all operators and regulatory bodies.
- 10 year license agreements with review periods. This promotes good planning, staff development and investment.
- Internal entity ownership changes are permissible with approved changes and new operators holding relevant experience and qualifications.
- Transferability in the event of a business being sold to approved operators. Without goodwill transferability a person's business has no value hence no real investment, planning or effort can be applied long term.
- A renewable license agreement after a review process for existing operators without the requirement for tender processes or EOI's.
- The ability to apply for new and additional licenses in any area based on specific impact studies and reports for the area.
- Set license pricing for activity operators so we can financially plan for our businesses.
- A business development and support panel for businesses who have visions of growing in the industry and regions.
- Allow operators to hold more than one license to operate in a region.





19th June 2013

To whom it may concern;

As the National Sporting Organisation for the sport of surfing in Australia, Surfing Australia is writing to express its serious concern in regards to the tender process used for surf schools by a number of councils around Australia, including the Byron Shire Council.

The Surfing Australia Surf School Network currently has over 105 member surf schools operating on over 500 beaches across Australia. The surf schools industry is one of the most resilient industries on the Australian coastline offering both the local and visiting communities' safe and informative access to one of Australia's most iconic pastimes; however the tender process used by a select few councils is threatening its ongoing existence.

Under these tender processes, Surfing Australia is seriously concerned as to the following points:

- There are absolutely no terms or conditions governing surf schools' licensing renewals upon expiration, rendering businesses potentially worthless beyond their tenures.
- Any options for mid to long-term investment or growth by these businesses are virtually removed due to their short-term licensing periods
- Future planning and long-term employment options are undermined
- There is no opportunity to transfer these licenses during the term leaving these businesses essentially unsaleable
- The licensing fees offered to council by vying surf schools play a significant role in determining who acquires a limited number of licenses, favouring those with the deepest pockets

Surfing Australia understands the need by council to provide a balance between business activities; general community use; and ensuring ecologically sustainable use and protection of Council managed land and beaches. However, Surfing Australia has successfully worked with a number of councils around Australia in developing licensing policies that fit the needs of all factions without the negative impact of the tender process, and therefore strongly disputes the need for this inefficient and highly unjust system.

Surfing Australia implores these councils to cease using the tender process in regards to surf school licensing, and review the alternatives in collaboration with Surfing Australia as the peak body for the sport of surfing in this country as recognised by the Australian Government through the Australian Sports Commission.

Please do not hesitate to contact Surfing Australia to discuss this matter further.

Yours faithfully,

Jim Hughes

Sport Development Manager

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