

**Submission
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INQUIRY INTO CROWN LAND IN NEW SOUTH WALES

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We operate markets and often these are on school or council property. In many cases council property is actually Crown property being managed by the Council. We believe the approach by both bodies is counter productive and we have tried to lobby the Department of Education on the matter but without any success. See copy of letter to the Executive Director of Public Schools.

The current schools policy involves placing markets out to tender at inception and when licenses come up for review (maximum five years). Of course superficially this sounds like good governance but it has a number of very bad features.

New Markets - Sites found by market operators: While the sites are sometimes found by the school often they are found by a market operator. Clearly no sensible market operator is going to spend time and money identifying sites simply to have them offered to others. There is a Premier's Department policy concerning unsolicited approaches and I would have thought that the same sort of thing should go on here. If a market operator approaches a school and offers to start up and market there and the school want it the school should be able to negotiate the license directly (subject to Asset management oversight).

New Markets - Markets initiated by schools: It may well be that the best way to go about these is to advertise for EoI's although its a lot of trouble for something that is pretty simple. However, whatever methods are used a number of matters have to be taken into account:

1. Markets are not short term proposals and can take years to become established. The market operator will probably be faced with obtaining a DA and other formalities and requires a fair go to recover their costs. Licenses should be for say 5 years with a 3 year extension.
2. Tenders should only be accepted from people with the credibility to assume they can operate markets.

Existing Markets: In order to avoid the market operator simply wanting to extract as much money as possible without caring about the long term future of the market or school there has to be some long term future. Subject to the school being satisfied with the market operator further licenses should be by negotiation.

Councils operate along similar lines but there is no real central body for us to lobby so I cannot produce the sort of information that I have concerning schools but the exact same considerations apply. The claim here is that markets have to go out to tender each five years owing to the Local Government Act and we know of many cases where the 'sweet talk' of a new operator has resulted in a change of management only to see the market largely destroyed (see for example what happened at Bondi Junction) when the new operator does not live up to the promises. Real past experience is just worth so much more than a fancy presentation.

These considerations apply to a wide range of commercial activities carried out on Crown Land where clearly transactions have to be transparent but where initiative in identifying a site and commitment in operating the site have to be rewarded and not put at risk by advertising what amounts to a business they have built up for someone else to take away from them.

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