

**DRAFT**

**MASTERPLAN and BUSINESS DEVELOPMENT STRATEGY**

for the

**EVANS HEAD RECREATIONAL RESERVE**

for

**EVANS HEAD RECREATIONAL RESERVE TRUST**

December 2009



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## 1 INTRODUCTION

### 1.1 Background

The aim of this report is to formulate a Masterplan and Business Development Strategy outlining the actions required;

- **To significantly enhance the financial contribution of the Silver Sands Holiday Park to the community and to the management of reserved Crown land for the benefit of the community;**
- **To achieve appropriate levels of customer satisfaction for the Holiday Park's guests by responding to current marketplace demands for accommodation, services, amenity and recreation; and**
- **To provide the Silver Sands Holiday Park with the capacity to deliver consistent and continuing enhanced financial outcomes.**

The proposed Masterplan and the associated Business Development Strategy must be able to function within the context of appropriate management and administration of a much larger area of public open space. In this regard this document has been developed to be consistent with the Evans Head Coastal Reserves Draft Plan of Management 2009 prepared by GHD.

The Strategy will focus on the Park's tourist sites and accommodation and draw on data and information included in the Silver Sands Holiday Park Business Operations Plan prepared by Hassall and Associates in association with Geolink in May 2008.

The principal aim for the Masterplan is to establish the opportunity for the Reserve Trust to receive growing commercial returns on capital investments that already exist and to guide decision making in relation to ongoing capital investment in the caravan park and in the adjoining public reserve. The requirement is to implement an integrated approach that is able to resolve existing issues and management conflicts in a way that delivers identifiable benefits to the Reserve Trust and the community as well as to the tourist clients and residents of the Park.

In addressing these matters it is essential the Masterplan and associated Business Development Strategy is based on an informed view of the quality and potential of the Park's business assets that is practical, financially achievable and makes good business sense. At the same time the targeted business outcomes must be placed within the context of achieving ecological sustainability, intergenerational equity and identifiable public benefits.

### 1.2 Structure of this Report

The initial focus is to outline the existing situation, the strategic qualities the Park offers and the broad thrust of the proposed strategy. The characteristics of the marketplace are discussed in relation to their influence on the proposed capital improvement program. The likely financial outcomes as a result of the recommended investment are also discussed.

## 2 EXISTING SITUATION

### 2.1 Land Status, Facilities and Operation

Silver Sands Holiday Park (Silver Sands) is located within a narrow but substantial area of reserved Crown land on the eastern edge of the town of Evans Head.

The Holiday Park occupies part of the Evans Head Recreational Reserve which is described as R 82910 for Public Recreation and was gazetted on 18<sup>th</sup> November 1960. The Reserve has a total area of approximately 26.03 hectares and Richmond Valley Council is the appointed corporate manager of the Evans Head Recreational Reserve Trust. The Reserve, including the Holiday Park, forms a buffer separating commercial and residential land use from the Evans River estuary and the beach. The Reserve has extensive frontage to the estuary with pathways, roads and parking areas providing links and access from the town to the river, the estuary and the main beach.

The Holiday Park adjoins the town's residential and commercial area with restaurants, clubs, retail outlets and general service stores all within easy reach. Silver Sands has two distinct operational areas separated by a foreshore and riverside recreation area which is used by the public as open space for general year round use. The Park has a 3 ½ star AAA Tourism rating. Drawing SS 01 illustrates the existing layout of the Holiday Park.

The northern part of the Park(Northern Precinct) is used intensively throughout the year while the southern area(Riverfront Precinct) has been primarily used as an “overflow” for camping during the peak season. The Riverfront Precinct has a Section 68 approval that does not impose any restrictions in terms of when the land is occupied and provides communal amenities and facilities that comply with the requirements of the relevant Local Government Regulations. On this basis there is no substantial impediment to expanding the use of the Riverfront Precinct to other times of the year. The general character of the Park and the Reserve has previously been analysed by Geolink in the Draft Business Plan which draws out and identifies some of the key issues.

The Silver Sands Holiday Park is approved for a total of 577 sites consisting of;

- 48 long term sites - 26 are occupied;
- 376 short term sites; and
- 153 campsites.

The Northern Precinct of the Park supports 370 of these sites which are allocated and used as follows;

- 48 long term sites;
- Short term sites which comprise;
  - 56 en-suite sites;
  - 104 holiday vans;

- 23 units of on-site accommodation; and
- 123 powered sites; and
- 16 campsites.

The Northern Precinct supports a majority of the Park's capital infrastructure which includes;

- Amenities blocks;
- Managers residence and reception area;
- A children's playground;
- Park laundry;
- Barbecue shelters; and
- 53 brick en-suite units.

Holiday vans and long term occupations account for about 40% of the total sites in the Northern Precinct and as a consequence are a significant component of the visual character of the Holiday Park and the overall presentation of the property.

At this stage the sites in the Riverfront Precinct which comprise 70 short term powered sites and 137 campsites are primarily used during Christmas and Easter peak holiday periods. During 2009 the use of these sites has been successfully extended to provide additional sites on occasions when the Northern Precinct has been at capacity.

The adjoining public reserve supports a range of significant community facilities which include;

- Evans Head Surf Life Saving Club;
- A kiosk;
- Public amenities;
- Tennis courts;
- The community recreational hall;
- Extensive parking areas; and
- A skateboard facility.

A feature of the Park's environmental context is an adjoining area of valuable littoral rainforest. Mature Norfolk Island pines and figs are highly recognisable features of the Riverfront Precinct and the estuary foreshore. The Park is maintained to a reasonable standard although some of the infrastructure and facilities are relatively dated given the quality and significance of the location and the commercial potential of the business.

A substantial area along the central section of the Park's eastern boundary contains significant vegetation which supports a colony of flying foxes which includes grey-headed, black and little red species. The former two species are listed as vulnerable under the NSW Threatened Species Conservation Act 1995. The flying fox colony has an impact on around thirty sites which are close to and under the trees where the animals camp. A number of these sites are occupied by long-term residents. A Flying-fox Management Plan has been prepared and the

Reserve Trust is committed to applying the recommendations of the Plan, where possible, and in consultation with the affected Park residents.

The Silver Sands Holiday Park represents a substantial asset of the Reserve Trust and the New South Wales government and occupies a significant and valuable area of reserved coastal Crown land. The Park is also important in the context of the regional caravan park and tourist industry and the economy of Evans Head. The Evans Head Locality Plan, October 2008, emphasises the significance of tourism for the economic well being of the community and states “Stakeholders in Evans Head are keen to take a proactive role in keeping Evans Head prosperous. The town has excellent opportunities for economic prosperity through business and tourism and is both surrounded by and within close proximity to many natural assets”.

## 2.2 Strategic Analysis

Silver Sands has been inspected on a number of occasions to establish an understanding of the quality of the development and to identify strengths, weaknesses, opportunities and threats.

### Strengths

- Location - a unique and attractive beachfront and estuary foreshore setting;
- Established clientele with good levels of loyalty and return visitation - the year round occupancy rates in this Park are among some of the highest being achieved by any caravan park on Crown land in New South Wales;
- Views over the estuary and to the ocean from the Riverfront Precinct;
- Ease of access to the waterway and the patrolled surf beach;
- Boat launching facilities are available nearby;
- Proximity to the Evans Head township and the facilities it provides;
- Access from the Pacific Highway is straightforward and is well signposted;
- There is a reasonable stock of self-contained accommodation;
- Mature and iconic vegetation - littoral rainforest, ficus and Norfolk Island pines;
- A sound income base which has grown over the past few years; and
- The available land area is quite extensive.

### Weaknesses

- On-site accommodation does not take full advantage of the quality of the setting and location;
- A substantial proportion of the cabin stock is beginning to show its age;
- In spite of the very high levels of year round demand for cabin accommodation the range and quality of the cabins has not been significantly enhanced in recent years;
- There is no accommodation that addresses higher end demand for quality cabins;
- The siting of the existing accommodation stock is regimented and does not occupy the prime locations within the Park;
- The physical separation of the Northern and Riverfront Precincts has a range of management and administrative drawbacks;
- Some sites in the Riverfront Precinct do not comply with regulatory requirements with respect to site area, access and parking;



- Many sites in the Riverfront Precinct are in locations that are inappropriate in the context of the role of the Reserve as a integral component of the Evans Head open space network;
- Use of prime sites in the Northern Precinct is restricted because of the impact of the flying fox colony;
- The open character of the Park and its boundaries creates problems related to security for guests and the impact of anti-social behavior in the adjoining reserve;
- The core of the Park supports some older long term vans, holiday vans and annexes some of which have become unattractive and require increasing levels of repair;
- The amenities blocks and associated spaces and facilities do not present well and in some instances are surplus to requirements;
- Space and storage for service and maintenance equipment is not well resolved;
- Road alignment and form in the Riverfront Precinct is unresolved;
- Landscaping around most of the cabins is limited or non-existent;
- Camp kitchen and communal meeting areas or spaces are limited; and
- The client base for cabins is not diverse.

### Opportunities

- Establish a clearly defined open space linkage between the Town Centre and the estuary and the foreshore pathway system including the elimination of sites that interfere with the integrity of that connection;
- Investigate the introduction of purpose designed and sited cabin accommodation that takes full advantage of the unique location and setting of both Precincts of the Holiday Park;
- Improve the range and quality of Park facilities;
- Resolve the presentation and arrangement of the amenities blocks;
- Increase occupancy with targeted marketing that includes packaging with other local and regional attractions;
- Confirm the operational basis of the Riverfront Precinct and capitalise on the quality of the setting and the existing Section 68 approval by establishing year round operation; and
- Rationalise the allocation of sites for holiday van and long term use with a view to creating quality precincts for holiday accommodation capable of generating optimum financial returns.

### Threats

- Age and condition of some Park buildings and infrastructure;
- Ongoing costs of improvements will be significant if the Park is to consolidate its existing market share as well as capture new clients;
- Some other parks in the area and the region provide superior facilities and accommodation at competitive prices;
- The entrenched position and character of some of the holiday vans;
- Delay in the application of a substantial capital injection could mean the Park falls further behind its competitors;
- Planning priorities of relevant government instrumentalities; and

- Requirements of coastal planning legislation and policies.

### 2.3 Visitor Survey

In January 2009 during the peak holiday period visitor surveys were distributed to people staying at the Holiday Park to ascertain general levels of satisfaction with respect to the experience the Park offers. A total of 108 surveys have been analysed. 94% of the people who responded were return visitors to the Park and a significant proportion were people who have been holidaying in the Park for many years. The survey brings forward a range of points that will be significant to the master planning process and also highlights some areas where the existing management of the Park may need to be improved.

The information gathered from the survey can be summarised as follows; Of the people surveyed;

- 77% stayed in their own caravan, 13% stayed in a cabin and 10% stayed in a tent;
- 75% stayed on the Park for more than 10 days and Silver Sands was their principal or only destination for this holiday period;
- For 62% of respondents Silver Sands was the only caravan park they had visited in the past 3 years;
- The two most important reasons for choosing Silvers Sands were because it was the regular holiday destination(40%) and because it was close to the beach(37%);
- The vast majority of people were part of a family group which included children between 0 and 18 years of age;
- Satisfaction with the standard and range of facilities varied considerably, however, 65% of people said the facilities were below average and 47% of respondents considered the Park overall to be unsatisfactory(14%) or only satisfactory(33%); and
- 85% of respondents indicated they would stay in the Park again in the future.

A large number of respondents(well over 50%) took the time to write sometimes lengthy comments in relation to the facilities offered in the Park and improvements that should be made. This is indicative of a situation that could result in long term damage to the reputation of the Park and have an adverse impact on future visitation levels. On a more positive note the survey responses show that the quality of the location and the natural attributes of Evans Head are an ideal platform for the improvement of Silver Sands and the development of contemporary caravan park facilities.

### 2.4 Summary

Based on our knowledge of other caravan parks in the region with water frontage and surf beach access we are of the view that Silver Sands stands out in terms of its location and setting. It is a unique property because of its intrinsic qualities and as a result represents an outstanding business asset.

Based on the quality of the location and the existing occupancy rates it is clear that provision of new cabins and improved facilities would create the opportunity for substantial increases in tariffs for all sites and accommodation products. The Visitor Survey showed there were problems that needed to be addressed with respect to the standards and maintenance of

facilities and significant improvements have already been made in this regard. Recent initiatives of the Trust have included;

- Comprehensive upgrades of all amenities blocks and en-suites;
- Improvements to telecommunication services and the quality and content of the Park website; and
- Construction of the first stage of the security fence to the Park boundaries.

A large proportion of sites in the Riverfront Precinct have a water view and no site is further than 200 metres from the water's edge. The Precinct is also immediately adjacent to the Town Centre. Unfortunately, when camping and caravanning was established in this area it occurred in a manner that did not take full account of the integrity of the Reserve and its function in relation to the provision of public open space for Evans Head. The initial license for the operation of the Park which was issued in 1990 provided for a total of 617 sites. In the intervening years some sites have been deleted in recognition of broader planning priorities and principles, however, further actions need to be taken in this regard.

While the cabin precinct and some aspects of the Park are well maintained a proportion of the Park's capital assets including amenities and some cabins are showing signs of their age and requirements for renovation. In terms of addressing the growing demand of the marketplace the provision of ancillary facilities and value added services for guests is limited. These areas and others need to be addressed to bring Silver Sands into line with other providers of tourist accommodation. Specific items where there is a significant shortfall are;

- Some key park amenities require further upgrading or replacement;
- Given the occupancy rates and client demographic the provision of a much larger and more contemporary camp kitchen associated with other recreational facilities would consolidate the Park's existing strong performance across all site types;
- A substantial proportion of the cabin stock is due for replacement;
- The range and quality of the cabin stock could be expanded;
- Landscaping and presentation of some cabins and existing guest facilities could be improved; and
- The Riverfront Precinct has the potential for profitable year round operation and could be established as an independent business, however, the number of sites in the Precinct will need to be reduced in recognition of broader planning and regulatory issues.

### 3 BUSINESS CONTEXT

#### 3.1 State and Regional Tourism - Domestic Overnight Visitation to Year Ended June 2009

The following table illustrates the trends in overnight domestic visitation to New South Wales for the five years from the year ending June 2005 to the year ending June 2009.

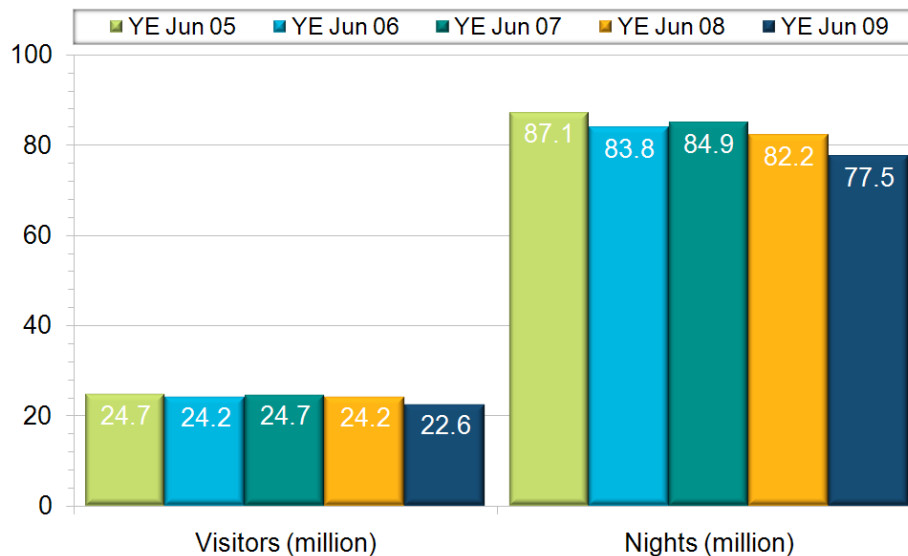


Table 3.3 Visitors and Nights - Domestic Overnight Travel to New South Wales.

Source; *Travel to New South Wales - Year Ended June 2009, Tourism New South Wales.*

While the number of visitors to the state had been relatively stable for the three years to the end of June 2008 the twelve months to June 2009 has seen a decline of 6.7%. The corresponding figures for the number of visitor nights show a decrease of 5.7%. Changes to visitation to the Northern Rivers over the same period have not paralleled the trends for the State as a whole as shown by Table 3.4. The state trend of a reduction in the number of visitors was reflected in the regional statistics but with an even greater percentage drop in the number of overnight visitors of around 12.9%.

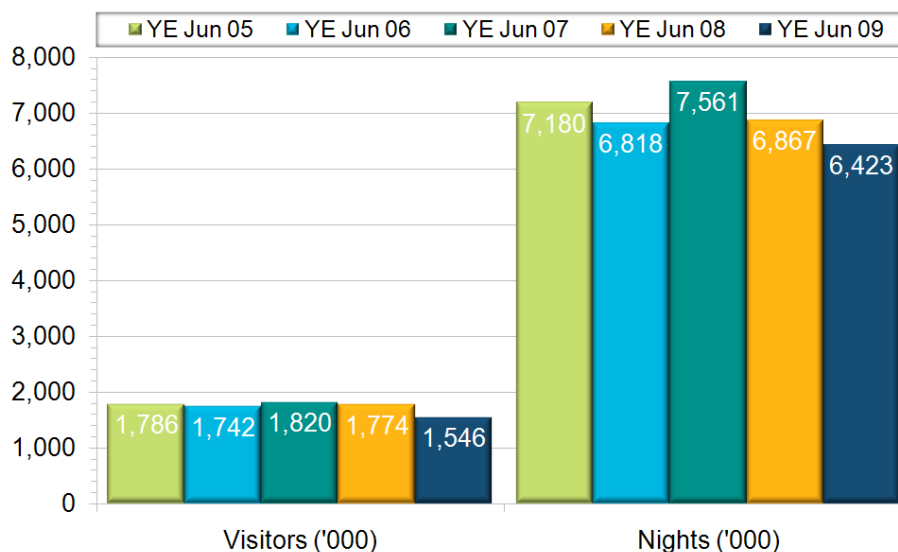


Table 3.4 Visitors and Nights - Domestic Overnight Travel to Northern Rivers.

Source; *Travel to Northern Rivers - Year Ended June 2009, Tourism New South Wales.*

Fortunately the number of visitor nights was not as significantly impacted with people choosing to stay for longer. As a result the drop in visitor nights was 6.5% which was still greater than the decrease for the state as a whole. Since June 2007 the number of visitor nights in the region has fallen by a total of 15%.

These statistics highlight the fact that over the past two or three years Silver Sands has been required to perform in a contracting market. An analysis of revenue over this period can be found in Section 4 of this report. In 2007/08 the business was able to perform against the prevailing trends but in 2008/09 the impact of falling visitation in the State and Region was reflected in minimal growth in the business outcomes for the Park.

### 3.2 Forecast Trends in Tourism

The Australian Tourism Forecasting Committee in “Forecast, 2008, Issue 1” reported *“The number of domestic tourism trips is forecast to grow at an average annual rate of 1.4% between 2007 and 2017. The outlook for domestic visitor nights is less positive, with nights forecast to fall at an annual average rate of 0.3% each year between 2007 and 2017 to reach 280.4 million. However, this long-term trend masks a profile of strong decreases in visitor nights in 2008 and 2009 followed by modest growth over the remainder of the period. Total Domestic Economic Value (TDEV) is forecast to grow at an average annual rate of 0.9% a year”*.

Against this background the overnight domestic tourism market has been steadily changing in response to a variety of factors including the economic and employment circumstances of the community as a whole. The demographic characteristics of market segments have also altered significantly. Some trends that relate to the changing nature of recreational behaviour of Australian travellers include;

- A desire to enjoy more breaks per year but of shorter duration and in different locations. The time when families spent 4 weeks a year on an annual holiday is disappearing;
- Improved road transport on a national level. This factor has led to the resurgence of the caravan and other forms of registered recreational vehicles. Improved accessibility has opened new markets but increasing fuel prices may have the potential to act as a brake on the rate of future growth;
- Growth in the strength of the seniors market;
- Emergence of new consumer markets. It is now possible to identify a range of niche markets. The needs and interests of, say, groups of teenagers or elderly couples are different from younger couples and young families;
- The nature of the business/conference markets is also fragmenting creating new opportunities in some parks; and
- A willingness to spend more money to achieve a “quality” holiday experience.

The above factors have by and large had a positive impact in relation to overnight stays in caravan parks. As a result caravan parks that are well developed and promoted have achieved business growth even though other accommodation providers may have faced difficulties. The changes in the character of the market need to be monitored and assessed in determining the focus of the ongoing management and business strategies for Silver Sands Holiday Park.

### 3.3 Impact of Increasing Fuel Prices

Visitation to caravan parks and camping grounds represents approximately 50% of the total visitor nights in commercial tourist establishments in New South Wales. As a result the industry makes a significant contribution to the economy in terms of income and employment generation. The ability of the caravan park and camping industry to thrive over the last two decades can be traced to a number of key factors including:

- The location of caravan parks;
- A stable regulatory environment;
- Dynamic nature of this form of tourist accommodation;
- Willingness of the industry to invest in improving the product;
- Value for money; and
- The propensity for Australians to spend a significant proportion of leisure time and discretionary budgets on domestic tourism.

In the past ten years the touring component of the industry has been further strengthened with the emergence of motor-homes as a key mode of transport for long distance touring. These trends have produced growth in the demand for powered tourist sites alongside an increasing need for cabin accommodation. At the same time the industry and individual caravan parks have been aggressive and innovative in their approach to marketing and promotion.

Clearly there is a question as to whether this growth can continue in an economic climate where fuel prices are steadily increasing. As with any issue there is a range of opinion. Many believe the days of caravans being towed by vehicles with large engine capacities are over. On the other hand fuel prices have been rising consistently for a number of years and yet caravan sales have never been stronger. At the same time the demand for recreational vehicles has burgeoned. Factors that have contributed to these trends continuing in spite of rising fuel prices include;

- A large part of the demand comes from baby boomers who are “cashed up” and able to afford to make these choices;
- A general willingness to spend whatever it takes to achieve a “quality” holiday experience;
- Vehicle design has focussed on fuel efficiency along with the ready availability of alternatives including diesel and lpg;
- Design of caravans and other towed camper vehicles has taken account of the issue and created products with greater aerodynamic efficiency together with the use of lighter but stronger materials to minimise fuel consumption;
- Improvements to the highway system; and
- People are choosing to take shorter trips in preference to no trips.

The Australian Government’s Tourism Forecasting Committee in August 2008 stated “Higher than previously assumed oil prices have led to downward revisions in the number of domestic trips and nights for 2008 and 2009. Airlines have responded to increasing oil prices by raising airfares and reducing expansion plans. Higher oil prices are also making travel by road more

costly” and “However, increases in income and a robust labour market are expected to support modest growth in domestic trips.”

In a survey of 1300 motorists the NRMA found that 54% of respondents said higher petrol prices were making them “reconsider” their holiday plans. While almost two thirds of respondents were choosing to holiday closer to home and 60% were cutting back their holiday spending only 7% said they had cancelled a holiday due to higher petrol prices.

The evidence from many parts of the caravan park industry has been that occupancy rates and revenues continued to achieve some growth in 2008 even though total domestic visitor nights in coastal regions declined.

The Caravan and Camping Industry Association (CCIA) has taken a proactive stance in relation to the issue and commissioned KPMG to undertake a study to establish the cost of fuel as a proportion of the total cost of a touring holiday and the additional costs likely to be incurred as a consequence of increased fuel prices. The report details the cost of fuel for four popular trips based on fuel consumption in the range from 10 litres to 30 litres per 100 kilometres, and with fuel prices ranging from \$1.00 per litre to \$2.50 per litre. The key conclusions are that the cost of fuel is a relatively small proportion of the total cost of a holiday and “a 20 cent per litre rise in fuel price may only impact the overall holiday cost by 2%”.

Obviously this is an issue that will have a continuing impact on the caravan park industry, however, it has been our observation that where caravan parks have been committed to consistently improving product and service there has been business growth. The challenge for Silver Sands is to adopt a business model, pricing policies and marketing strategies that can respond and adapt to changing market conditions in order to achieve acceptable business outcomes.

### **3.4 Impact of the Economic Downturn**

The global downturn in economic activity has not been an unmitigated disaster for Australian domestic tourism. During a large part of the last decade Australian economic growth has been very robust. This resulted in higher wages as well as a higher value for the Australian dollar. In these circumstances Australians increasingly chose to travel overseas rather than domestically, a trend that can be clearly seen in the tourism statistics discussed in 3.1 above. The drop in the value of the Australian dollar against other major currencies during the first half of 2009 meant Australians planning to travel overseas saw the cost of their trip substantially increased. This had some impact on domestic tourist activity as people elected to holiday in Australia rather than overseas. This choice was particularly significant for caravan parks where the traditional strength has been the capacity of the industry to offer affordable holiday options.

On the other hand the economic downturn has affected a range of family financial considerations which placed a limit on the discretionary spending of families on luxuries such as holidays. In order to limit the adverse impacts on economic activity the government implemented a range of measures to stimulate economic activity. Many of these initiatives

targeted middle to lower income families who are key client groups for the caravan park industry.

A survey conducted by the CCIA found that over the December 2008 to February 2009 quarter, use of caravans and campervans had increased by 6% to 10% when compared to the same quarter for the previous year. In many instances demand for caravan and camping sites exceeded supply and in addition more than half of the state's CCIA member parks reported a significant rise in the number of first time campers or caravanners. The CEO of the CCIA, Barry Baillie, attributed the rise to the impact of the financial crisis in combination with a general increase in interest in outdoor resourced based holidays.

It has now been established that the economic downturn has not affected the Australian economy to the extent experienced in many other industrialised countries. In this context the caravan and camping industry has performed very well. Anecdotal evidence suggests that some stimulus dollars were spent on accommodation and holidays with the lower cost opportunities offered by holiday parks being preferred by many. In June the NSW Treasurer announced that the Budget would include a reduction in sales tax on caravans and camper trailers from 1<sup>st</sup> July 2009. Dealers have reported some consequent growth in sales. In September 2009 the CEO of the Caravan and Camping Industry Association stated that "Caravan and camping tourism has been the fastest growing domestic tourism sector in Australia for some years and is tipped to boost the slump in domestic tourism in years to come, according to a report by Tourism Research Australia, 'Through the Looking Glass'".

In the September/October issue of "The Review" published by the CCIA it was reported that "Caravan and camping tourism is experiencing a revival and it is evident that our industry is set for a prosperous year ahead. With evidence of great exhibitor sales at the Penrith Expo and high occupancies in NSW holiday parks during the last summer season, CCIA is predicting a resurgence of the 'traditional Aussie holiday'".

### 3.5 Economic Benefits of Growth in Tourist Visitation

The increased revenues that could be generated by growth in tourist visitation to Silver Sands Holiday Park will have a potentially significant positive impact on related commercial and business activity in Evans Head and in the region. Tourism spending brings "new" money to the community and has a multiplier effect in the community as it is spent and re-spent by employers and employees. The following extract from an "infosheet" published by Tourism Queensland describes some of the benefits;

- *Tourism spending injects new dollars into the local economy. If a substantial portion of each new dollar is spent on locally produced goods and services, the income is retained in the community and is re-spent, creating a multiplier effect;*
- *Tourism creates opportunities to establish new products, facilities and services, and expand existing businesses which would not otherwise be sustainable. The multiplier effect encourages self sufficiency by capitalising local infrastructure, even in small communities. Expanded infrastructure, services and facilities benefit residents as well as tourists;*



- *Tourism creates many job opportunities - especially for young people, enabling them to stay in their local communities;*
- *Tourism enables local population growth by providing employment, residential and retirement opportunities. Many tourists to an area convert to become residents there;*
- *The environment, cultural heritage and indigenous culture of an area are more likely to be preserved if they are understood and interpreted as valuable tourism assets;*
- *Tourism stimulates improved local and regional transport services, expanded educational opportunities (through the introduction of adult education and specialised training courses) and interaction with other people and cultures, bringing in new ideas and broadening the community's social outlook.*

### 3.6 Summary

The quality of the location and the structure of the underlying business framework for the Silver Sands Holiday Park along with the potential for targeted capital investment should give the business the capacity to be a successful and profitable commercial asset of the Crown and the Reserve Trust even in a difficult operational environment. Clearly wider economic circumstances will continue to impact on levels of growth and influence the travel and holiday choices of the community. Therefore the ongoing management of the Park will need to be dynamic and responsive to changes in marketplace demands to insure capital investment is carefully targeted and linked to an integrated approach to promotion and marketing. This should enable Silver Sands to enjoy the financial outcomes that are currently being achieved in the tourist caravan park sector in New South Wales.

## 4 LEGISLATIVE FRAMEWORK

### 4.1 Introduction

The management and administration of Silver Sands Holiday Park is effected by a range of legislative provisions as well as the characteristics and dynamics of the business environment. There are a number of acts of the New South Wales legislature that effect the management and operation of caravan parks in Crown reserves. This is particularly the case where there are commercial opportunities involving the development of built improvements. Obviously a principal Act to be considered is the Crown Lands Act 1989, however, there are a range of other relevant Acts depending on the management model and the nature of the commercial opportunities and management requirements.

### 4.2 Crown Lands Act 1989

All reserved Crown land is subject to the general land management objectives and provisions of the Crown Lands Act 1989 (CL Act), particularly the reserve management provisions of Part V of the CL Act. The land management provisions relating to the protection of public land in Division 5 of Part 7 of the CL Act also apply.

The objectives and principles of Crown land management are listed in Sections 10 and 11 of the Act and require that:

- *Environmental protection principles be observed in relation to the management and administration of Crown land;*
- *The natural resources of Crown land (including water, soil, flora, fauna and scenic quality) be conserved wherever possible;*
- *Public use and enjoyment of appropriate Crown land be encouraged;*
- *Where appropriate, multiple use of Crown land be encouraged;*
- *Where appropriate, Crown land should be used and managed in such a way that both the land and its resources are sustained in perpetuity;*
- *Crown land be occupied, used, sold, leased, licensed or otherwise dealt with in the best interests of the State consistent with the above principles.*

In July 2005 the Crown Land Legislation Amendment Act 2005 was passed and introduced a comprehensive body of amendments to the Crown Lands Act 1989. These reforms provide new opportunities in terms of the available management models for Crown reserves as well as increased flexibility in the allocation of moneys to appropriate Crown land management initiatives. Some of the amendments are related to;

Delegation of Management Functions; Reserve trust managers are now able to delegate their functions with Ministerial approval and the Minister may appoint different reserve trust managers to address different reserve management issues on the one reserve. The changes also address the accountability of people managing reserves on behalf of the community with the Minister empowered to standardise reporting dates and establish specific criteria to measure the performance of Trust managers.

Period of Appointment of Corporate Trust Managers: Previously members of reserve trust boards drawn from the community were appointed for a period of up to five years, but corporate trust managers were appointed indefinitely. In many cases, the indefinite appointment of corporate trust managers, such as local councils, is appropriate, because it enables long-term planning. While the Minister was always able to terminate these appointments at any time corporate trust managers can now be appointed for a fixed term.

Leases and Licenses; The amendments reduce procedural requirements by allowing the Minister to authorise local councils acting as reserve trust managers to grant leases, licenses and related easements over Crown reserves they manage in certain circumstances, without the need to obtain Ministerial consent. The Minister can revoke this authorisation at any time and retains the power to review any council decision if necessary. Councils acting as reserve trust managers will be required to indemnify the Crown against any liability or compensation claim arising from actions undertaken without the Minister's approval.

Part V of the Act provides that a Council may be appointed as a corporation to manage a Crown reserve. Some of the main provisions of Part V of the Act as they relate to a council's on-going management are:

- With the Minister's consent, Council as trustee may sell, lease, license or grant an easement or license etc. over part or the whole of a reserve;
- The Act does not prescribe the length of leases or licenses of reserved land;
- The Minister may direct how the proceeds of sale, lease or license is applied;
- If a reserve trust is acting in good faith in its management of the affairs of the reserve trust the liability of its members is safeguarded; and
- The Minister responsible for the Crown Lands Act or the reserve trust (with the agreement of the Minister) may prepare a Plan of Management for the reserve.

The CL Act 1989 and policy for the management of Crown land has always encouraged the appropriate commercial use of reserved Crown land. Commercial activity can meet the needs of public users of a reserve as well as generate the financial means to manage and improve the Crown Reserve system generally. A specific requirement of the Act has always been that the proceeds of commercial activities on reserved Crown land are to be spent on the management of reserved Crown land. Thus the revenue generated from a commercial undertaking on any reserve is a potential source of funds for the on-going management of physical improvements as well as the natural components of reserved land.

### **4.3 Environmental Planning and Assessment Act 1979**

Improvements to Crown reserves, particularly for commercial purposes, invariably require development consent. The *Environmental Planning and Assessment Act 1979* (EP&A Act) provides the statutory basis for the development consent process in New South Wales. S79C of the EP&A Act outlines the factors that a consent authority must consider when assessing a DA. These matters include:

- Any environmental planning instrument;
- Any draft environmental planning instrument that has been placed on public exhibition and details of which have been notified to the consent authority;
- Any development control plan;
- The regulations;
- The likely impacts of the development, including environmental impacts on both the natural and built environment, and social and economic impacts on the locality;
- The suitability of the site for the development;
- Any submissions made in accordance with the Act or the Regulations; and
- The public interest.

The following statutory planning instruments contain provisions relevant to the requirements for development consent for improvements to the caravan parks.

#### 4.3.1 Richmond River Local Environmental Plan 1992

With respect to the provisions of the Richmond River Local Environmental Plan 1992 the land-use zoning for the Silver Sands Holiday Park is Zone 2(v) Village. “Caravan park” is an innominate land-use that is permissible with the consent of Council. As the Park is within the coastal zone it is also subject to the provisions of a number of State Environmental Planning Policies and depending on the detail of particular proposed development the consent or approval authority may be a Joint Regional Planning Panel or the Minister for Planning rather than Council.

#### 4.3.2 State Environmental Planning Policy No 71 - Coastal Protection

State Environmental Planning Policy No 71 - Coastal Protection (SEPP 71) was introduced in October 2002 as part of the NSW Government’s Coastal Protection Package. Since its introduction the SEPP has been amended on a number of occasions.

The Policy applies to the coastal zone of the State as defined in the *Coastal Protection Act 1979* and gives statutory force to some elements of the NSW Coastal Policy 1997.

The objectives of SEPP 71 are:

- (a) *to protect and manage the natural, cultural, recreational and economic attributes of the New South Wales Coast, and*
- (b) *to protect and improve existing public access to and along coastal foreshores to the extent that this is compatible with the natural attributes of the coastal foreshore, and*
- (c) *to ensure that new opportunities for public access to and along coastal foreshores are identified and realised to the extent that this is compatible with the natural attributes of the coastal foreshore, and*
- (d) *to protect and preserve Aboriginal cultural heritage and Aboriginal places, values, customs, beliefs and traditional knowledge, and*
- (e) *to ensure that the visual amenity of the coast is protected, and*
- (f) *to protect and preserve beach environments and beach amenity, and*
- (g) *to protect and preserve native coastal vegetation, and*
- (h) *to protect and preserve the marine environments of New South Wales, and*

- (i) to protect and preserve rock platforms, and
- (j) to manage the coastal zone in accordance with the principles of ecologically sustainable development (within the meaning of section 6(2) of the Protection of the Environment Administration Act 1991), and
- (k) to ensure that the type, bulk, scale and size of development is appropriate for the location and protects and improves the natural scenic qualities of the surrounding area, and
- (l) to encourage a strategic approach to coastal management.

In support of these objectives the SEPP establishes the matters to be taken into account by a consent authority when it determines development applications for development on land to which the Policy applies.

Aspects of future development within the Silver Sands Holiday Park may be subject to the assessment provisions of SEPP 71. In some circumstances referral to the Minister for Planning may be required. As a consequence of the most recent amendments to the E P and A Act 1979, this SEPP and other planning instruments, a requirement for the Minister for Planning or a Joint Regional Planning Panel to be the consent authority for coastal and certain other development is now covered by the provisions of State Environmental Planning Policy(Major Development) 2005 as described below.

#### 4.3.3 State Environmental Planning Policy - Major Development

State Environmental Planning Policy(Major Development) 2005 commenced on 29<sup>th</sup> July 2005. The intent of the Policy is to identify projects to which the development assessment requirements under Part 3A of the Act should apply. The Minister for Planning is the consent authority for Part 3A projects.

Schedule 1 of the Policy defines the nature of Part 3A projects, for example, a proposed tourist facility with a capital investment value of more than \$5m located in an *environmentally sensitive area* of State significance, is a Part 3A project and the Minister is the consent authority. The definition in the Policy of *environmentally sensitive areas of State significance* includes land Reserved or dedicated under the Crown lands Act 1989 for the preservation of flora, fauna, geological formations or for other environmental protection purposes. The public purpose for the Reserve, “preservation of flora and fauna”, makes the Reserve an environmentally sensitive area of State significance, in terms of the provisions of the SEPP.

Schedule 2 of the Policy identifies specified sites, one of which is coastal areas. In a list of specific types of development, recreational or tourist facilities in a sensitive coastal location are specifically identified. *A sensitive coastal location includes*, for example, land within 100m of mean high water mark.

In July 2009 the Policy was amended to set up the framework for the assessment of matters which are of regional significance and provides for the role and responsibilities of Joint Regional Planning Panels (JRPPs).

Where projects involve a capital investment that is less than \$5m, are in the coastal zone and relate to caravan parks which are in a sensitive coastal location they will be determined by the JRPPs.

Projects which go to a JRPP for determination are lodged with Council. Council's planning staff undertakes the procedural assessment work with reports going to the relevant JRPP for determination of the application. Once the Panel makes its determination the Council then handles the procedural matters relating to the issue of the consent or refusal.

Consequently, many upgrading proposals in coastal caravan parks are potentially matters which will go to JRPPs for determination. Some may be Part 3A projects with the Minister for Planning as the approving authority.

#### 4.3.4 State Environmental Planning Policy - Infrastructure

State Environmental Planning Policy (Infrastructure) 2007 provides that certain types and categories of works and land use do not require development consent.

Clause 65 (2) 12 of the Policy provides that in respect of land reserved within the meaning of the Crown Lands Act 1989 development for any purpose can be carried out on a Crown reserve without consent by or on behalf of the Director-General of the Land and Property Management Authority, a trustee of the reserve or the Ministerial Land Corporation, or an administrator of the reserve if the development is for purposes of implementing a plan of management adopted for the land.

Clause 65 (3) of the Policy provides that development for any of the following purposes may be carried out by or on behalf of a Council without consent on a public reserve under the care control or vested in Council:

- (a) roads, cycleways, single storey car parks, ticketing facilities and viewing platforms,*
- (b) outdoor recreational facilities, including playing fields, but not including grandstands,*
- (c) information facilities such as visitors' centres and information boards,*
- (d) lighting, if light spill and artificial sky glow is minimised in accordance with AS/NZS 1158: 2007, Lighting for Roads and Public Spaces,*
- (e) landscaping, including irrigation schemes (whether they use recycled or other water),*
- (f) amenity facilities,*
- (g) maintenance depots,*
- (h) environmental management works.*

The provisions of this Policy mean that Richmond Valley Council as Trustee of the Reserve can undertake a range of works in accordance with Clause 65(3). It also means that if adopted Plans of Management are in place, works for any purpose set out in those Plans of Management can be implemented without consent except when the matters fall within the provisions of the SEPP Major Development in relation to Part 3A.

#### 4.3.5 State Environmental Planning Policy No. 21 - Caravan Parks

In 1986 Ordinance 71 "Caravan Parks and Movable Dwellings" was introduced into the 1919 Local Government Act. With the introduction of the Ordinance came the possibility for both short-term and long-term accommodation by way of movable dwellings in caravan parks thereby bringing about a wide definition for caravan parks. State Environmental Planning Policy No. 21 - Caravan Parks (SEPP 21) was prepared to ensure this wider meaning applied to all relevant planning instruments whether existing or proposed. In essence SEPP 21 legislated that where caravan parks were a permissible land use they took on the meaning provided in Ordinance 71 and were required to accord with all its aspects - whether enabling or restrictive.

This SEPP was subsequently repealed and replaced with a new Policy. It took effect on 24 April, 1992 and is still referred to as SEPP No. 21. With several other more recent amendments, the new Policy retains the provisions of the old Policy with regard to planning instruments and the wider meaning for caravan parks (noted above).

In addition, the new Policy deals with a number of issues including changes that have occurred since the introduction of Ordinance 71 and reflected in the current Regulations. In particular the Policy makes development consent mandatory for all new caravan park proposals regardless of local instruments. Consent authorities are also required to have regard to the impact of new long and/or short-term dwelling sites on residential and tourism land uses and operations in their local area.

A key element of the Policy is Clause 4A. The clause removes the effect of any other environmental planning instrument and the need for a development application with respect to the installation of movable dwellings on land approved for use as a caravan park. Among other things, without this clause, every time a caravan, tent or campervan (movable dwellings) checked into a caravan park for the evening or for a few days, a development application would be required. This arrangement would clearly be unworkable.

#### 4.3.6 Other Planning Studies and Strategies

A number of DCP's, planning studies and planning strategies of the Richmond Valley Council are relevant to the planning of the Holiday Park and the reserve and have been taken into account in the development of the Masterplan and the Business Development Strategy for Silver Sands. In particular these include;

- Evans Head Locality Plan
- Richmond Valley DCP 10 - Evans Head;
- Evans Head Urban Development Strategy 2008; and
- Casino Evans Head Parking Review May 2009.

#### 4.4 Local Government Act 1993

Many provisions of the Local Government Act 1993 impact on the operation of caravan parks. The Act contains significant definitions as well as provisions in relation to the operation of parks including the control of technical standards in caravan parks and the installation of moveable dwellings. In both cases an approval process is specified in Section 68 of the Act. The use of

the approval process is subject to the provisions of the Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds & Movable Dwelling) Regulation, 2005.

#### **4.4.1 Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds & Movable Dwelling) Regulation, 2005**

The caravan park and camping industry in New South Wales has undergone significant change in the last 15 years. This change was both demanded and facilitated by the introduction of Ordinance 71 "Caravan Parks and Movable Dwellings" of the Local Government Act, 1919. In part, Ordinance 71 was designed to address existing anomalies within the industry, particularly those related to permanent residential living within caravan parks.

On 1<sup>st</sup> July 1993 the new Local Government Act was introduced which in turn saw the introduction of the Local Government (Caravan Parks and Camping Grounds) Regulation 1993 which essentially embodied the provisions of Ordinance 71. The Regulation was substantially overhauled in 1995, amended again in 1998 and revised again in 2005.

The requirements of the Ordinance and now the Regulation have provided the design standards for the development, layout and operation of caravan parks. The Regulations also function as the basis for issuing an approval to operate a caravan park, by local Councils, under Section 68 of the Local Government Act, 1993.

#### **4.5 Residential Parks Act 1998**

The Residential Parks Act was introduced to protect the interests of residents in caravan parks. The Act requires the caravan park manager to enter into a residential tenancy agreement with all permanent residents (i.e. a person whose principal place of residence is a moveable dwelling on a long term site within a caravan park). The Act stipulates the main elements of the tenancy agreement and regulates the rights and obligations of both parties, particularly in relation to determination of site rental, termination of the agreement, etc.

#### **4.6 Holiday Park (Long Term Casual Occupation) Act 2002**

The Holiday Parks (Long-term Casual Occupation) Act 2002 and the associated Regulations set out the rights and obligations of long-term casual occupants of moveable dwellings in holiday parks (i.e. caravan parks) in New South Wales. In essence, the Act provides for an occupation agreement, which runs for a term specified in the agreement, between the manager of a caravan park and the owner of a permanently installed moveable dwelling (holiday van) for the use of a site.

Some of the principal issues addressed by the Act include:

- Information that a park owner must provide prospective occupants;
- The form and content of agreements;
- What happens at the end of an agreement;
- Occupation fees and charges;
- The formation and amendment of Park Rules;



- Dispute resolution mechanisms and the role of the Consumer, Trader and Tenancy Tribunal constituted by the Consumer, Trade and Tenancy Tribunal Act 2001.
- The fate of abandoned goods (i.e. moveable dwelling) and sites.

The Land and Property Management Authority has introduced an Information Sheet on the creation of occupation agreements which provides guidance on the principles to be followed. The State Government Policy states that agreements for sites on reserved Crown land must be limited to no more than 12 months.

#### 4.7 Crown Lands Caravan Park Policy

The Land and Property Management Authority Crown Lands Caravan Parks Policy was issued in 1990 by the former Department of Lands. The primary impetus for the creation of the Policy was to address issues of long-term residency, the number of holiday and storage vans in parks on Crown reserves and to improve the presentation and management of caravan parks on Crown land. The document establishes policies, objectives and strategies relevant to the management and development of all caravan parks on Crown land in New South Wales.

The objectives of the Crown Lands Caravan Parks Policy are:

- i) to develop a caravan park and camping ground system on Crown land which meets the needs of the community and provides a range of facilities for short-term use, long term use and camping*
- ii) to manage caravan parks on Crown land in an environmentally acceptable manner, to provide for the protection of important scenic, natural and cultural resources consistent with the objects and principles of the Crown Lands Act, 1989.*
- iii) to ensure that caravan parks and camping grounds on Crown land are managed in a way that provides appropriately for the recreational and social needs of the community.*
- iv) to encourage the entrepreneurial management of caravan parks on Crown lands in order to provide the community with an appropriate standard of facility and the government with an optimum financial return for the land it provides.*

It is clear, particularly from objective (iv) above, the intent of the Crown Land Caravan Parks Policy is there will be a commercial orientation in the management of Crown caravan parks. However, this objective is one of a set of objectives of equal weight and matters of environmental and community need must be addressed alongside financial considerations.

In the Policy a distinction is drawn between “tourist parks” and “general parks”. Silver Sands Holiday Park is classified as a “tourist park” by the Authority. The Policy requires that generally no more than 50% of the short term and long-term sites in “tourist parks” be used to accommodate a mix of long-term residents and holiday vans and Silver Sands meets that policy requirement. However, there are generally sound business arguments for reducing the proportion of holiday vans over time and relocating some holiday vans to release prime sites for higher and better use.

## 5 BUSINESS PERFORMANCE

### 5.1 Revenue

The following table summarises the revenue generated by Silver Sands over the past three years. The rate of growth has been modest and lower than a majority of tourist focussed caravan parks on Crown land where Integrated Site Design has recently assessed business performance and outcomes. In 2007/08 overall revenue growth was higher than CPI and is reasonable given the decline in Regional visitation described in Section 3. In 2008/09 the growth rate was below CPI indicating Silver Sands may have been significantly impacted by the general fall in visitation rates to the Region. There were also periods of much higher than average rainfall at critical holiday periods during the year which resulted in a significant number of cancellations.

Trading Income (ex GST)	2006/07	2007/08	Growth(%)	2008/09	Growth(%)
	\$1,781,000	\$1,872,217	5%	\$1,909,563	2%

The general state of domestic tourism, the global financial crisis and rising fuel prices can all be cited as contributors to these outcomes. On the other hand it is also a fact that the caravan park industry as a whole has stood out as the sector of the tourism accommodation industry that has been able to maintain solid growth in revenue and profits in spite of these factors. In 2008/09 income in tourist caravan parks grew by 6.9% compared to growth for Serviced Apartments at 4.1% and a decrease of 3.5% for Hotels and Resorts.

### 5.2 Income by Site and Accommodation Type

Analysis of the revenue generated by the operation of the Holiday Park based on figures derived from the financial records and occupancy details for 2008/09 indicated;

- With a total of 370 sites in use in the Northern Precinct the average income per site was \$4,757;
- 17% of this income was generated by cabins which occupied 23 sites or only 6.5% of the total number of short term sites and campsites;
- Almost 50% of total income was generated by short term sites, en-suite sites and campsites for tourists;
- Holiday vans which occupy 29% of sites generated 17% of total revenue;
- The Northern Precinct's total provision of tourist accommodation (tourist sites and cabins - excluding holiday vans) generated 73% of total income;
- The Park's total provision of tourist accommodation (tourist sites and cabins across both Precincts - excluding holiday vans) generated 86% of total income;
- The overall average income per site was in the lower range compared to other Parks with similar locations, however, that average is skewed because of the limited period during which the Riverfront sites were available;
- The average income for each unit of cabin accommodation is low relative to the performance of similar parks on other coastal Crown reserves; and
- Income from holiday vans is lower than what could be generated if those sites were available for casual tourist use.

### 5.3 Occupancy Rates

The following table provides an analysis of occupancy rates for sites and accommodation from April 2008 to March 2009.

Product/Month	April	May	June	July	August	September	October	November	December	January	February	March	Average
Internal En-suite Cabin	77%	72%	72%	87%	76%	83%	75%	77%	81%	93%	74%	77%	79%
Air Con Cabin	37%	62%	56%	83%	56%	79%	70%	28%	58%	90%	46%	58%	60%
En-suite Site	46%	89%	96%	99%	97%	91%	89%	71%	64%	90%	84%	72%	82%
Campsite	31%	27%	22%	32%	29%	42%	42%	32%	58%	85%	39%	37%	40%
Powered Site	57%	77%	91%	97%	97%	82%	74%	55%	60%	87%	66%	67%	70%

Virtually all months achieve relatively strong occupancy rates and the average annual usage of all sites is very good. January occupancies for all cabins were close to capacity with excellent follow through performance in the shoulder months of February and March. While occupancy at these levels is good business it can also create management challenges in relation to essential maintenance.

The year round rates being achieved for the better cabins are a clear indication the Park has the capacity for an increase in both the quality and quantity of cabin accommodation. Some cabins are already at levels where the business could only be expected to achieve marginal increases in performance based on improved occupancy. From our investigations and discussions it is considered the income earning capacity of this aspect of the business is limited only by the lack of supply and the quality of product and not by demand. If additional cabins were added progressively it is likely the current occupancy rates would be sustained for similar products as well as for higher quality products.

Clearly the en-suite sites have a very well established reputation in the market and receive high demand from mid-year senior travelers. Similarly the powered short-term sites enjoy their highest occupancy rates during the same period. Targeted investment in specific initiatives and targeted promotion could be expected to achieve only small increases in some occupancy rates.

### 5.4 Tariffs

Tariff levels for tourist sites and accommodation are generally lower than the rates for similar properties and products found in both the region and the state. While tariffs could be reviewed and increased significantly in some areas this is something that should be accompanied by measurable changes and improvements with respect to addressing the matters highlighted earlier in Section 2.

The fact that the Park does not have any cabin accommodation that caters for the higher end of the market combined with the age of many of the existing cabins has contributed to low average tariffs and yields. Thus the average yield per night per unit for cabins is well below recognised industry benchmarks even though the year round occupancy rates are very high.

Off season net yields per night are as low as \$40 which means a very high proportion of the tariff is consumed by fixed operational costs with actual retained profit being a very small proportion of the revenue received. This situation highlights the need to expand the range, quality and quantum of cabin accommodation. Any new cabins that are installed must be purpose designed to address demand for a higher quality product.

Consideration should also be given to significantly increasing holiday van rates to better reflect the value of the unique location, the higher rates that are being charged by other parks and the income that could be generated if the sites were available for tourists.

## 5.5 Summary

Silver Sands has generated reasonable revenue outcomes for a number of years. The Park's location has contributed to high year round occupancy rates in spite of offering only limited ancillary facilities and a cabin stock that includes some outdated units and principally lower end product. The Park has consistently serviced the "senior travelers" market in the shoulder and low seasons but again tariff levels have been restricted in some respects by the limited range of ancillary facilities.

Improvements in performance could be achieved by expanding the range and quality of the cabin stock and by opening up the Riverfront Precinct for year round operation. The existing occupancy rates for sites and accommodation indicate that there will be virtually no business risk associated with investment in establishing year round operation of the Riverfront Precinct. It will be necessary to improve the standard of basic communal facilities if the performance of the Park is to be maintained in the longer term, however, this investment is also required as a pre-cursor to increasing tariffs for tourist sites.

## 6 BUSINESS STRATEGY

### 6.1 Key Considerations

Analysis of the Silver Sands Holiday Park has identified five key strengths

- the location - close to a quality surf beach, estuary foreshore and easy access to essential services and commodities;
- existing infrastructure and S 68 approval for a substantial number of sites;
- existing site and accommodation products with high occupancy rates;
- strong turnover with capacity to generate higher revenue and profits; and
- a substantial existing clientele with high rates of return visitation.

In contrast to those strengths there are a number of issues identified in the assessment of the Park that the Business Development Strategy must address;

- Presentation, condition and quality of some of the Park's infrastructure(amenities blocks, barbecue shelters, etc);
- Age and presentation of some of the Park's tourist accommodation products;
- The need to expand the range of accommodation products offered by the Park;
- Management of the interface and interaction between the operation of the Holiday Park and the use of the adjoining public reserve;
- The opportunity to establish year round operation of the Riverfront Precinct;
- Limitations imposed by environmental constraints; and
- Inability to justify higher tariffs due to the limited range of recreational facilities.

### 6.2 Vision

This Masterplan and Business Development Strategy adopts the vision proposed in the Evans Head Coastal Reserve Draft Plan of Management(GHD - 2009);

*“The Evans Head Coastal Reserve will retain its outstanding natural and cultural values in perpetuity. The values will be respected, protected and conserved by all who use the Reserve. The Reserve will be passed on to future generations with its values intact or restored.”*

### 6.3 Strategic Objective.

In response to the above key considerations and the Vision for the Evans Head Coastal Reserve the Masterplan and Business Development Strategy for the Silver Sands Holiday Park has been formulated to address the following key objective;

**To significantly enhance the contribution of the Silver Sands Holiday Park to the community and to the ongoing financial sustainability of the management of the Evans Head Recreational Reserve.**

This key objective will be realised by implementing the following key actions;

- Creating a holiday destination that takes advantage of the Park's location and preserves environmental values and existing positive characteristics;
- Developing new facilities to enable the Park to be promoted as a destination that provides affordable and value for money holiday opportunities;
- Providing facilities and products targeted to satisfy existing clients and attract business from emerging market segments and new clients;
- Allowing for a staged development process that is achievable in terms of planning and financial constraints; and by
- Supporting these actions with a comprehensive marketing and promotion program.

## 7 PROPOSED IMPROVEMENT PROGRAM

### 7.1 Introduction

Inspection and analysis of the Silver Sands has resulted in identification of a range of desirable improvements, facilities and accommodation products which are required if the Park is to optimise its financial potential. Proposed improvements need to be assessed against their potential to enhance future financial outcomes for the business enterprise and its contribution to the community and the management of reserved Crown land. The opportunities offered in relation to the year round use of the Riverfront Precinct have the potential to grow the business by offering a greater range of site and accommodation options. In formulating a practical development and improvement program, a number of factors have been considered including;

- Safety, security and regulatory compliance;
- The principles and parameters established in relevant legislation and policies of the New South Wales government and Council;
- Potential to generate income and profit;
- Potential to improve visitor amenity;
- Potential to improve the day-to-day management of the Holiday Park and the interface with public access to and enjoyment of the foreshore Reserve;
- Potential to achieve environmental objectives; and
- Cost and contribution to the local economy.

These considerations are not mutually exclusive. Some items may be identified as fundamental in relation to the safety of patrons and the need to minimise the Reserve Trust's potential liabilities but may also be critical to improving amenity for guests. Given budgetary constraints and operational considerations, any program will, of necessity, take a number of years to implement. In terms of the future financial performance of the Silver Sands Holiday Park the proposed improvement program has been formulated with three principal aims;

- To achieve an appropriate balance between the provision of public open space and achieving profit outcomes from a business enterprise on public land;
- To enable Silver Sands to capture a fair share of the existing overnight tourist visitation to the region at tariff levels that are appropriate to the quality of the location; and
- To provide Silver Sands with the opportunity to capture new visitation from recognised growth areas in the caravan park and tourist accommodation marketplace.

### 7.2 Priorities

In terms of expenditure on physical improvements to the Holiday Park and the Reserve matters will be addressed in the following order of priority;

1. Safety and regulatory compliance;
2. Provision of facilities that will contribute to a public enjoyment of foreshore open space and quality holiday experiences;

3. Presentation of existing tourist accommodation products(landscaping of existing cabins, refurbishment and relocation of some cabins, etc);
4. Establishing an appropriate operational and management framework for the year-round operation of the Riverfront Precinct;
5. Maintaining acceptable industry standards for infrastructure; and
6. Expansion of the range of tourist accommodation products offered by the Park.

Expenditure in relation to physical improvements must be matched by a commitment to a comprehensive approach to marketing and promotion.

### 7.3 Proposed Eight Year Improvement Program

The proposed program for the Park has been structured to build on existing strengths and attractions. There will be some redesign and redevelopment of the layout of parts of the Park road system. This will require the relocation of sites to facilitate the introduction of new on-site accommodation and improved communal amenities and facilities. Most importantly the program also allows for a range of enhancements to the adjoining public reserve.

The structure of the program is designed to bring improvements on-stream in an orderly manner and in a way that will progressively enhance the income earning capacity and profitability of the business. The construction of some items may require prior approval or consent and adequate time needs to be allowed for the preparation of documents and the assessment and approval process. In addition the works will be undertaken within the context of an operating business environment and will be programmed for the period from May to September each year. While this will minimise the adverse impact of construction activity on occupancy rates and financial performance it is a significant restriction in terms of timing and planning.

Implementation of the proposed program will result in a reduction in the total number of sites in the Northern Precinct of the Park from 370 to 348 due to;

- Creation of a central precinct for the development of recreational facilities; and
- Development of a new cabin precinct which will allow for the installation of larger better quality cabins for families.

The proposal for the Riverfront Precinct will establish full time operation in place of the current situation which until recently has primarily involved the peak holiday periods of January and Easter. The design proposes a total of 157 full time sites on the Riverfront(when the Tennis Courts have been relocated) compared to the 207 sites which currently operate in the peak season. The reduction in this number of sites is due to;

- Allocation of a greater area of the Reserve exclusively for public use and removal of sites from inappropriate locations;
- Alteration of site areas, access and parking to comply with regulatory standards; and
- Installation of cabins which require site areas greater than the area of one existing short term site.



In summary while there will be an initial fall in the number of sites available for drive in tourist use in the Northern Precinct the operation of the Riverfront Precinct year round will grow the total year round availability of sites and accommodation for tourists from 216 to 379. The proposed improvement program requires the Reserve Trust to undertake a substantial capital investment over an eight year period. The improvements will encompass the Northern and Riverfront Precincts of the Holiday Park as well as new and improved facilities in public open space areas. The funding for these initiatives can be derived from the operating profits of the Holiday Park and from borrowings from the Public Reserves Management Fund (PRMF) which is administered by the Land and Property Management Authority.

### Proposed Improvement Program

Northern Precinct	Year 1	Year 2	Year 3/4	Year 5/6	Year 7/8
New Cabins(12)					
Cabin Relocation and Upgrade					
Cabin Replacements					
Amenities Blocks					
Road alterations					
Reception Renovations					
Camp kitchen					
Recreation Facilities					
Barbecue Shelters					
Site rationalisation and upgrades					
Construct site slabs					
Mains Upgrades					
Lighting Upgrade					
Washing machine replacement					
HWS Replacement					
Bollards					
Fencing					
Landscape & vegetation plan					
Telecommunication Upgrade					

Riverfront Precinct	Year 1	Year 2	Year 3/4	Year 5/6	Year 7/8
Roads					
Entry, Office and Reception					
Cabins					
Site upgrades					
En-suite sites					
Barbecue Shelter					
Amenities upgrade					
Relocate Tennis Courts and develop sites					

Foreshore Reserve	Year 1	Year 2	Year 3/4	Year 5/6	Year 7/8
Playground					
Kiosk upgrade					
Evans Head Recreation Hall					
Cover Storm Water Drain					
Skate park upgrade					
Upgrade Kiosk Car Park and Access					
Shelter shed upgrade					
Outdoor Stage Construction					

#### 7.4 Concept Masterplan - see drawings C 00 and C01.

The drawings attached to this document illustrate the way in which the implementation of the above program will change Silver Sands and improve both the Holiday Park and the reserved lands with frontage to the river and estuary foreshore. The Park has been described in terms of the Northern Precinct which is the existing main area of the Park and the Riverfront Precinct which is the area that, in the past, has been referred to as the “overflow” area.

As well as addressing relevant design and planning principles and policies the proposed Masterplan has been guided by the following key objectives;

- To achieve an appropriate balance between the provision of public open space and achieving profit outcomes from a business enterprise on public land; and
- To provide the Park with the opportunity to capture new visitation from recognised growth areas in the caravan park marketplace.

As a consequence the plan proposes that the Riverfront Precinct be established as an area that is in due course operated and managed independently throughout the year. Key features of the proposed Masterplan are outlined below.

**A number of the proposed initiatives will improve the character and availability of public open space and facilities including;**

- Creation of a strong public open space corridor to provide a link from the town centre to the foreshore and a defined transition between public open space and the Riverfront Precinct of the caravan park. This will involve the removal of sites from the area to the west of the existing building which provides public and caravan park amenities and provision of clearly defined parking areas for public access to the foreshore. The sites that will be removed are in locations that compromise the character and function of the Reserve in providing an open space linkage between the Town and the foreshore. Fencing and landscape plantings will define the boundary between the public open space and the Riverfront Precinct;
- Reconfiguration of the public parking area which services day visitation to the foreshore areas to provide a more efficient solution and allow an increase in the

- number of defined parking spaces. Public pedestrian access from the Town Centre to the beach and foreshore will also be upgraded with detailed design solutions that will protect and preserve significant vegetation and visual and recreational amenity;
- Improvements to the Recreation Hall to enhance functionality and use of the building;
  - Removal of the existing playground and establishment of a new facility for public use which is closer to the foreshore and complies with relevant Australian Standards. Existing picnic and barbecue shelters will be modified and upgraded to create more appropriate and expansive spaces for public use;
  - The open storm water drain which runs through the reserve will be covered; and
  - Development of a comprehensive but low key signage system to inform people of the available facilities, access routes, proximity to the beach etc.

#### **Improvements to the Northern Precinct of the Silver Sands Holiday Park will involve;**

- Retention of the existing entrance to the Northern Precinct but with renovation and expansion of the existing office and reception area along with improvements to entry signage, parking and landscaping to create a high quality arrival experience;
- Establishment of a new precinct for quality cabin accommodation which will target a higher price point than the current cabin accommodation. The proposed location takes advantage of proximity to the beach and the Surf Club but will require the removal and relocation of existing holiday vans and modification of the Park road layout. Some newer existing cabins will be relocated to this area and a level of facilities for guests such as barbecues will be provided in communal spaces within the precinct;
- Development of a comprehensive central facilities precinct to provide a range of recreational facilities for Park guests. The existing small amenities block will be demolished and some existing road removed and traffic patterns in this part of the Park altered. The centerpiece of the precinct will be a children's water play area with shade and shelter. A new camp kitchen will incorporate indoor and outdoor eating areas. Other features will include a new children's playground, a small jumping pillow and upgrade of the existing barbecue shelter. The precinct is to be an integrated design with convenient pedestrian links to other parts of the Holiday Park. A number of holiday vans will need to be removed or relocated to accommodate these works;
- Retention and external renovation of the existing en-suite units with improvements to the presentation of the area through landscaping and the addition of a central barbecue shelter; and
- Progressive changes to the use of the area which is adversely affected by the flying fox camp in accordance with the Flying-fox Management Plan, as appropriate and in consultation with the existing long-term residents.

#### **The establishment of year round operation in the Riverfront Precinct will involve;**

- Development of a new entrance to the Riverfront Precinct from McDonald Place with boom gates and installation of a purpose designed office and reception facility. Initially the office may have limited opening hours but once the business is properly

- established and the full range of accommodation options provided the reception facility will be able to service clients within defined hours 7 days a week;
- Upgrade of the existing principal road loop within the Riverfront Precinct and improvement of the road layout so as access to all sites in this part of the Park complies with the technical requirements of the Local Government Regulations;
  - Establishment of a new precinct for cabins using existing approved short-term sites to target demand for high quality waterfront cabin accommodation. The proposed location takes advantage of proximity to the estuary and the water with views to the ocean and excellent accessibility to the Town Centre. These cabins, as with new cabins that are installed in the Northern Precinct, are to be purpose designed to establish a unique aesthetic character and quality which recognises and complements the distinctive and intrinsic features of the reserve and the town;
  - Renovation of the interior of the existing amenities block for year round operation and alteration of the road layout in and around the building to provide a better relationship between sites and facilities;
  - Installation of en-suite units to service 18 existing approved short term sites;
  - Development of a communal barbecue shelter that will include campers' wash-up facilities and some undercover seating. People who choose to stay in the Riverfront Precinct will also have access to the central facilities which are to be developed in the Northern Precinct;
  - Progressive upgrade of the roads and sites in the Cricket Pitch area to achieve compliance with the requirements of the Regulations. Detailed design is to take account of and protect and preserve existing mature significant vegetation; and
  - Relocation of the tennis courts to Stan Payne Oval to facilitate the relocation of existing short-term sites into that area. This will also allow for rationalisation and improvement of the provision of public parking at the end of MacDonald Place and further improvements to access to and the character of the foreshore.

Implementation of the above planning, development, management and business initiatives will deliver a range of benefits to the community as well as holiday makers and generate funds for allocation to the ongoing responsible management of the entire Reserve.

The allocation of sites when the Masterplan is fully implemented will be as follows;

<b>Northern Precinct</b>	
<b>Site type</b>	<b>Number of sites</b>
Powered Short Term	121
Campsite	16
En-suite Short Term	56
Standard Cabin	14
Deluxe Cabin	15
Holiday Van	100
Long Term	26
<b>Total</b>	<b>348</b>

<b>Riverfront Precinct</b>	
<b>Site type</b>	<b>Number of sites</b>
Powered Short Term	26
Campsite	90
En-suite Short Term	28
Deluxe Cabin	13
<b>Total</b>	<b>157</b>
<b>Silver Sands Total Sites</b>	<b>505</b>

## 7.5 How Will the Proposed Improvement Program Improve Financial Performance?

In terms of strategies to improve the financial performance of the caravan park different areas of expenditure will have a differing capacity to make a significant impact. Following is an outline of the items included in each of three critical areas in the proposed Improvement Program. It is noted that improved marketing and promotion will be fundamental to achieving successful outcomes, however, these costs are recurrent operational expenses rather than capital inputs.

### 1 Business Essentials.

If these matters are not addressed it can be expected that the performance of the Park will begin to lose ground compared to other caravan parks in the region. This expenditure aims to give Silver Sands the capacity to maintain a fair share of the available market in the Region and includes expenditure in relation to the following initiatives;

- Security;
- Signage and landscaping;
- Refurbishing existing cabins; and
- Renovations to existing communal amenities and replacement of existing facilities.

### 2 New and Additional Accommodation and Facilities.

The objective for this expenditure is to create the opportunity to capture a share of significant and growing market segments that Silver Sands does not fully address at present. These markets include people who are seeking a higher quality cabin accommodation product as well as general growth in caravanning where the provision of good ancillary facilities has a significant influence on consumer choice.

- Establishment of year round operation for the Riverfront Precinct;
- Installation of new cabins to replace older cabins which are falling below the standard demanded by the market and the quality of the location;
- Installation of high quality family cabins; and

- Development of a larger contemporary camp kitchen.

### **3 Ancillary Facilities Sought by Caravan Park Clients.**

Items in this category are relevant to the competitiveness of the Park in comparison to other caravan parks and accommodation providers in the region. In the case of Silver Sands there are substantial gaps in the provision of facilities and the program includes a new recreational facilities, a large children's playground and additional barbecue facilities in a number of locations.

At the completion of the Program the Silver Sands Holiday Park should have moved to a point where it is attracting a substantially increased share of the available regional demand for accommodation and sites in tourist caravan parks.

Normal business due diligence requires that the improvement process for Silver Sands be subject to regular review with each area of expenditure implemented only after an assessment of the results that are achieved from investment in the previous year. It is therefore anticipated that the exact detail and timing of implementation may vary as a consequence of the review process. For instance the program includes a substantial component of new cabin accommodation. This is expenditure where the exact timing and cost could vary significantly in response to market shifts and the performance that is achieved when new cabins are introduced.

## 8 POTENTIAL COMMERCIAL OUTCOMES

### 8.1 Revenue Targets

The improvement program for Silver Sands Holiday Park has been designed with the aim of achieving significant growth in the yield per site. The implementation of the proposed program will involve a reduction in the number of sites in use from 577 to 505. However, this reduction is required to address the reasonable allocation of reserved land for general public use and to create the space and opportunity to add new accommodation products and the facilities that have become an essential part of a contemporary holiday park.

With appropriate investment in improvements and marketing significant overall revenue growth will be achieved within the timeframe of the proposed improvement program. To achieve this, the range of on-site accommodation and facilities will need to be improved and expanded as recommended and year round operation of the Riverfront Precinct established. Along with the increase in the quantity and quality of the cabin stock the provision of new facilities will provide the opportunity for increases in tariffs in conjunction with improved occupancy rates in some months. The entire process will need to be accompanied by a shift in the day to day management culture and targeted marketing strategies.

The key to higher revenue outcomes will relate largely to the extent the investment in cabin accommodation takes advantage of the Park's surf beach and ocean access, water frontage, proximity to the town centre, northerly aspect and attractive environmental features. Given the tariff increases that will be implemented there will also be a requirement to attract new clients.

Based on the existing performance of the Park it can be anticipated that purpose designed cabins on the Riverfront will, in the future, create a substantial increase in the average yield for the Park's total accommodation stock. Because additional facilities and services are being provided the existing en-suite sites will also attract higher tariffs although there is only limited opportunity for increasing occupancy rates.

As discussed earlier there is a reasonable argument to significantly increase the holiday van tariffs so as sites occupied for that purpose achieve a similar yield to what is achieved by identical sites which are available for tourist use. It is likely that a tariff increase will result in the departure of some holiday vans. In addition some aspects of the proposed development program will require the relocation or removal of a number of holiday vans. At the end of the 8 year program it is considered that the number of holiday vans will have reduced to less than one hundred.

Clearly the predicted reduction in the total number of holiday vans to less than one hundred vans will produce a situation where base line static income is reduced. To balance this loss the future scenario for the Park will be one where the business is capable of supporting sustained revenue growth through the creation of a business framework with the capacity to respond to the dynamic character of the tourism marketplace.

## 8.2 Projected Occupancies, Income and Tariffs

It is noted that we regard the existing tariffs to be generally lower than what could be reasonably charged. Obviously it is difficult to establish direct parity between the products and sites offered in different caravan parks. In addition there is a range of site specific factors with significant impact on the tariffs that can be levied. Once the improvements proposed in the first two years of the program are implemented it is considered there will be justification for tariff increases for all site and accommodation types in excess of the rate of inflation.

The future approach to setting tariffs should be based around setting a reasonable rate in relation to the quality of product and service the Park offers. While there needs to be consideration of the tariffs that are set by competitors this should not be the only driver in the process. In this regard a key characteristic of the domestic tourism market in recent years has been its willingness to pay more for quality holiday products and experiences.

## 8.3 Holiday Vans and Long Term Residents

As discussed in Section 3 the policy of the Land and Property Management Authority in relation to holiday vans requires that no more than 50% of the short term and long-term sites in “Tourist Parks” be used to accommodate a mix of long-term residents and holiday vans. The Policy also states “In terms of encouraging tourism growth and satisfaction with available facilities it is important that the best sites be available for tourist use.”

At Silver Sands there are currently 128 sites occupied by holiday vans and long-term residents which represents 36% of the approved long term and short term sites in the Northern Precinct, a level which is within the requirements of the Policy. However, Silver Sands Holiday Park occupies a very significant Crown reserve which has been set aside for the purpose of Public Recreation. The characteristics of the land and its location are such that the vast majority of sites in this Park are “prime tourist sites”. This fact is confirmed by the demand for sites and accommodation in the Park by tourists throughout the year.

In recognition of the values associated with this Reserve it is recommended that the number of holiday vans is not increased beyond 100 sites and whenever a holiday van or long term site is vacated or relinquished that site is made available for tourist use. In combination with an increase in the holiday van tariff to align with the average yield from short term sites for tourists this will see a progressive reduction in the proportion of long term sites and holiday vans in the medium to long term. In addition there needs to be a strategy to relocate existing holiday vans and long-term sites to ensure that the “prime” sites are available for tourist use or for the development of essential facilities required to service the use of the park by tourists.

Such an approach will better reflect the intrinsic value of the land by providing greater opportunity for the community to enjoy this location. Furthermore “the optimum financial return for the land” will be realised as greater emphasis is placed on providing for tourist use.

While the current Section 68 approval for Silver Sands includes 48 long-term sites only 26 are now occupied by long-term residents. Since the Park was first issued with a license in 1989 the number of long-term residents has fallen from 52 to the current level of 26. When the current



Section 68 approval is renewed the number of approved long-term sites should be reduced to the number of sites that are actually occupied for that purpose with the balance becoming approved short-term sites.

The proposed Masterplan for Silver Sands requires the removal or relocation of holiday vans to allow for the development of facilities that are critical to the long term financial outcomes for the business. The structure of the proposed improvement plan is such that this process will be progressive with substantial lead times to allow the Trust and Park managers to inform van owners. The most significant impact in this regard relates to the development of the Central Facilities Precinct which is scheduled in Years 3 and 4 of the program. Drawing C 02 shows what is required in terms of the removal and relocation of holiday vans to facilitate implementation of the Masterplan. In reality the reduction in the total number of sites in the Riverfront Precinct may well represent a greater management challenge.

For the purpose of identifying readily achievable goals the Masterplan proposes that the maximum number of holiday vans should be one hundred and that the area to the south west of the drainage swale should be where Holiday Vans are located. However, as the business begins to grow it is considered the need to further reduce the number of holiday vans to accommodate tourist demand will become apparent. In this regard, following consultation with and advice from the Land and Property Management Authority it is recommended that the Reserve Trust adopt the following initiatives and policy positions;

- Increase the annual tariff for Holiday Vans in two stages so that from 1<sup>st</sup> July 2012 the Holiday Van tariff reflects the average annual income derived from a short-term powered site in the Northern Precinct for the previous year;
- On-selling of Holiday Vans will only be permitted where the Trust has issued a written approval to that effect;
- When a Holiday Van is on-sold the tariff for that Van will move immediately to a rate which reflects the average annual income for a short-term powered site in the Northern Precinct for the previous year;
- Notify all Holiday Vans affected by the implementation of the Masterplan that they will be required to vacate the affected site six(6) months in advance of the proposed commencement date of the works;
- Sites affected by development will not be entitled to compensation but may relocate at their own expense to an alternate site [if one is available and it is deemed an appropriate use of the site], alternatively the Trust will issue a notice of termination of the Holiday Van agreement;
- Inform Holiday Van owners that approval will not be given to any upgrades to Holiday Vans located in the Park except in exceptional circumstances and with the written approval of the Trust;
- Maintain the current policy where the Trust has the first right of purchase when a Holiday Van is sold; and
- Implement a policy where “sale on site” is not available “as of right” if that policy is not already in place.

## 9 MARKETING AND PROMOTIONAL STRATEGY

The proposed improvements and projected outcomes will not be achieved without the support of an effective, targeted marketing and promotion program. The promotion of the Park is already factored into the Reserve Trust's and Council's marketing frame-work, however, a more substantial investment is likely to be required to capture the marketing opportunities that will be created as a result of the proposed capital investment.

Silver Sands is a quality location and with quality accommodation that offers value for money the business can grow significantly. The existing emphasis on the natural surroundings - beach, river, estuary and ocean access, tranquility, family friendly management - a safe environment but close to all essential services should be retained.

The location of the Silver Sands Holiday Park has been a key component of its success to date and will be a key factor in the capture of new clients. The development of the Riverfront Precinct creates an opportunity to present this part of the Park as a boutique location that offers a very special holiday experience. This approach could be particularly applicable to shoulder and low season marketing of quality cabins for short breaks and mid week and weekend packages. Having said that it is accepted that "senior travelers" will continue to be a key group in relation to selling sites in the shoulder and off season in both Precincts and families will account for a large proportion of peak season occupancy.

For Silver Sands it is proposed that the following be key components of the future marketing and promotional strategy;

- Achieving a AAA Tourism rating of 4 stars for the Park and 4 1/2 stars for at least 25% of the cabin stocks;
- Membership of a marketing chain - Family Parks of Australia and Top Tourist Parks should be considered. This will give access to loyalty programs, expanded marketing opportunities, referred bookings and industry benchmarking information;
- Emphasis on a customer service focus for the Park's management team;
- Availability of real time on-line booking;
- Direct and regular involvement of park management personnel in marketing and promotional initiatives including attendance at industry shows and expos, conferences, local and regional promotions, etc;
- Off-season packaging - Evans Head and the region offers a range of attractions, sporting facilities, restaurants and clubs that can be linked to accommodation sales; and
- Coverage in publications such as the Good Weekend's annual review of "weekend escapes".

It will take some time for people to become aware of the changes that have occurred as a result of the proposed capital investment program. In this regard it will be essential that the product matches "the hype" so as return visitation and a good "word of mouth" reputation is maintained and strengthened.

## 10 SUMMARY AND RECOMMENDATION

The Silver Sands Holiday Park represents a substantial asset of the Evans Head Recreational Reserve Trust and the New South Wales Government. The Park occupies a significant and valuable parcel of reserved coastal Crown land and is very important in the context of the regional caravan park and tourist industry. Thus the prominent position of the Park in the market place represents both opportunity and responsibility.

While there are a range of improvements that could be made it must be stated that the Park is in a significantly better position in terms of occupancy rates than many other Council operated businesses this company has reviewed in the past 5 years. As a consequence the Park and the overall business enterprise is well positioned to take advantage of the unique location of the Park and improve revenue and profits on the basis of strategic business planning and targeted capital investment.

For the Silver Sands Holiday Park there are a number of key areas where investment is required to insure the Park keeps pace with industry standards and marketplace expectations. **In our view Silver Sands is at a point where if a planned program of capital investment is not initiated the commercial performance of the business may begin to decline, especially if the current domestic tourism market circumstances are to continue.** Specifically this Business Development Strategy proposes that investment is required in relation to:

- An increase in the quality and quantity of the Park's cabin stock with particular attention to addressing the requirements of potential, existing and emerging market groups;
- Establishing year round operation of the Riverfront Precinct of the Holiday Park; and
- Improvements to the facilities offered by the Park including a recreational water play feature, communal amenities, barbecues and contemporary children's playgrounds.

The improved Silver Sands Holiday Park will provide a total of 505 approved sites with a focus on providing excellence in the delivery of holiday accommodation and experiences. The Reserve Trust's implementation of the Business Development Strategy will have a range of benefits to the community including;

- Improved financial outcomes that will be capable of assisting in funding the ongoing management, maintenance and development of Crown reserves;
- Increased local economic activity;
- Opportunities for local businesses during the implementation of the improvement program; and
- The creation of the potential for economic growth in the local community including new jobs to service the increased visitation to the Park.

### It is recommended that

- **The Reserve Trust adopt this Masterplan and Business Development Strategy so as detailed planning, design and documentation required prior to the implementation of development and construction works can commence immediately;**

- The Reserve Trust adopt the Key Objective and Key Actions proposed in Section 6 of this report;
- The Reserve Trust approve the implementation of the proposed Improvement Program detailed in Section 7 of this report subject to finalisation of detailed cost estimates;
- Items included in Year 1 of the proposed Improvement Program that do not require prior statutory consents or approvals be commenced as soon as possible;
- The Reserve Trust implements the policy recommendations in Section 8.3 in relation to Holiday Vans;
- The proposed Masterplan and Business Development Plan be included in the Plan of Management covering the affected parts of the R 82910; and
- The sections of the Reserve being used for the Holiday Park are reserved for a purpose that is more specific having regard to the actual use of the land.

Integrated Site Design Pty Ltd  
9<sup>th</sup> December 2009

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## Drawings

- SS 01 Silver Sands Holiday Park - Existing Site Layout
- C 00 Silver Sands Holiday Park - Northern Park Precinct
- C 01 Silver Sands Holiday Park - Riverfront Park Precinct
- C 02 Silver Sands Holiday Park - Reduction in Site Numbers to Facilitate Masterplan Implementation