



Kempsey Shire Council



Social and Economic Impact of Annuals Review Report

November 2020

Acknowledgment of Country

We acknowledge that this review is being undertaken on the traditional lands of the Dunghutti People. We pay our respect to all Aboriginal people of this land and to Elders past, present and future.

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EXECUTIVE SUMMARY

Project background

The purpose of this Social and Economic Impact of Annuals - Review Report is to assist in providing strategic direction for the future offering of annual licenced “holiday van” sites (annual sites) within Kempsey Shire Council’s holiday parks. Council operates five holiday parks under the Macleay Valley Coast Holiday Park (MVCHP) business unit, with four of these parks containing annual sites (Horseshoe Bay Holiday Park does not contain any annual sites). The Review Report responds to the December 2019 Council meeting resolution as follows:

- a) *That Council undertake an impact assessment of the impact of changing the management of the annual licence holders and permanent resident sites within Council's holiday parks at Crescent Head, Hat Head, Stuarts Point and Grassy Head. That this impact assessment to consider matters such as:*
 - o *Holiday park income generation*
 - o *Holiday park upgrade pathways*
 - o *Town or village social and business impacts*
- b) *The development of these impact assessments to include community engagement with all stakeholders.*

The primary focus of this Review Report is to provide the evidence base to fulfil the Council Resolution and in so doing, to provide strategic direction for the future.

Consultation activities

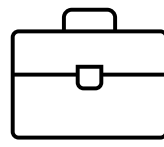
In establishing the evidence base for this Review Report, a series of surveys, telephone and drop-in discussion sessions were held. In addition to financial and occupancy data provided through the Holiday Park booking system, the consultation activities provided a large volume of information relating to both the Holiday parks and the annual sites. In summary, the consultation activities (excluding Horseshoe Bay Holiday Park) included the following:



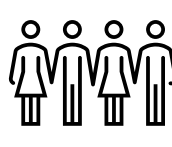
95 annual site holder surveys



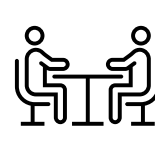
651 visitor surveys



35 business surveys



674 community surveys




50 drop-in meeting participants



25 businesses and groups consulted

Site context

The number of annual and other sites within each Holiday Park are outlined below (based on Holiday Park maps accessed in October 2020).

 Sites	GRASSY HEAD		STUARTS POINT		HAT HEAD		CRESCENT HEAD		TOTAL	
Annual sites	29	30%	40	29%	47	16%	16	7%	132	18%
Permanent sites	0	0%	3	2%	0	0%	7	3%	10	1%
Powered sites	40	41%	62	46%	103	36%	167	76%	372	50%
Unpowered sites	23	24%	22	16%	126	44%	0	0%	171	23%
Cabins / en-suites	5	5%	9	7%	10	3%	30	14%	54	7%
Total sites	97		136		286		220		739	

Social and economic impacts


In order to assess the social and economic impact of annual sites, three different aspects were considered as follows:

- The extent of revenue that the sites generate for the Holiday Park (internal financial impact)
- The extent of use of sites and the flow-on expenditure that can be expected from the use (external economic impact)
- The extent and importance of social interaction of annual site holders with the broader community (social impact)

Impacts of each of these three areas is summarised below.


1. Internal financial impact

Revenue for annual sites, as well as for powered sites, for the four holiday parks is provided below (on a per site basis and based on data collected by the Holiday Park booking system in the 2019 calendar year). This includes the annual revenue per site, as well as the change in revenue over the previous five-year period.

 Revenue	GRASSY HEAD		STUARTS POINT		HAT HEAD		CRESCENT HEAD		ALL PARKS	
	\$ per annum	5-year change	\$ per annum	5-year change	\$ per annum	5-year change	\$ per annum	5-year change	\$ per annum	5-year change
Annual sites	\$3,870	+14%	\$4,180	+12%	\$4,530	+16%	\$5,200	+13%	\$4,360	14%
Powered sites	\$5,977	+87%	\$6,798	+29%	\$9,387	+52%	\$12,982	+35%	\$10,203	44%

2. External economic impact

In addition to the financial benefit (revenue) to the Holiday Park, it is also important to consider the external economic impacts. External impacts are typically measured through new visitor expenditure within the region and can be extrapolated through visitor nights in the respective localities of each park. The extent of visitation, as a % of annual occupancy and number of visitor nights across the number of sites available, is presented below (based on data collected by the Holiday Park booking system in the 2019 calendar year (“data”) and occupancy data figures are extrapolated based on survey results from annuals (“survey”).

 Occupancy	GRASSY HEAD		STUARTS POINT		HAT HEAD		CRESCENT HEAD		ALL PARKS	
	% per annum	Visitor nights	% per annum	Visitor nights	% per annum	Visitor nights	% per annum	Visitor nights	% per annum	Visitor nights
Annual sites (data)	15%	1,419	18%	2,510	15%	2,562	11%	671	15%	2,066
Annual sites (survey)	17%	1,768	18%	2,560	24%	4,102	21%	1,217	20%	2,772
Powered sites	41%	4,378	52%	11,302	56%	18,716	75%	44,134	62%	27,349

According to Tourism Research Australia¹, overnight domestic visitation to the area averages \$111 per night. Comments received during consultation activities highlighted opposing views with respect to the extent of expenditure that may be reasonably expected from annual sites, those visiting during off peak times (typically “grey nomads”) and those visiting during peak times. To establish a greater understanding of this situation, surveys sought information relating to the extent of stays (occupancy), as well as typical expenditure.

The annuals survey respondents indicated a greater propensity for potential expenditure, with a number indicating a deliberate choice to buy locally. However, this is offset by the significantly lower occupancy levels of each annual site. Anecdotal feedback from nearby retail premises and clubs did not generally indicate a particular reliance on annual site holders for revenue, with the exception of Hat Head, though some also indicated that they were not aware of the status of those visiting (i.e. whether tourists or annuals).

Similarly, consultation identified the view that annual site holders are regularly using sites during the off-peak period (days outside Christmas, Easter and October holidays). The table below illustrates an assessment of the approximate use levels during both peak and off-peak periods with data for annual sites being based on survey outcomes and data for powered sites being based on booking information. It is noted however that the propensity for annuals survey respondents to indicate high levels of use in the off-peak is contrary to the available data which suggests use is higher in peak periods than in off-peak periods. Either way, the extent of this use of annual sites across each respective Holiday Park is lower than the corresponding levels of use for powered sites.

¹ Local Government Area Profiles - 2019



Peak / Off-peak use

	GRASSY HEAD		STUARTS POINT		HAT HEAD		CRESCENT HEAD		ALL PARKS	
	% over period	Revenue	% over period	Revenue	% over period	Revenue	% over period	Revenue	% over period	Revenue
Annual sites (peak)	17%	\$3,870	15%	\$4,180	23%	\$4,530	19%	\$5,200	19%	\$4,360
Annual sites (off-peak)	17%		18%		24%		21%		20%	
Powered sites (peak)	80%	\$2,850	59%	\$2,175	89%	\$3,875	97%	\$4,450	87%	\$3,740
Powered sites (off-peak)	37%	\$3,200	49%	\$4,700	49%	\$5,475	71%	\$8,725	58%	\$6,560

It is also important to note that many of the annual site holders at Hat Head Holiday Park, 19 in total, or around 40% of all annual sites at this Holiday Park, are from the Kempsey Shire area. This compares to just five (5) sites, or 6% of all annual sites, across the other holiday parks who are licence holders that live within the Kempsey Shire. When considering economic benefit to the region, internal expenditure (i.e. within the Kempsey Shire area) would typically be excluded.

3. Social impact

To assist in considering the social impacts of annual sites, questions were developed to identify the extent to which annual sites holders participate in the local area. What is clear for annual site holders across the holiday parks is that they typically have a long and genuine connection to the holiday park - often spanning decades. This is similar to many other holiday parks across NSW coastal towns, where pressure on the traditional “holiday van” market has resulted in many being removed to facilitate growth in other tourism areas.

Many responses identified a range of community-based organisations that they either support, are members of, or who have benefited from their presence in the respective areas. However, the extent of involvement was generally not seen as being critical to local clubs, organisations or businesses that were consulted as part of the process. In general, the relatively small number of annual sites at the holiday parks, combined with the relatively low levels of occupancy, suggest that this would not be surprising. Instead, most organisations and businesses have a greater focus on local residents and increasing tourism more generally to benefit the local area economically.

The exception to this is at Hat Head. Here, a comparatively large number of annual site holders actively participate at executive and member levels in a number of clubs and organisations over an extended period. Many, though not all, of the clubs, organisations, businesses and individuals that were consulted indicated that the annual site holders were critical to their future.

Individual circumstances also exist in other holiday parks that suggest that some impacts would be apparent, typically resulting from the more frequently utilised annual sites (noting that there is great diversity in the extent of site use at all holiday parks). Those that only

attend sites during peak periods and for short periods (or not at all), would typically have a lower value both economically and socially to the area.

Holiday park upgrade pathways

The potential upgrades that have been identified by preliminary planning for the holiday parks, and as per consultation undertaken as part of the broader 'Future Holiday Parks' project, identify potential for changes to annual sites in each location. These include:

- Changes at the Grassy Head Holiday Park to facilitate additional cabin accommodation
- Changes at Stuarts Point Holiday Park to reconstruct an amenities building away from the river front area, potentially impacting on some annual sites to enable additional prime tourist sites
- Changes at Hat Head to consolidate annual sites to one area and enable resulting spaces to be utilised for tourist sites only
- Changes at Crescent Head to remove all annual sites to provide additional tourist sites

At present, the annual sites located at each holiday park pay for an annual licence. This has traditionally been a rolling 12-month agreement for which licensees pay a fee depending on the site. This provides exclusive use of the site for an entire year, though licence holders are restricted to a maximum of 150 nights per annum for accommodation purposes. The licence agreement provides no assurance for any future tenure, though as outlined above, there has traditionally been an expectation that the licence is simply renewed each and consequently the public land has effectively become exclusively used under long-term arrangements.

Each of the above upgrades results in a reduction of annual sites initially (or all sites in the case of Crescent Head). Over the medium to long-term, additional reductions of annual sites has also been envisaged, though the extent and timing of these has not been detailed. Each holiday park upgrade is identified as benefiting the revenue of the holiday park and is likely to see additional visitor nights in the area.

Given the outcomes of the economic and social impact assessment, these changes are generally supported. The extent and timing of changes should be subject to detailed planning and strategies for implementation that are clearly communicated to all annual site holders.

Conclusions

Based on the assessment process, the following conclusions are noted in general, and for each Holiday Park.

General

- Annual site holders often have a long association with sites and desire a commensurate level of respect and open communication regarding any future change. Options such as providing first right to future tourist sites may be appropriate to facilitate a continued association with the area
-

-
- Use of sites and regular interaction with the local area is important. Where annual sites are not well utilised and not contributing to the local area, their ongoing use as annual sites when compared with benefits of tourist site use is questionable
-
- Across all Holiday parks there is an increasing economic argument for the staged removal of annual sites, particularly at Crescent Head Holiday Park in the short-term
-
- With the exception of Hat Head Holiday Park, there are few examples of direct social impacts that would be attributable to the removal of annual sites provided that this can be undertaken in a considered way and staged where necessary
-
- Clear and concise plans are required for each Holiday Park to identify short (1-2 years), medium (3-5 years) and long-term (5-10 years) changes, to be informed by the 'Future Holiday Parks' process
-
- Council should consider restrictions on sales and improvements to provide a clear indication of transition arrangements being in place, unless where works are required to meet required standards
-

Grassy Head Holiday Park

-
- A small Holiday Park, with high levels of customer satisfaction scores, but with rapidly increasing occupancy / revenue with powered sites now averaging 50% above annual site revenue
-
- Relatively high proportion of annual sites compared with other MVCHP and externally operated parks (e.g. Reflections - Scotts Head)
-
- Small degree of social interaction and economic benefit from annual sites, with typically minor interactions throughout various clubs, organisations and other social activities
-
- Annual sites are on a higher elevation to many tourist sites, with drainage and water logging an issue for some tourist site areas
-
- Transition from annual sites to tourist sites recommended over short term (to allow for prime sites around entry area to be allocated to additional cabins), medium-term (to consolidate annual sites to one area) and long-term (to remove annual sites to focus on tourist sites)
-

Stuarts Point Holiday Park

-
- Small to medium sized Holiday Park, with moderately increasing occupancy / revenue of powered sites which now average 60% above annual site revenue
-
- Relatively high proportion of annual sites compared with other MVCHP and externally operated parks (e.g. Reflections - Scotts Head)
-
- High preference within the Holiday Park for river view sites, including increasingly throughout the off-peak period
-
- Potential for increasing demand in the short-term with new foreshore and boating facilities now being completed. This is highlighted by a recent increase in customer satisfaction scores
-
- Small degree of social interaction and economic benefit from annual sites, with typically minor interactions throughout various clubs, organisations and other social activities
-

-
- Transition from annual sites to tourist sites recommended over short term (to allow for new prime sites to be created on or around existing amenities), medium-term (to consolidate annual sites to the rear / western edge of the Park) and long-term (to remove annual sites to enable a focus on tourist sites)
-

Hat Head Holiday Park

- Largest park within the MVCHP group, with very high customer satisfaction scores and increasing occupancy / revenue of powered sites which now average more than double annual site revenue
 - Moderate proportion of annual sites given scale of the Holiday Park
 - Scope for various site configurations, including for road access arrangements, and pending master planning of the Hat Head Holiday Park reserve more broadly
 - High degree of social interaction and benefit from annual sites, with significant interactions throughout various clubs, organisations and other social activities
 - Transition from annual sites to tourist sites recommended over medium-term (to consolidate annual sites and tourist sites) and long-term (to remove annual sites to focus on tourist sites)
-

Crescent Head Holiday Park

- Large park within the MVCHP group, with low customer satisfaction scores, but very high occupancy / revenue of powered sites which now average two and a half times annual site revenue
 - Small proportion of annual sites compared to broader Holiday Park
 - Small degree, though variable across annual sites, of social interaction and benefit from annual sites compared with broader tourism market, with interactions throughout various clubs, organisations and other social activities
 - Transition from annual sites to tourist sites recommended over the short-term to enable ongoing growth in tourism through significantly increased occupancy rates
-

1. INTRODUCTION

1.1 Purpose

The purpose of this Social and Economic Impact of Annuals - Review Report is to assist in providing strategic direction for the future offering of annual licenced “holiday van” sites (annual sites) within Kempsey Shire Council’s holiday parks. Council operates five holiday parks under the Macleay Valley Coast Holiday Park (MVCHP) business unit, with four of these containing annual sites (Horseshoe Bay Holiday Park does not contain any annual sites).

1.2 Need for a review

As part of overall planning of MVCHP strategic directions, a staff report was developed and reported to the elected Council in December 2019 to consider implementing specific management strategies relating to annual sites (and “permanent” sites, albeit these are not further considered in the context of this Review Report).

The staff report was considered at the 17 December 2019 Council meeting, resulting in the following resolution:

- a) *That Council undertake an impact assessment of the impact of changing the management of the annual licence holders and permanent resident sites within Council’s holiday parks at Crescent Head, Hat Head, Stuarts Point and Grassy Head. That this impact assessment to consider matters such as:*
 - o *Holiday park income generation*
 - o *Holiday park upgrade pathways*
 - o *Town or village social and business impacts*
- b) *The development of these impact assessments to include community engagement with all stakeholders.*

The primary focus of this Review Report is to provide the evidence base to fulfil the Council Resolution and in so doing, to provide strategic direction for the future.

1.3 Review development

The development of this Review Report has been staged. It builds up from a base of data review, consultation, research and site-specific information to ensure that outcomes can be effectively considered. In particular, this report considers the following:

- o Data provided by park management on occupancy and revenue generation
- o Outcome of online surveys that were undertaken with annual site holders, community, businesses and other holiday park visitors
- o Face-to-face and phone discussions with local businesses and community organisations

Together, this information provides a solid evidence base for the outcomes that have been concluded from this work.

1.4 Report overview

This Review Report is set out with the following sections:

- Section 1: Introduction - Provides an overview of the need and content of the Review Report (this section)
- Section 2: Existing Holiday parks and their use - Highlights the extent of the existing facilities and the relative level of use of these
- Section 3: Social & Economic Impact - Outlines the key social and economic impacts relating to the retention or removal of annual sites from the respective holiday parks
- Section 4: Conclusions - Provides the overarching and site specific potential directions that are concluded from the assessment process.

1.5 Consultation overview

In order to capture the variety of stakeholder views, a number of consultation activities were undertaken including the following:

- “Annuals Survey” - Aimed at gaining an understanding of the views of licence holders for annual sites at the relevant four holiday park locations
- “Community Survey” - Undertaken for each of the five holiday park locations and aimed at gaining an understanding of local community preferences, including for annual sites
- “Visitor Survey” - Aimed at gaining an understanding of the views of visitors to the respective Holiday parks and to the Macleay Valley more broadly, including for annual sites
- “Business Survey” - Aimed at gaining an understanding of local business views with respect to the Holiday parks and their impacts on local businesses, including for annual sites
- Drop-in sessions at each location (combined for Grassy Head and Stuarts Point), where a range of community, visitor, annual licence holders and businesses were able to discuss specific sites or general views with the project consultants (in conjunction with broader ‘Future Holiday Park’ consultation)
- Phone calls and drop-in visits to surrounding businesses and community groups associated with the respective areas to gain their views on the parks and future opportunities, including annual sites (in conjunction with broader ‘Future Holiday Park’ consultation)

As identified above, the Social and Economic Impact project is being undertaken concurrently with the ‘Future Holiday Park’ planning project which provides a broader perspective of the future use and development of the holiday parks. Any conclusions drawn from of this report are also to be considered within the context of that report moving forward.

2. EXISTING HOLIDAY PARKS AND THEIR USE

This section provides an overview of the respective holiday parks within the MVCHP group, the services that these facilities provide and their relative financial performance. This section is a more 'inward looking' review of the current situation. How these relate to the broader surrounding communities is further reviewed in Section 3.

2.1 Council's existing holiday park facilities

There are five holiday parks within the Kempsey Shire local government area (LGA) that are operated under Council's MVCHP business unit. These are (from north to south):


- Grassy Head Holiday Park
- Stuarts Point Holiday Park
- Horseshoe Bay Holiday Park
- Hat Head Holiday Park
- Crescent Head Holiday Park

The location of the holiday parks is provided in Figure 1, with further details of the respective facilities outlined in Table 1, and extent of sites types outlined in Table 2. No annual sites exist at the Horseshoe Bay Holiday Park and this is not included in subsequent sections.

Table 1: Holiday parks managed by Kempsey Shire Council

Holiday Park	Address	Land Owner
Grassy Head Holiday Park	Reserve Rd, Grassy Head NSW 2441	Crown (Council managed and classified as 'community land')
Stuarts Point Holiday Park	Marine Parade, Stuarts Point NSW 2441	
Horseshoe Bay Holiday Park	1 Livingstone St, South West Rocks NSW 2431	
Hat Head Holiday Park	Straight St, Hat Head NSW 2440	
Crescent Head Holiday Park	Reserve Rd, Crescent Head NSW 2440	

Table 2: Holiday parks by site type (based on advertised Holiday Park maps as of October 2020)

 Sites	GRASSY HEAD		STUARTS POINT		HAT HEAD		CRESCENT HEAD		TOTAL	
	Annual sites	29	30%	40	29%	47	16%	16	7%	132
Permanent sites	0	0%	3	2%	0	0%	7	3%	10	1%
Powered sites	40	41%	62	46%	103	36%	167	76%	372	50%
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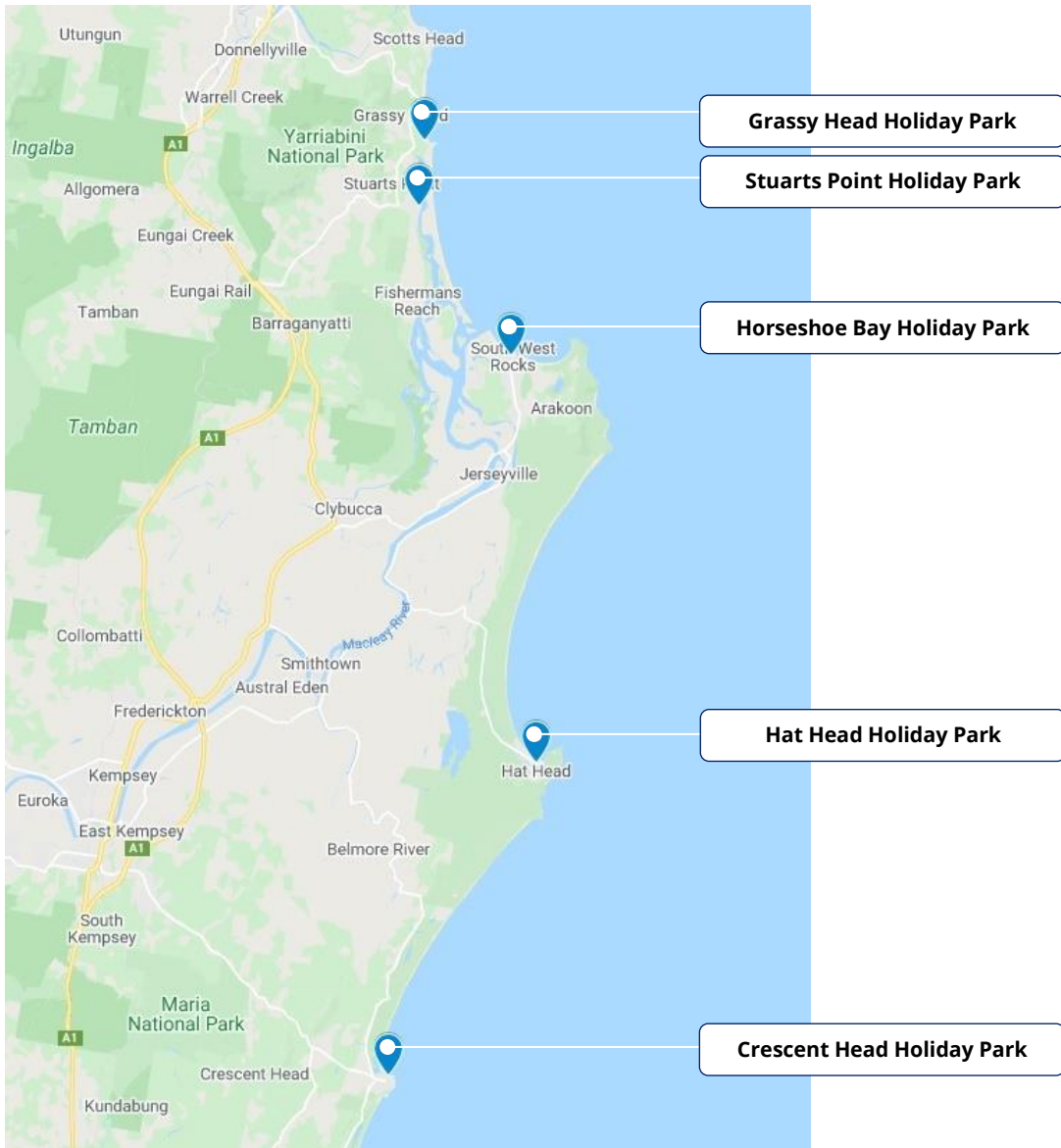


Figure 1: Location of Council's holiday parks

2.2 Grassy Head Holiday Park

Overview of Holiday Park

The MVCHP website identifies Grassy Head Holiday Park as:

"Nestled between a lush coastal forest and pristine beach, Grassy Head Holiday Park is a hidden gem of the Macleay Valley Coast. Set a short 40 minutes' drive from Kempsey or only an hour from Coffs Harbour, the area is a peaceful retreat for those wanting to get away from it all. The parks beachside setting, nearby river access, surrounding Way Way State Forest and abundance of birdlife, makes Grassy Head a nature lovers paradise."

The Holiday Park itself is set within the broader Grassy Head Reserve (Crown reserve 63879) which incorporates the headland, holiday park, public open spaces and surrounding vegetated areas as shown in Figure 2.



Figure 2: Grassy Head Reserve (red shaded area)

Within the Holiday Park, there are two relatively distinct areas, the more elevated entry / parkside precinct, and the generally lower lying beachside precinct. These areas are depicted in Figure 3.



Figure 3: Grassy Head Holiday Park precincts

Within these precincts, there is generally a greater number of fixed infrastructure / buildings in the entry / parkside precinct, whereas the beachside precinct is comparatively undeveloped. All annual sites and cabins are located in the entry / parkside precinct, with the exception of one annual site and one en-suite site. The park map, as of October 2020, is shown in Figure 4.



Figure 4: Grassy Head Holiday Park site layout plan

Holiday park upgrade pathways

Preliminary investigations into potential future Park development has suggested that a number of assets are reaching their useful life - including amenities and manager's residence. The Holiday Park also lacks some key requirements of current consumer trends, including communal facilities such as a camp kitchen and accessible cabins / facilities.

Consultation for the holiday park more broadly (through the 'Future Holiday Parks' process), highlighted that the natural environment and low-key / basic feel of the site are important to guests and the community. However, the need for some level of investment / improvement was also generally recognised, with improved amenities, camp kitchen, cabins and a play space for children being the most frequently identified or supported. The retention of annual sites was also generally supported in this survey, though the need for adjustment to the layout to facilitate other improvements was also generally agreed.

In terms of upgrade pathways, only a small number of existing annual sites are located within the area that may be required for future improvements in the short-term. These are within the area immediately adjoining the existing cabins and to the rear of the existing reception / residence. Subject to ongoing design processes, up to five annual sites may be impacted. In the medium and longer-term, and as the demand / revenue for existing sites increases, the staged removal of annual sites may be appropriate to establish a greater level of tourist visitor nights. The provision of tourist sites within the more elevated entry / parkside precinct may also assist in ameliorating the impacts experienced in some of the lower lying parts of the site.

Holiday park income generation

The current 29 annual sites located at the Holiday Park pay for an annual licence. This has traditionally been a rolling 12-month agreement for which licensees pay a fee of \$3,870 per annum (incl. GST). This provides exclusive use of the site for an entire year, though licence holders are restricted to a maximum of 150 nights per annum for accommodation purposes. The licence agreement provides no assurance for any future tenure.

As such, the revenue of the annual sites is around \$112,230. For comparison, the average powered site revenue for the Holiday Park has increased from \$3,195 per site in 2015, to \$5,977 in 2019, an 87% increase or compounding growth of 13.35% per annum over the five-year period. Occupancy of the park over the same period has also increased by 64%. In comparison, annual licence fees in 2015/2016 were \$3,400 or \$3,520 (family rate), suggesting a maximum increase of 14% over the five-year period.

Occupancy of annual sites is restricted to 150 days per annum (i.e. a maximum occupancy rate of less than 41% is possible per annum). Other short-term sites are also restricted in that they cannot be occupied by the same person for more than 150 days per annum, but can be occupied by a range of visitors up to 365 days per annum. For comparison, management records indicate that annual sites were occupied 15% of the year in 2019, compared to powered site occupancy of 41% (which has increased from 25% in 2015). The level of occupancy of annual sites is however disputed by some owners and this is further discussed in Section 3.

It is further noted that where annual sites impact on the delivery of upgrades for other sites - i.e. cabins, the level of income generation may be impacted even further. This may be the case within the Grassy Head Holiday Park in the short term.

2.3 Stuarts Point Holiday Park

Overview of Holiday Park

The MVCHP website identifies Stuarts Point Holiday Park as:

"Positioned on the banks of the pristine Macleay River, Stuarts Point Holiday Park is a serene hideaway perfect for those wanting to relax in peace and quiet. Found less than an hour's drive from Coffs Harbour, the parks riverfront location and easy beach access makes it the ideal waterside holiday in a fisherman's paradise, the area offers endless opportunities to cast a line, enjoy fantastic canoeing and kayaking or visit the nearby Smokey Cape Lighthouse and Trial Bay Gaol."

The Holiday Park itself is set predominantly within the broader Stuarts Point Holiday Park Reserve (Crown reserve 74599) which incorporates the holiday park and adjoining foreshore land. The Reserve also adjoins the Stuarts Point Village Reserve (Crown reserve 61657), which includes recently upgraded open space and boat ramp areas. The Holiday Park reserve area is shown in Figure 5.



Figure 5: Stuarts Point Holiday Park Reserve (red shaded area)

Within the Holiday Park there are three identified areas - the more built up Entry Precinct, the Riverside Precinct that extends along the Macleay Arm (Macleay River), and the Annuals / Holiday Precinct that is set to the west of the Riverside Precinct adjoining Marine Parade. These areas are depicted in Figure 6.



Figure 6: Stuarts Point Holiday Park precincts

Within these precincts, there is generally a greater number of fixed infrastructure / buildings in the northern precinct, including the entry reception building, managers residence and cabins. The Riverside Precinct is comparatively undeveloped, comprising of some annual sites, short-term tourist sites and camping sites. The Annuals / Holiday Precinct comprises predominantly of annual sites, with a small number of visitor sites. The park map, as of October 2020, is provided in Figure 7.



Figure 7: Stuarts Point Holiday Park site layout plan

Holiday park upgrade pathways

Preliminary investigations into potential future Park development has suggested that a number of assets are reaching their useful life - including amenities and manager's residence. One small amenity block and a new entry / residence has now been established in association with the broader foreshore upgrades.

The Holiday Park also lacks some key requirements of current consumer trends, including communal facilities such as a camp kitchen and accessible cabins / facilities. The main proposed changes identified by this planning process have included the addition of some new cabins in spaces provided by the broader reserve reconfiguration. This reconfiguration has also removed a number of overflow camping sites that were previously located at the northern end of the Holiday Park, but which are now integrated into the adjoining public open space.

In terms of upgrade pathways, only a small number of existing annual sites are located within the area that may be required for future improvements in the short-term. The extent of this impact will be dependent on the reconfiguration of the existing amenities facility within the

riverside precinct. This area is currently underutilised (no income) and of the highest value (adjoining sites returned approx. \$9,500 per site in 2019). Subject to ongoing design processes, up to eight annual sites may be impacted at this location.

In the medium and longer-term, and as the demand / revenue for existing sites increases, the staged removal of annual sites may be appropriate to establish a greater level of tourist visitor nights. The provision of tourist sites which have a greater proximity to the river would initially be considered of the highest value, with some existing powered sites (e.g. sites 54 to 59) already earning \$5,000 to \$7,000 per site within these more set back areas.

Holiday park income generation

The current 40 annual sites located at the Holiday Park pay for an annual licence. This has traditionally been a rolling 12-month agreement for which licensees pay a fee of \$4,180 per annum (incl. GST). This provides exclusive use of the site for an entire year, though licence holders are restricted to a maximum of 150 nights per annum for accommodation purposes. The licence agreement provides no assurance for any future tenure.

As such, the revenue of the annual sites is \$167,200. For comparison, the average powered site revenue for the Holiday Park has increased from \$5,265 per site in 2015, to \$6,798 in 2019, an 29% increase or compounding growth of 5.24% per annum over the five-year period. Occupancy of the park over the same period has also increased by 4%. In comparison, annual licence fees in 2015/2016 were \$3,700 or \$3,860 (family rate), suggesting a maximum increase of 12% over the five-year period.

Occupancy of annual sites is restricted to 150 days per annum (i.e. a maximum occupancy rate of less than 41% is possible per annum). Other short-term sites are also restricted in that they cannot be occupied by the same person for more than 150 days per annum, but can be occupied by a range of visitors up to 365 days per annum. For comparison, management records indicate that annual sites were occupied 18% of the year in 2019, compared to powered site occupancy of 52% (which has increased from 50% in 2015). It is however acknowledged that powered sites generally have a more superior outlook than annual sites and that the level of occupancy of annual sites is disputed by some owners and this is further discussed in Section 3.

The recent significant upgrades of the adjoining reserve is also likely to result in a more attractive offering for visitors in coming years. This is notable in the customer satisfaction scores for the site which have increased in recent months.

2.4 Hat Head Holiday Park

Overview of Holiday Park

The MVCHP website identifies Hat Head Holiday Park as:

“Tucked away between the lush Hat Head National Park, 12 km of uninterrupted beachfront and the Korogoro Creek, the ultimate serene getaway awaits at Hat Head Holiday Park. Only 30 minutes from Kempsey or an easy one-hour drive from Port Macquarie. Choose to stay in a comfortable cabin or enjoy the great outdoors on a powered or unpowered caravan site or camp site. Whether

you're relaxing waterside, exploring the coastal attractions or breathing in the fresh air while strolling through the national park, Hat Head is a nature-based escape like no other."

The Holiday Park itself is set within the broader Hat Head Holiday Park Reserve (Crown reserve 52808) which incorporates the Holiday Park, public open spaces and surrounding vegetated areas. This area is outlined in Figure 8.



Figure 8: Hat Head Holiday Park Reserve (red shaded area)

The Holiday Park is divided by public access roads resulting in the more distinct and formal areas of the Park, and other more informal predominantly seasonal / low use camping areas. Precinct areas have been identified based on these broad spaces and are outlined in Figure 9.



Figure 9: Hat Head Holiday Park precincts

Within these precincts, there is generally a greater number of fixed infrastructure / buildings in the entry and creekside south precincts, whereas the beachside and creekside east precincts are comparatively undeveloped. All annual sites are located in the entry and creekside south precincts, through a number of cabins are located in the beachside and creekside east precincts. The park map, as of October 2020, is provided in Figure 10 (note: north is to the bottom of the page).

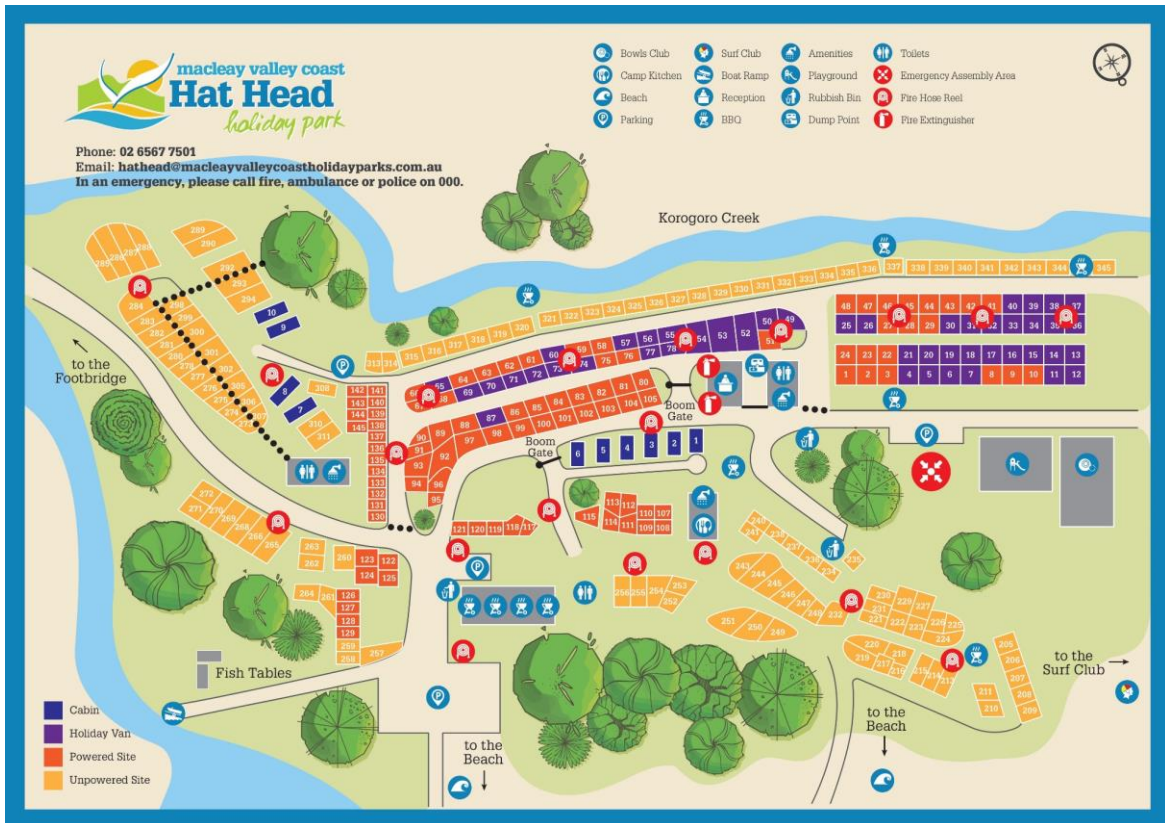


Figure 10: Hat Head Holiday Park site layout plan

Holiday park upgrade pathways

Preliminary investigations into potential future Park development has suggested that a number of assets are reaching their useful life - including amenities, reception and manager’s residence. The Holiday Park also lacks some key requirements of current consumer trends, including communal facilities such as a camp kitchen and accessible cabins / facilities (noting that a new amenities facility / camp kitchen has now been installed in the beachside precinct).

A key issue for the site raised by the planning process is the main access road that divides the Holiday Park area. Establishing agreement on ways to reduce vehicle and pedestrian conflict, improve safety and create delineation between the Holiday Park and public open space was seen as a key need for ongoing planning.

The main proposed changes identified by this planning process has included the addition of a small number of new cabins, and the greater formalisation of sites within the beachside and creekside east precincts. Annual sites are also identified to be consolidated to the entry precinct. The envisaged changes to site numbers and configuration would differ depending on the provision (or otherwise) of a separated public access road.

In terms of upgrade pathways, the consolidation of annual sites to the entry precinct would facilitate an increase in the number of tourist sites within an area of the Park which could be configured to facilitate increased tourist use. Tourist sites in this area had revenue of up to \$12,000 in 2009. 12 tourist sites are currently located within the entry precinct that could be converted to annual sites, meaning of the 19 annual sites to be moved, up to seven may be displaced.

In the medium and longer-term, and as the demand / revenue for existing sites increases, the staged removal of annual sites may be appropriate to establish a greater level of tourist visitor nights. The provision of tourist sites which have a greater proximity to the creek would initially be considered of the highest value, with some existing powered sites (e.g. sites 41 to 48) already earning \$10,000 to \$12,000 per site. Planning for this may also need to be further considered in the context of the broader planning for the Reserve.

Holiday park income generation

The current 47 annual sites located at the Holiday Park pay for an annual licence. This has traditionally been a rolling 12-month agreement for which licensees pay a fee of \$4,530 per annum (incl. GST). This provides exclusive use of the site for an entire year, though licence holders are restricted to a maximum of 150 nights per annum for accommodation purposes. The licence agreement provides no assurance for any future tenure.

As such, the revenue of the annual sites is \$212,910. For comparison, the average powered site revenue for the Holiday Park has increased from \$6,171 per site in 2015, to \$9,387 in 2019, a 52% increase or compounding growth of 8.75% per annum over the five year period. Occupancy of the park over the same period has also increased by 25%. In comparison, annual licence fees in 2015/2016 were \$3,900 or \$4,250 (family rate), suggesting a maximum increase of 16% over the five-year period.

Occupancy of annual sites is restricted to 150 days per annum (i.e. a maximum occupancy rate of less than 41% is possible per annum). Other short-term sites cannot be occupied by the same person for more than 150 days per annum, but can be occupied by a range of visitors up to 365 days per annum. For comparison, management records indicate that annual sites were occupied 16% of the year in 2019, compared to powered site occupancy of 56% (which has increased from 47% in 2015). It is however acknowledged that the level of occupancy of annual sites is disputed by some owners and this is further discussed in Section 3.

2.5 Crescent Head Holiday Park

Overview of Holiday Park

The MVCHP website identifies Crescent Head Holiday Park as:

"Set between the stunning river and beach at Crescent Head, this slice of paradise is a relaxing waterfront getaway found on the Macleay Valley Coast. Located an easy 40 minutes from Kempsey, Crescent Head Holiday Park overlooks one of the most legendary right-hand surf breaks in the world. Choose to stay in a cabin, villa or bungalow or enjoy the great outdoors on a caravan site or camp site. Surrounded by natural beauty including spectacular coastal national parks, endless bushwalking trails, great fishing and whale watching, the park is the perfect escape, leaving you and the whole family refreshed."

The Holiday Park itself is set within the broader Crescent Head Reserve (Crown reserve 63725) which incorporates the Crescent Head headland, holiday park, golf course, public open spaces and surrounding vegetated foreshore areas. This area is outlined in Figure 11.



Figure 11: Crescent Head Reserve (red shaded area)

The Holiday Park is divided by a public access road, resulting in two distinct parts of the Park. Within each of these parts, the site can be further identified by the more built up areas, and the more traditional camping / caravanning areas. Precinct areas have been identified based on these broad spaces and are outlined in Figure 12.

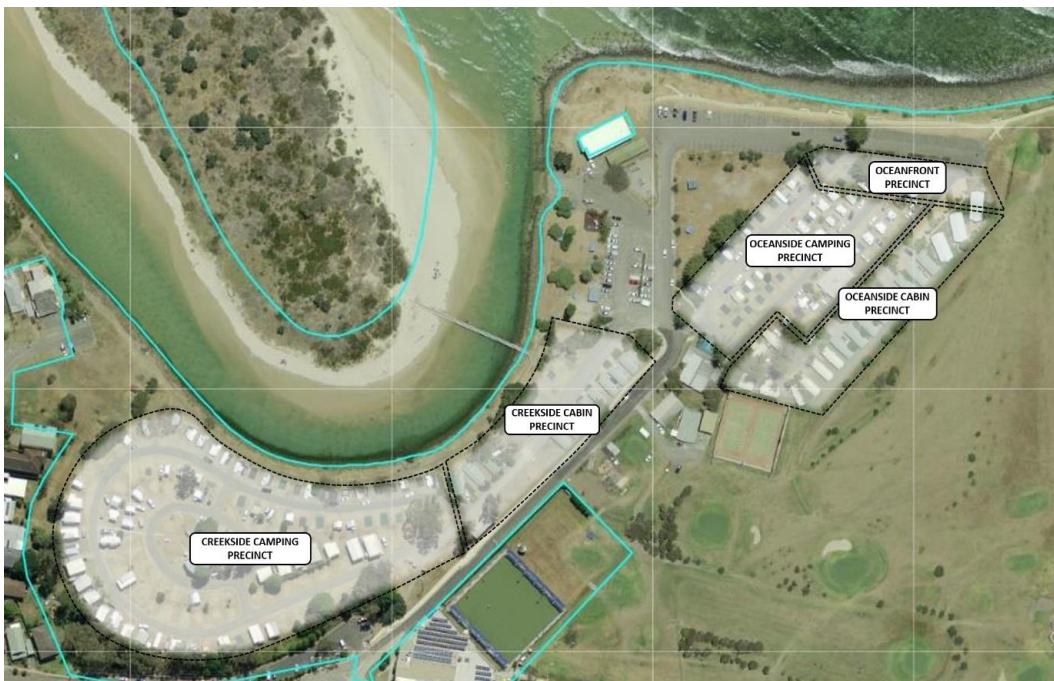


Figure 12: Crescent Head Holiday Park precincts

Within these precincts, there is a greater number of fixed infrastructure / buildings in the creekside cabin and oceanside cabin precincts. All existing annual licences (16 in total) and all

permanent sites (7 in total) are located in the creekside camping precinct. The park map, as of October 2020, is provided in Figure 13.



Figure 13: Crescent Head Holiday Park site layout plan

Holiday park upgrade pathways

Preliminary investigations into potential future Park development has suggested that a number of opportunities exist to upgrade facilities to better meet market demand. While some assets are reaching their useful life - including cabins and amenity buildings, other upgrade needs reflect the extremely high use of the Holiday Park. The Holiday Park also lacks some key requirements of current consumer trends, including communal facilities such as a camp kitchen and accessible cabins / facilities (noting that some new cabins have recently been installed in place of existing in the oceanside cabin precinct).

The main proposed changes identified by this planning process has included the addition of a small number of new cabins (plus the replacement of older stock), the removal of annual sites to be replaced with tourist sites, and the provision of camp kitchen facilities to better meet market expectations.

In terms of upgrade pathways, the removal of annual sites from the Holiday Park would be likely to immediately enable an increase in the number of tourist sites being experienced by the Park. Tourist sites in this area typically had revenue of between \$10,000 and \$12,000 in 2009. Due to their size, these sites also provide the potential to be en-suite style sites without impacting on views. This is likely to further increase the value of these sites.

Holiday park income generation

The current 16 annual sites located at the Holiday Park pay for an annual licence. This has traditionally been a rolling 12-month agreement for which licensees pay a fee of \$5,200 per annum (incl. GST). This provides exclusive use of the site for an entire year, though licence holders are restricted to a maximum of 150 nights per annum for accommodation purposes. The licence agreement provides no assurance for any future tenure.

As such, the revenue of the annual sites is \$83,200. For comparison, the average powered site (being all other non-cabin sites and including the smaller camping sites that are powered) revenue for the Holiday Park has increased from \$9,604 per site in 2015, to \$12,982 in 2019, a 35% increase or compounding growth of 6.21% per annum over the five year period. Occupancy of the park over the same period has also increased by 17.5%. In comparison, annual licence fees in 2015/2016 were \$4,600 or \$5,000 (family rate), suggesting a maximum increase of 13% over the five-year period.

Occupancy of annual sites is restricted to 150 days per annum (i.e. a maximum occupancy rate of less than 41% is possible per annum). Other short-term sites cannot be occupied by the same person for more than 150 days per annum, but can be occupied by a range of visitors up to 365 days per annum. For comparison, management records indicate that annual sites were occupied 11% of the year in 2019, compared to powered site occupancy of 75% (which has increased from 66% in 2015). It is however acknowledged that the level of occupancy of annual sites is disputed by some owners and this is further discussed in Section 3.

It is further noted that where annual sites impact on the delivery of upgrades for other sites - i.e. en-suites, the level of income generation may be impacted even further. This may be the case within the Crescent Head Holiday Park in the short-term.

2.6 Summary of existing holiday park use

When aggregated across all Holiday parks, there are a total of 132 annual sites that are utilised under the annual licence process. This compares to a total of 740 sites across all the holiday park sites, or just under 18% of total sites (excluding Horseshoe Bay Holiday Park).

With respect to use of sites, the recorded occupancy rates for annual sites in 2019 were between 11% and 18%, compared to powered sites within the Holiday parks that were occupied on average, between 41% and 75% of the year. Noting again that the level of occupancy of annual sites is disputed by some owners and this is further discussed in Section 3.

Fees obtained by annual licences, on an individual site basis, range from \$3,870 to \$5,200 depending on the Holiday Park. Powered tourist sites by comparison, ranged on average per site, between \$5,977 and \$12,982. Increasing levels of use over the last five years have been particularly notable at Grassy Head and Hat Head, whilst Crescent Head and Stuarts Point appear to have more restricted growth due to the number of available and suitable sites.

3. SOCIAL & ECONOMIC IMPACT

This section provides for the identification and assessment of the key social and economic impacts of the current and future situations. This includes the following considerations:

- The extent of use of sites and the revenue that they generate for the Holiday Park (internal financial impact)
- The extent of use of sites and the flow-on expenditure that can be expected from the use (external economic impact)
- The extent of social interaction of annual site holders with the broader community (social impact)

Each of these are identified by site below.

3.1 Grassy Head Holiday Park

Internal financial impact

As identified in Section 2.2, the revenue generated by each annual site is currently \$3,870. Removing these sites would result in the loss of this revenue. Other sites in the Holiday Park generate revenue (2019 calendar year) as follows:

- Powered sites (41) - \$5,977 at an occupancy of 41%
- Unpowered sites (21) - \$3,816 at an occupancy of 27%
- Unpowered sites (17) - \$4,126 at an occupancy of 29% when excluding five poorly located and underperforming sites near the site entry

The removal of all annual sites would result in a significant increase in the number of powered or unpowered sites. This would result in the average income across these sites potentially reducing as a consequence, particularly in the short-term. However, this Holiday Park has also seen rapid growth in revenue (and occupancy), with powered sites increasing over the last five years as follows:

	2015 > 2016	2016 > 2017	2017 > 2018	2018 > 2019
Occupancy	↑ 5%	↑ 6%	↑ 18%	↑ 26%
Revenue	↑ 10%	↑ 11%	↑ 20%	↑ 27%

It is noted that unpowered sites have realised similar increases - particularly in later years.

Releasing annual sites in a staged manner is therefore likely to yield overall increases in both the short and longer-term. It is also noted that the annual sites are located in the more elevated portion of the Holiday Park, with existing drainage / wet sites being a commonly reported issues with the lower caravan and camping area / beachside precinct.

Key points of note

- The last 2 years (prior to the pandemic) have seen revenue growth for powered (and powered) sites of 20%+ per annum. This highlights the potential for future

growth at the Holiday Park and potential need for additional tourist and other sites to cater for this purpose.

- o The five camping sites located near the site entry have little / no substantive growth, likely owing to their location away from the coast and position behind existing annual sites.

External economic impact

Whilst economic benefit to the Holiday Park (revenue) has the potential to increase over time with the removal of annual sites, it is also important to consider the external economic impacts. External impacts are measured through visitor expenditure.

Comments received during consultation activities highlighted opposing views with respect to the extent of expenditure that may be reasonably expected from annual sites, those visiting during off peak times (typically “grey nomads”) and those visiting during peak times. To establish a greater understanding of this situation, surveys sought information relating to the extent of stays (occupancy), as well as typical expenditure.

The annuals survey resulted in the return of 22 responses (out of 29 annual sites). This included a question seeking owners to nominate the time spent at the site. Results are presented below (days per annum).

	Up to 14 days	14 - 30 days	30 - 60 days	60 - 90 days	90 - 150 days	150 days +
Respondents	1	3	10	2	5	0

On average (based on the mid-point for each range), and extrapolated to cover all annual sites, a total of 1,768 visitor nights can be expected from annual sites, or an occupancy rate of 17% (compared to 15% recorded by management in 2019). Utilising the average occupancy of powered sites (41%), around 4,340 visitor nights would be expected from the same number of sites (though reaching this level would need to be staged so that site availability is not saturated).

With respect to the types of activities / expenditure that may be expected, the annuals survey respondents indicated a greater propensity for potential expenditure, with a number indicating a deliberate choice to buy locally. This is however offset by the lower occupancy levels of each site. Anecdotal feedback from nearby shops and clubs did not indicate a particular reliance on annual site holders, though some also indicated that they were not aware of the status of those visiting (i.e. whether tourists or annuals).

Peak verses off peak impacts

Consultation identified the view that annual site holders are regularly using sites during the off-peak period. Survey results indicate that 50% of respondents utilise their annual sites for extended periods during the off-peak, with the average use of those respondents then being used to assume the same across all annual sites, a total occupancy of around 17% could be assumed. Data provided for the 2019 calendar year suggests around 37% of powered sites are occupied over off peak periods.

Over the peak periods of the summer holidays, Easter holidays and October holidays (total 65 nights), the occupancy of the Holiday Park was 74% overall and 80% for powered sites. Based on a figure of 80% occupancy, at an average nightly fee of \$55 per night, an average site would draw revenue of approx. \$2,850, around \$1,000 less than annual licence fees across the entire year (\$3,870).

Key points of note

- Both the overall, as well as the off-peak use, of the site by annual licence holders is substantially lower than powered sites, meaning that the extent of expenditure is limited by the number of visitor nights generated.
- The expenditure profile of annuals would appear to be greater than general tourists.
- Based on resulting occupancy figures, economic expenditure within the community can be expected to be greater from visitors to the area than from annuals over a single year, with sites being occupied more than twice as much.

Social impact

To assist in considering the social impacts of annual sites, questions were developed to identify the extent to which annual sites holders participate in the local area. What is clear for annual site holders across the Holiday parks is that they typically have a long and genuine connection to the Holiday Park - often spanning decades. This is similar to many other holiday parks across NSW coastal towns, where pressure on the traditional "holiday van" market has resulted in many being removed to facilitate growth in other tourism areas.

Within the context of Grassy Head Holiday Park, this pattern is no different. Those that responded to the survey also identified a range of community-based organisations that they either support, are members of, or who have benefited from their presence in the area. This was particularly the case for the bowling club, with around 50% of respondents (7) indicating membership.

Whilst there is undoubtedly involvement of some annual licence holders in the social fabric of the area, the extent of this involvement was generally not seen as being critical to clubs, organisations or businesses that were consulted as part of the process. The relatively small number of annual sites at the Holiday Park, combined with the relatively low levels of occupancy, suggest that this would not be particularly surprising. Instead, most organisations and businesses have a greater focus on local residents and increasing tourism more generally to benefit the local area economically.

Nevertheless, individual circumstances exist that suggest that some impacts would be apparent, typically resulting from the more frequently utilised sites (noting that there is great diversity in the extent of site use). Those that only attend sites during peak periods and for short periods (or not at all), would typically have a lower value both economically and socially to the area.

Key points of note

- Annual site holders typically have a great personal attachment to the Holiday Park and others that utilise the site - seeing the Holiday Park as part of their community
- Some annual site holders participate in local community organisations, though their presence as a whole is not particularly noteworthy to many of those organisations compared with local resident participation and broader tourism
- There is great diversity in the extent of social participation, with those occupying sites for greater periods typically having a greater social connection within the area.

3.2 Stuarts Point Holiday Park

Internal financial impact

As identified in Section 2.3, the revenue generated by each annual site is currently \$4,180. Removing these sites would result in the loss of this revenue. Other powered sites in the Holiday Park generate revenue (2019 calendar year) as follows:

- Powered sites (59) - \$6,798 at an occupancy of 52%
- Prime powered sites (18) - \$9,017 at an occupancy of 74%

The removal of all annual sites would result in a significant increase in the number of powered sites. This would result in the average income across these sites potentially reducing as a consequence, particularly in the short-term. This is particularly notable given the relatively low or sporadic growth in occupancy and revenue at this Holiday Park has seen in recent years, with powered sites increasing over the last five years as follows:

	2015 > 2016	2016 > 2017	2017 > 2018	2018 > 2019
Occupancy	↓ 2%	↓ 4%	↑ 10%	↑ 1%
Revenue	↑ 3%	↑ 1%	↑ 18%	↑ 5%

Prime sites (those located overlooking the water) have consistently outperformed other powered site, highlighting the value of these locations to visitors. Nonetheless, other powered sites also outperform the annual sites unless being impaired by trees or size. For example, sites 82-87 on the western side of the site (arguably the least desirable sites away from the water) averaged revenue of \$4,216 and occupancy of 31% in 2019.

Releasing annual sites in a staged manner, or only in a small area, is therefore likely to yield overall increases, particularly where water views can still be obtained.

Key points of note

- Waterfront or prime sites are consistently popular, albeit the site has experienced limited growth in recent years.
- Poorly performing powered sites (unimpaired) generally generated greater revenue than annual sites, though marginal in some areas.

- Growth may be experienced following the recent upgrade of the adjoining foreshore reserve.
- The existing amenities building adjoins the River, utilising land that may otherwise be considered prime sites.

External economic impact

Whilst economic benefit to the Holiday Park (revenue) has the potential to increase over time with the removal of some annual sites, it is also important to consider the external economic impacts. External impacts are measured through visitor expenditure.

Comments received during consultation activities highlighted opposing views with respect to the extent of expenditure that may be reasonably expected from annual sites, those visiting during off peak times (typically “grey nomads”) and those visiting during peak times. To establish a greater understanding of this situation, surveys sought information relating to the extent of stays (occupancy), as well as typical expenditure.

The annuals survey resulted in the return of 22 responses (out of 40 annual sites). This included a question seeking owners to nominate the time spent at the site. Results are presented below (days per annum).

	Up to 14 days	14 - 30 days	30 - 60 days	60 - 90 days	90 - 150 days	150 days +
Respondents	1	2	10	4	5	0

On average (based on the mid-point for each range), and extrapolated to cover all annual sites, a total of 2,560 visitor nights can be expected from annual sites, or an occupancy rate of 18% (generally consistent with the recorded by management in 2019). Utilising the average occupancy of powered sites (52%), around 7,592 visitor nights would be expected from the same number of site (though reaching this level would need to be staged so that site availability is not saturated - particularly given low growth in recent years).

With respect to the types of activities / expenditure that may be expected, the annuals survey respondents indicated a greater propensity for potential expenditure, with a number indicating a deliberate choice to buy locally. This is however offset by the lower occupancy levels of each site. Anecdotal feedback from nearby shops and clubs did not indicate a particular reliance on annual site holders, though some also indicated that they were not aware of the status of those visiting (i.e. whether tourists or annuals).

Peak verses off peak impacts

Consultation identified the view that annual site holders are regularly using sites during the off-peak period. Survey results indicate that 68% of respondents utilise their annual sites for extended periods during the off-peak, with the average use of those respondents then being used to assume the same across all annual sites, a total occupancy of around 18% could be assumed. Data provided for the 2019 calendar year suggests around 49% of powered sites are occupied during non-peak period.

Over the peak periods of the summer holidays, Easter holidays and October holidays (total 65 nights), the occupancy of the Holiday Park was 60% overall and 59% for powered sites. Based

on a figure of 59% occupancy, at an average nightly fee of \$57 per night, an average site would draw revenue of \$2,169, around 56% of the annual licence fee of \$3,870. These comparatively low peak occupancy figures highlight the relative popularity of the site over the off-peak period.

Key points of note

- Both the overall as well as the off-peak use of the site by annual licence holders is substantially lower than powered sites. This means that the extent of expenditure is limited by the number of visitor nights generated.
- The expenditure profile of annuals would appear to be greater than general tourists.
- Based on resulting occupancy figures, economic expenditure within the community can be expected to be greater from visitors to the area than from annuals over a single year, with sites being occupied more than twice as much.

Social impact

To assist in considering the social impacts of annual sites, questions were developed to identify the extent to which annual sites holders participate in the local area. What is clear for annual site holders across the Holiday parks is that they typically have a long and genuine connection to the Holiday Park - often spanning decades. This is similar to many other holiday parks across NSW coastal towns, where pressure on the traditional “holiday van” market has resulted in many being removed to facilitate growth in other tourism areas.

Within the context of Stuarts Point Holiday Park, this pattern is no different. Those that responded to the survey also identified a range of community-based organisations that they either support, are members of, or who have benefited from their presence in the area. This was particularly the case for the bowling club, with 95% of respondents (19) indicating membership. The library was another frequently identified association.

Whilst there is undoubtedly involvement of some annual licence holders in the social fabric of the area, the extent of this involvement was generally not seen as being critical to clubs, organisations or businesses that were consulted as part of the process. The number of annual sites at the Holiday Park, combined with the relatively low levels of occupancy, suggest that this would not be particularly surprising. Instead, most organisations and businesses have a greater focus on local residents and increasing tourism more generally to benefit the local area economically.

Nevertheless, individual circumstances exist that suggest that some impacts would be apparent, typically resulting from the more frequently utilised annual sites (noting that there is great diversity in the extent of site use). Those that only attend sites during peak periods and for short periods (or not at all), would typically have a lower value both economically and socially to the area.

Key points of note

- Annual site holders typically have a great personal attachment to the Holiday Park and others that utilise the site - seeing the Holiday Park as part of their community

- Some annual site holders participate in local community organisations, though their presence as a whole is not particularly noteworthy to many of those organisations compared with local resident participation and broader tourism
- There is great diversity in the extent of social participation, with those occupying sites for greater periods typically having a greater social connection within the area.

3.3 Hat Head Holiday Park

Internal financial impact

As identified in Section 2.4, the revenue generated by each annual site is currently \$4,530. Removing these sites would result in the loss of this revenue. Other sites in the Holiday Park generate revenue (2019 calendar year) as follows:

- Powered sites (93) - \$9,389 at an occupancy of 41%
- Unpowered sites (21) - \$5,156 at an occupancy of 28%

The removal of all annual sites would result in a significant increase in the number of powered or unpowered sites. This would result in the average income across these sites potentially reducing as a consequence, particularly in the short-term. However, this Holiday Park has also seen substantial growth in revenue (and occupancy), with powered sites increasing over the last five years as follows:

	2015 > 2016	2016 > 2017	2017 > 2018	2018 > 2019
Occupancy	↑ 5%	↓ 2%	↑ 7%	↑ 8%
Revenue	↑ 15%	↑ 6%	↑ 12%	↑ 11%

It is noted that unpowered sites have resulted in even greater increases as follows.

	2015 > 2016	2016 > 2017	2017 > 2018	2018 > 2019
Occupancy	↑ 5%	↑ 3%	↑ 12%	↑ 15%
Revenue	↑ 12%	↑ 13%	↑ 14%	↑ 16%

Releasing annual sites in a staged manner is therefore likely to yield overall increases in the medium and longer-term. It is also noted that many annual sites are located in the central area of the Holiday Park that may be seen as preferable sites to visitors.

Key points of note

- The last 4 years (prior to the pandemic) have seen revenue growth for powered and powered sites of more than 10%+ per annum except in one instance. This highlights the potential for future growth at the Holiday Park and potential need for additional tourist sites for this purpose over time.
- Revenue for all powered and unpowered sites is (on average) above the current annual site revenue on a site by site basis.

External economic impact

Whilst economic benefit to the Holiday Park (revenue) has the potential to increase over time with the removal of annual sites, it is also important to consider the external economic impacts. External impacts are measured through visitor expenditure.

Comments received during consultation activities highlighted opposing views with respect to the extent of expenditure that may be reasonably expected from annual sites, those visiting during off peak times (typically “grey nomads”) and those visiting during peak times. To establish a greater understanding of this situation, surveys sought information relating to the extent of stays (occupancy), as well as typical expenditure.

The annuals survey resulted in the return of 36 responses (out of 47 annual sites). This included a question seeking owners to nominate the time spent at the site. Results are presented below (days per annum).

	Up to 14 days	14 - 30 days	30 - 60 days	60 - 90 days	90 - 150 days	150 days +
Respondents	0	1	6	14	15	0

On average (based on the mid-point for each range), and extrapolated to cover all annual sites, a total of 4,102 visitor nights can be expected from annual sites, or an occupancy rate of 24% (compared to 15% recorded by management in 2019). Utilising the average occupancy of powered sites (56%), around 9,607 visitor nights would be expected from the same number of sites (though reaching this level would need to be staged so that site availability is not saturated).

With respect to the types of activities / expenditure that may be expected, the annuals survey respondents indicated a greater propensity for potential expenditure, with a number indicating a deliberate choice to buy locally. This is however offset by the lower occupancy levels of each site. Anecdotal feedback from nearby shops and clubs do however indicate a particular reliance on annual site holders, particularly during off-peak periods where occupancy is typically lower in the Holiday Park more broadly.

It is also important to note that many of the annual site holders at Hat Head, 19 in total or around 40%, are from the Kempsey Shire area. This compares to just five (5) sites, or 6% of all annual sites across other holiday parks within the group. When considering economic benefit, internal expenditure (i.e. within the Kempsey local government area) would typically be excluded.

Peak verses off peak impacts

Consultation identified the view that annual site holders are regularly using sites during the off-peak period. Survey results indicate that 67% of respondents utilise their annual sites for extended periods, including during the off-peak, with the average use of those respondents then being used to assume the same across all annual sites, a total occupancy of around 24% could be assumed. Data provided for the 2019 calendar year suggests around 49% of powered sites are occupied during the non-peak periods.

Over the peak periods of the summer holidays, Easter holidays and October holidays (total 65 nights), the occupancy of the Holiday Park was 83% overall and 89% for powered sites. Based on a figure of 89% occupancy, at an average nightly fee of \$67 per night, an average site would draw revenue of \$3,883, or almost 86% of the annual licence fee of \$4,530.

Key points of note

- Both the overall, as well as the off-peak use of the site by annual licence holders is lower than powered sites occupancy, though this difference is less pronounced over the off-peak period - though still double. This would generally mean that the extent of expenditure by annuals is more limited by the number of visitor nights generated.
- However, the expenditure profile of annuals would appear to be greater than general tourists, an outcome supported by anecdotal evidence provided by local shops and clubs that believe that annuals provide a significant proportion of expenditure during off-peak periods in particular.
- Expenditure is offset to an extent by the high proportion of localised annual site owners.

Social impact

To assist in considering the social impacts of annual sites, questions were developed to identify the extent to which annual sites holders participate in the local area. What is clear for annual site holders across the Holiday parks is that they typically have a long and genuine connection to the Holiday Park - often spanning decades. This is similar to many other holiday parks across NSW coastal towns, where pressure on the traditional “holiday van” market has resulted in many being removed to facilitate growth in other tourism areas.

Within the context of Hat Head Holiday Park, this pattern is no different. Those that responded to the survey also identified a range of community-based organisations that they either support, are members of, or who have benefited from their presence in the area. This was particularly the case for the fishing club, bowling club and surf life saving club, which were nominated by respondents 81%, 81% and 50% of the time respectively. A further nine (9) respondents indicate involvement with the Hat Head Community Group, whilst a number of other groups were also identified including dune care, tennis club, various fund raising activities and other event organisation.

Generally distinct from other holiday parks subject to this report, there was a clear indication of not only membership, but active participation by many annuals in these clubs - including as acting on boards, executive committees and fundraising groups. This commitment by many annuals was over the longer-term, with many being able to readily identify current and previous positions held within these groups, as well as generational changes through this process. The importance of annual site holders to social groups and activities was confirmed through much of the consultation activities, with each group or business contacted generally being in agreement as to their involvement and the importance of annual sites to the social fabric of Hat Head.

Conversely, there was some recognition that not all annual site holders contribute equally, or at all, to the social activities of the area. For example, a number of annual sites are in relatively poor condition, with management and/or other annual site holders recognising that presence at the site is very limited for some. This is consistent with occupancy data that suggests five (5) annual sites had 5% or less occupancy across the 2019 period.

Based on the evidence provided through surveys and consultation activities, it is clear that the involvement of some annual licence holders is critical to the social fabric of the area. This involvement was generally seen by many clubs / businesses as being critical to the ongoing viability of the respective clubs and area more broadly. The relatively large number of annual sites at the Holiday Park, combined with off-peak use that is higher than at other holiday parks within the group, suggest that this would not be particularly surprising. It is also notable that some clubs, such as the Hat Head Fishing Club, undertake events that attract many visitors to the area - often staying at the Holiday Park and supporting local businesses.

Key points of note

- Annual site holders typically have a great personal attachment to the Holiday Park and others that utilise the site - seeing the Holiday Park as part of their community
- Many annual site holders participate in local community organisations, and have done so for an extended period, highlighting their social connection to the area
- However, there are also a number of annual sites that are not frequently used and the availability of these underutilised sites for tourist activities are likely to create greater benefits.

3.4 Crescent Head Holiday Park

Internal financial impact

As identified in Section 2.5, the revenue generated by each annual site is currently \$5,200. Removing these sites would result in the loss of this revenue. Other sites in the Holiday Park generate revenue (2019 calendar year) as follows:

- Powered sites (163) - \$12,981 at an occupancy of 75%

The removal of all annual sites would result in a relatively small increase in the number of powered or unpowered sites (16). Whilst this would result in additional sites in the short term, given the pressure for space within the park and the relatively large size of the annual sites, it would be reasonably expected that they would immediately generate greater levels of revenue than annual licence fees. This may be confirmed by the increases in revenue and occupancy in recent years despite already high levels of occupancy. Powered site occupancy and revenue growth over the last five years is as follows:

	2015 > 2016	2016 > 2017	2017 > 2018	2018 > 2019
Occupancy	↑ 4%	><	↑ 8%	↑ 2%
Revenue	↑ 11%	↑ 4%	↑ 12%	↑ 5%

Of these sites, the least favoured are those smaller camping sites that adjoin the main entry road. Despite the location of these sites, their return in 2019 averaged more than \$9,000 per annum, at an occupancy of 49%.

Releasing annual sites is therefore considered to be likely to increase overall yield in both the short and longer-term. It is also noted that whilst the annual sites are located towards the rear of the Holiday Park and are without direct water views, their large size compared to many water front sites (particularly in the western portion of the site) means that they are still likely to be popular. Their location also means that they could be suitable to en-suite sites, yielding even further revenue.

Key points of note

- Despite already high occupancy, the last four (4) years (prior to the pandemic) have generally seen strong revenue growth for these sites each year. This highlights the potential for the release of additional tourist sites to enable this level of growth to continue.
- The six small camping sites located near the site entry provide revenue examples of constrained sites still achieving well above annual site revenues.

External economic impact

Whilst economic benefit to the Holiday Park (revenue) has the potential to increase over time with the removal of annual sites, it is also important to consider the external economic impacts. External impacts are measured through visitor expenditure.

Comments received during consultation activities highlighted opposing views with respect to the extent of expenditure that may be reasonably expected from annual sites, those visiting during off peak times (typically “grey nomads”) and those visiting during peak times. To establish a greater understanding of this situation, surveys sought information relating to the extent of stays (occupancy), as well as typical expenditure.

The annuals survey resulted in the return of 15 responses (out of 16 annual sites). This included a question seeking owners to nominate the time spent at the site. Results are presented below (days per annum).

	Up to 14 days	14 - 30 days	30 - 60 days	60 - 90 days	90 - 150 days	150 days +
Respondents	0	0	4	7	3	0

On average (based on the mid-point for each range), and extrapolated to cover all annual sites, a total of 1,217 visitor nights can be expected from annual sites, or an occupancy rate of 21% (compared to 11% recorded by management in 2019). Utilising the average occupancy of powered sites (75%), around 4,380 visitor nights would be expected from the same sites (though reaching this full level may not occur immediately).

With respect to the types of activities / expenditure that may be expected, the annuals survey respondents indicated a greater propensity for potential expenditure, with a number indicating a deliberate choice to buy locally. This is however offset by the lower occupancy levels of each site. Anecdotal feedback from nearby shops and clubs did not indicate a

particular reliance on annual site holders, though some also indicated that they were not aware of the status of those visiting (i.e. whether tourists or annuals).

Peak verses off peak impacts

Consultation identified the view that annual site holders are regularly using sites during the off-peak period. Survey results indicate that 67% of respondents utilise their annual sites for extended periods during the off-peak, with the average use of those respondents then being used to assume the same across all annual sites, a total occupancy of around 21% could be assumed. Data provided for the 2019 calendar year suggests around 71% of powered sites are occupied during the non-peak period.

Over the peak periods of the summer holidays, Easter holidays and October holidays (total 65 nights), the occupancy of Crescent Head Holiday Park was 97% overall and for powered sites. Based on a figure of 97% occupancy, at an average nightly fee of \$71 per night, an average site would draw revenue of \$4,456, just under the annual licence fee of \$5,200 per annum.

Key points of note

- Both the over-all, as well as the off-peak use, of the site by annual licence holders is substantially lower than powered sites, meaning that the extent of expenditure is limited by the number of visitor nights generated.
- The expenditure profile of annuals would appear to be greater than general tourists, however the volume of tourists compared with annual site holders means that this is not typically notable to local businesses.
- Based on resulting occupancy figures, economic expenditure within the community can be expected to be significantly higher from visitors to the area than from annuals over a single year, with sites being occupied more than three times as much.

Social impact

To assist in considering the social impacts of annual sites, questions were developed to identify the extent to which annual sites holders participate in the local area. What is clear for annual site holders across the Holiday parks is that they typically have a long and genuine connection to the Holiday Park - often spanning decades. This is similar to many other holiday parks across NSW coastal towns, where pressure on the traditional "holiday van" market has resulted in many being removed to facilitate growth in other tourism areas.

Within the context of Crescent Head Holiday Park, this pattern is no different. Those that responded to the survey also identified a range of community-based organisations that they either support, are members of, or who have benefited from their presence in the area. This was particularly the case for the bowls, golf, surf and country clubs with around 50% of respondents indicating membership or participation in these clubs. Others identified their involvement in various fundraising activities, including annuals events such as the (toy) duck races.

Whilst there is undoubtedly involvement of some annual licence holders in the social fabric of the area, the extent of this involvement was generally not seen as being critical to clubs, organisations or businesses that were consulted as part of the process. The relatively small

number of annual sites at the Holiday Park, combined with the relatively low levels of occupancy, suggest that this would not be particularly surprising. Instead, most organisations and businesses have a greater focus on local residents and increasing tourism more generally to benefit the local area economically.

Nevertheless, individual circumstances exist that suggest that some impacts would be apparent, including one annual that is highly active within the surf club. Such participation would typically result from the more frequently utilised sites (noting that there is great diversity in the extent of site use). Those that only attend sites during peak periods and for short periods (or not at all), would typically have a lower value both economically and socially to the area.

Key points of note

- Annual site holders typically have a great personal attachment to the Holiday Park and others that utilise the site - seeing the Holiday Park as part of their community
- Some annual site holders participate in local community organisations, though their presence as a whole is not particularly noteworthy to many of those organisations compared with local resident participation and broader tourism
- There is great diversity in the extent of social participation, with those occupying sites for greater periods typically having a greater social connection within the area.

4. CONCLUSIONS

Based on the assessment process, the following conclusions are noted in general, and for each Holiday Park.

General

- Annual site holders often have a long association with sites and desire a commensurate level of respect and open communication regarding any future change. Options such as providing first right to future tourist sites may be appropriate to facilitate a continued association with the area
- Use of sites and regular interaction with the local area is important. Where annual sites are not well utilised and not contributing to the local area, their ongoing use as annual sites when compared with benefits of tourist site use is questionable
- Across all Holiday parks there is an increasing economic argument for the staged removal of annual sites, particularly at Crescent Head Holiday Park in the short-term
- With the exception of Hat Head Holiday Park, there are few examples of direct social impacts that would be attributable to the removal of annual sites provided that this can be undertaken in a considered way and staged where necessary
- Clear and concise plans are required for each Holiday Park to identify short (1-2 years), medium (3-5 years) and long-term (5-10 years) changes, to be informed by the 'Future Holiday Parks' process
- Council should consider restrictions on sales and improvements to provide a clear indication of transition arrangements being in place, unless where works are required to meet required standards

Grassy Head Holiday Park

- A small Holiday Park, with high levels of customer satisfaction scores, but with rapidly increasing occupancy / revenue with powered sites now averaging 50% above annual site revenue
 - Relatively high proportion of annual sites compared with other MVCHP and externally operated parks (e.g. Reflections - Scotts Head)
 - Small degree of social interaction and economic benefit from annual sites, with typically minor interactions throughout various clubs, organisations and other social activities
 - Annual sites are on a higher elevation to many tourist sites, with drainage and water logging an issue for some tourist site areas
 - Transition from annual sites to tourist sites recommended over short term (to allow for prime sites around entry area to be allocated to additional cabins), medium-term (to consolidate annual sites to one area) and long-term (to remove annual sites to focus on tourist sites)
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Stuarts Point Holiday Park

- Small to medium sized Holiday Park, with moderately increasing occupancy / revenue of powered sites which now average 60% above annual site revenue
 - Relatively high proportion of annual sites compared with other MVCHP and externally operated parks (e.g. Reflections - Scotts Head)
 - High preference within the Holiday Park for river view sites, including increasingly throughout the off-peak period
 - Potential for increasing demand in the short-term with new foreshore and boating facilities now being completed. This is highlighted by a recent increase in customer satisfaction scores
 - Small degree of social interaction and economic benefit from annual sites, with typically minor interactions throughout various clubs, organisations and other social activities
 - Transition from annual sites to tourist sites recommended over short term (to allow for new prime sites to be created on or around existing amenities), medium-term (to consolidate annual sites to the rear / western edge of the Park) and long-term (to remove annual sites to enable a focus on tourist sites)
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Hat Head Holiday Park

- Largest park within the MVCHP group, with very high customer satisfaction scores and increasing occupancy / revenue of powered sites which now average more than double annual site revenue
 - Moderate proportion of annual sites given scale of the Holiday Park
 - Scope for various site configurations, including for road access arrangements, and pending master planning of the Hat Head Holiday Park reserve more broadly
 - High degree of social interaction and benefit from annual sites, with significant interactions throughout various clubs, organisations and other social activities
 - Transition from annual sites to tourist sites recommended over medium-term (to consolidate annual sites and tourist sites) and long-term (to remove annual sites to focus on tourist sites)
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Crescent Head Holiday Park

- Large park within the MVCHP group, with low customer satisfaction scores, but very high occupancy / revenue of powered sites which now average two and a half times annual site revenue
 - Small proportion of annual sites compared to broader Holiday Park
 - Small degree, though variable across annual sites, of social interaction and benefit from annual sites compared with broader tourism market, with interactions throughout various clubs, organisations and other social activities
 - Transition from annual sites to tourist sites recommended over the short-term to enable ongoing growth in tourism through significantly increased occupancy rates
-

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