



By email to: Port Stephens Councillors; CC General Manager

14 April 2012

Re: Extraordinary Council Meeting, Tuesday 15 April 2014

Dear Councillors,

An extraordinary meeting has been called at short notice to discuss various proposals on Tuesday 15th April at 6 pm. Included in Council papers is a proposal to spend over \$200K of ratepayers funds on a hair brained scheme to introduce tent camping at a Council owned holiday park at Soldiers Point.

TRRA Inc. has looked at the proposal as documented in the agenda for the meeting and is of the opinion that this proposal does **not** warrant support.

In summary the proposal is to introduce various “tent” based products to the holiday park, in an attempt to increase the revenue flow from that facility.

Last year the operation of the park was tendered to a private organisation, to maximise the efficiency of the park operation. This proposal seeks to spend a lot of money on that project with no reasonable return on Council's/ratepayer's investment.

Although TRRA welcomes innovative ideas to improve the business performance of Council enterprises we feel that the recommended investment of \$ 246,000 over two years is not viable as there is no detailed Business Plan identifying the likely market for the tents, first time camping, low cost and tree house products proposed.

Please reject this proposal for the following reasons:

1. The site is empty for most of the year with the cabins being the main seller. Less and less people are opting for tent camping and those that do are doing it to save money, not for some great outdoor experience.
2. Such a product portfolio is at the mercy of frequent storms which show no respect for trees or tents. The major storm of March 2014 is just one example of the inherent risk to life and limb (both trees and people).



3. Who will cover the insurance risk for this operation of this new product range?
4. The reason Council tendered the operations to a private entity last year was to reduce the costs to ratepayers for a Council based tourist complex. If the park cannot make money as is, why should Council (i.e. ratepayers) be funding this without any defined ROI?
5. Details of the operating costs, such as labour costs to erect, clean, service and repair the equipment are lacking in this proposal. What would be the nightly rate, and how would this compare with other accommodation options?
6. Where in this proposal, does Council plan for depreciation of the assets. Permanent tents and camping equipment in such a location will have a limited life due to wind and weather exposure let alone due to regular use.
7. The proposed 35% occupancy rate forecast appears optimistic given the current occupancy rates at Soldiers Point Holiday Park. There is virtually no demand for tent based accommodation during the autumn and winter periods. We observed only one tent at the facility over the weekend of the 12th April.
8. The tree house proposal introduces serious risks associated to patrons. The park has primarily Australian native eucalypts which are prone to drop limbs especially in heavy winds.
9. Soldiers Point is quite exposed to North East and North West strong winds. In the recent mini cyclone wind gusts of 130 km per hour were recorded, this demonstrates the risk associated with trees in exposed locations and in our view, this factor alone could be sufficient to reject this proposal.
10. Would you expose your family to the inherent risk of caused by our increasing wild weather?
11. Given the Council's experience with Samurai Resort, TRRA Inc. urges extreme caution be exercised when considering investment in the Holiday park innovations proposed.

Yours sincerely,

Dick Appleby
Acting secretary
TRRA Inc.

