FROM LESSEES TO PARTNERS
Exploring relationships between NSW NPWS and private visitor facility providers

Noah Nielsen, Erica Wilson and Jeremy Buultjens
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SUMMARY

The New South Wales (NSW) National Parks and Wildlife Service (NPWS) manages over 600 parks and reserves, including four World Heritage Areas. In total, the NSW NPWS protects around 6 million hectares (or 7%) of the State’s land mass. It is estimated that NSW’s parks attract over 22 million visits per year and are a major drawcard for both domestic and international visitors.

While historically many people’s experiences in National Parks have been based on an escape into nature and the avoidance of ‘commercial’ activities, visitors are increasingly demanding additional services, infrastructure and experiences. In responding to these demands, parks agencies have chosen to pursue select partnerships with the private sector to provide some these complementary visitor services.

In NSW, the NPWS administers over 2000 occupancies by way of leases, licences, easements and contracts. These include around 600 sub leases in Thredbo and over 200 cabin licences. There are 250 direct concession arrangements with the private sector, local government bodies, telecommunications companies, infrastructure suppliers that are publicly listed on the website as these concession arrangements meet legislative requirements for listing on the public register. Primarily, these concession agreements come in the form of leases to operate visitor services in the protected area system.

Objectives of Study

This research study aimed to examine the relationships between NPWS and its private visitor service providers (‘Lessees’). It has focused on five lease arrangements from across the State including:

- Conservation Hut, Blue Mountains National Park
- Athol Hall Café/Function Centre, Sydney Harbour National Park
- Smoky Cape Lighthouse, Hat Head National Park
- Trial Bay Kiosk, Arakoon State Conservation Area
- Rainforest Café, Sea Acres Nature Reserve.

Methodology

This study uses in-depth, semi-structured interviews with NPWS staff and Lessees involved in the five partnerships to get insight into the workings of these relationships—their challenges and successes.

Key Findings

Analysis of interviews revealed seven key issues of importance to relationship-management between NPWS and its commercial Lessees:

- Lease Management Bureaucracy
- Sourcing and Selecting Lessees
- Public Recognition of Partnerships
- Responding to Simple Requests
- Negotiating Complex Requests
- Working Together
- Succession Planning

A series of ‘best practice’ principles were developed around each of the seven themes to aid NPWS to take their relationships ‘from Lessees to Partners’. These are:

- **Principle 1**: A strategic, coordinated and organisation-wide approach is taken to the identification and development of lease arrangements.
- **Principle 2**: The sourcing and selection of potential lessees is facilitated in a manner which is clear, inviting and encouraging, and provides applicants with good insight into the nature of partnerships with NPWS.
- **Principle 3**: Partnerships with lessees are publicly and openly recognised and promoted, on an ongoing basis.
- **Principle 4**: Lessees’ simple requests are responded to in a timely and efficient way, so that their businesses can continue to operate in a professional manner.
Exploring relationships between NSW NPWS and private visitor facility providers

- **Principle 5:** NPWS is proactive in strategically predicting lessees’ more complex requests and provides a clear structure for their resolution.
- **Principle 6:** NPWS capitalises on their lessees’ skills, knowledge and services, and utilises these assets.
- **Principle 7:** The personal commitment of lessees to their businesses is recognised, and their long-term business goals facilitated.

**Future Actions**

To build upon the findings of this exploratory report, a number of other research questions could also be pursued by NSW NPWS in their efforts to better improve their relationships with private visitor service operators.

**How do NSW National Parks visitors make use of and support Lessee businesses?**
- Do National Parks visitors and Lessee business visitors actually overlap? Are they even the same people?
- Further, are these visitors local, regional, domestic or international?

**How does the public perceive, use and support Lessees’ private operations?**
- Which NPWS sites or buildings are seen to be most appropriate for commercial lease partnerships?
- What strategies can National Parks use to better inform and promote the benefits of these partnerships?
Chapter 1

INTRODUCTION

Protected areas are set aside in an effort to legally protect the planet’s biological and cultural diversity, and to provide communities with opportunities for recreation, enjoyment and education. In Australia, protected areas have conserved some of the country’s most biologically-rich areas, and provide the main way in which people can visit relatively undisturbed areas of high natural and cultural value. Australia’s National Parks and protected areas are a major drawcard for domestic and international visitors alike, and have been designated a high priority for the country’s tourism industry (Tourism and Transport Forum, 2004).

National Parks and the tourism industry are increasingly seeking innovative ways to work together. Over the past decade, a number of government reports, research papers and consultancy projects have emphasised the potential benefits—within limits—of National Parks and the private tourism sector working together to provide visitor services through formalised business partnerships (for example, Buckley, 2004; Department of Industry, Tourism and Resources, 2003; Haycock, 2000; New Zealand Department of Conservation, 2006; Tourism NSW, 2003). The benefits of these partnerships are said to include cost-effectiveness, income generation, and the provision of a wider range of visitor activities and facilities.

In New South Wales (NSW), the National Parks and Wildlife Service (NPWS) manages about 6 million hectares of protected area (approximately 7% of the State’s land mass). This protected area includes four World Heritages Areas: the Greater Blue Mountains, Central Eastern Rainforest Reserves of Australia (CERRA), Lord Howe Island Group and Willandra Lakes Region. New South Wales’s protected areas attract around 22 million visits per year, and it is estimated that nature-based tourism contributes about $8 billion to the NSW economy (Tourism NSW, 2003).

Since 2003, the NPWS has sat within the Parks and Wildlife Group of the NSW Department of Environment and Climate Change. The social and political landscape of protected area management in NSW is ever-changing, due to a number of key factors. These include a rapid growth in the NSW park system over the past ten years (without concomitant growth in funding); a highly decentralised staffing system; an increased requirement for reporting on performance; an ideological push to be ‘self-funded’, and increasing pressure from visitors (NSW NPWS, 2003; Buckley, 2004; State of the Parks Report, 2004).

To pursue the expansion of visitor services while not adding financial burden, NPWS has entered into commercial lease agreements with tourism service providers. The NSW NPWS has a relatively long history (greater than 40 years) of managing commercial tourism operations in its National Parks and Reserves. In NSW, the NPWS administers over 2000 occupancies by way of leases, licences, easements and contracts. These include around 600 sub leases in Thredbo and over 200 cabin licences. There are 250 direct concession arrangements with the private sector, local government bodies, telecommunications companies, infrastructure suppliers that are publicly listed on the website as these concession arrangements meet legislative requirements for listing on the public register. Primarily, these concession agreements come in the form of leases to operate visitor services in the protected area system.

The Nature in Tourism Plan 2004–2007 (Tourism NSW, 2003) put forward key strategic directions for the development of tourism based in NSW’s natural areas. A major issue identified in this Plan was the need to develop best practice examples of tourism facilities and services operating within natural areas as well as the potential for further related partnership-building. In line with such calls, the NSW NPWS has identified a need to look more closely at the existing relationships they have with their ‘Lessees’ who provide visitor services within their protected areas.
Chapter 2

PROJECT OBJECTIVES

The overall project objective was to explore and understand the relationships between NSW NPWS and their private ‘on-park’ visitor facility providers.

The project brief contained three sub-objectives:

- **explore** the history and development of commercial lease arrangements between NSW NPWS and their private visitor facility providers;
- **identify** the success factors and challenges involved in the development, management and operation of these commercial lease arrangements;
- **develop** a series of recommendations, including a model for ‘best practice’ partnership management between NSW NPWS and their private visitor facility providers.

To achieve these objectives, five commercial lease arrangements were chosen for the research. These were selected for their diversity of location, business type, visitor market and offered experience. They consisted of a metropolitan café/function hall, three regional cafés, and a small bed and breakfast.

- Athol Hall, Sydney Harbour National Park, Sydney
- The Conservation Hut, Blue Mountains National Park, Wentworth Falls
- Smoky Cape Lighthouse Bed and Breakfast, Hat Head National Park, South West Rocks
- Trial Bay Kiosk, Arakoon State Conservation Area, South West Rocks
- Rainforest Cafe, Sea Acres Nature Reserve, Port Macquarie

A more detailed description of the methodology and case study areas is provided in Chapter 5.
Chapter 3

PUBLIC–PRIVATE PARTNERSHIPS FOR VISITOR FACILITIES
IN PROTECTED AREAS

At a broad level, commercial leases that are granted for the provision of visitor facilities within protected areas are a form of public–private partnership (PPP). In basic terms, PPPs refer to any arrangement whereby the public and private sectors work together to provide a service.

PPPs are most commonly associated with governments working in partnership with the private sector to create and operate large-scale public infrastructure projects such as roads, buildings, and some social services (English & Guthrie, 2003; New South Wales Government, 2001). These arrangements are often called PFPs (Privately Financed Projects) within Australia. The push for PFPs and PPPs, whatever their scale or level, is justified by governments on the assumption that they are more cost- and staff-efficient, provide better services, and spread risks to the private sector (Edwards & Shaoul, 2003; New South Wales Government, 2001).

In 2003, the Durban World Parks Congress (the key event for the International Union for the Conservation of Nature) endorsed limited and sustainable private tourism sector involvement as a way of securing income generation for protected area managers (IUCN, 2003).

Protected area agencies in Australia have partnered with the private tourism sector in a number of ways. Buckley (2004; pp. 6–7) lists eight types of tourism partnerships which have benefited, or have potential to benefit, parks agencies:

- Portfolio partnerships—for example, where tourism interests lobby governments to increase parks’ agency budgets
- Agency partnerships—for example, where state forestry agencies construct tourism infrastructure
- Land partnerships—for example, where governments provide incentives for conservation and tourism infrastructure on private lands adjacent to parks
- Planning partnerships—for example, where local governments combine with parks agencies to promote low-impact ‘gateways’
- Local partnerships—for example, where tourism interests assist directly with basic visitor infrastructure in National Parks
- Investment partnerships—for example, development of limited commercial tourism infrastructure inside parks (where it helps to reduce visitor impacts)
- Community partnerships—for example, where local residents and businesses volunteer services to park agencies
- Research partnerships—for example, where a proportion of visitor fees goes to provide management information to parks agencies.

A recent report commissioned by the Tourism and Transport Forum (TTF, 2004), entitled A Natural Partnership: Making National Parks a Tourism Priority, put forward a number of opportunities for private investment in visitor infrastructure which can generate profits, match visitor expectations and ensure sustainability.

The TTF (based on Buckley, 2004) lists commercial leases of heritage buildings, specialist infrastructure for viewing wildlife or marine life, and limited private visitor facilities in remote parks as some of the best opportunities for partnership arrangements between protected areas and private operators.

Currently, there are approximately 3000 leases, licences and permits granted to commercial businesses to operate within Australian National Parks (Tourism and Transport Forum, 2004). These commercial operations include outdoor activities, tours, accommodation, and food and beverage businesses.
Benefits of PPPs in Protected Areas

Public–Private Partnerships can provide benefits to protected area managers, businesses and visitors alike. Below are some of the more common benefits proposed for each of these stakeholder groups.

**Potential Benefits for Protected Area Managers**

- The provision and maintenance of certain visitor services will not rest entirely with the park managers (for example, Haycock, 2000; Puppim De Oliveira, 2005).
- Commercial leases can provide a means of income-generation outside of traditional government sources (Buckley, 2004).
- Having others providing visitor services frees up time for parks agencies to manage core activities such as administration, fire control, weed management, and track maintenance (Buckley, 2004).
- More can be accomplished by a shared vision and through a pooling of resources and ideas (Haycock, 2000).

**Potential Benefits for Tourism Businesses**

- There can be additional opportunities for businesses to earn livelihoods and generate income (New Zealand Department of Conservation, 2006).
- There may be an opportunity to offer a unique service or experience within some of the most beautiful and biodiversity-rich locations (Buckley, 2004).

**Potential Benefits for Visitors to Protected Areas**

- There could be increased recreation opportunities catering for a range of ages, cultures, backgrounds, outdoor recreation skill levels and expectations (New Zealand Department of Conservation, 2006).
- Commercially-run facilities may increase people’s desire to visit National Parks, and thus learn more about their protected areas and conservation.

In summary, through public-private partnerships, protected area managers can offer new and innovative ways of providing non-core, complementary services, experiences and infrastructure for visitors and tourists. If managed sustainably, and with the protection of natural areas remaining central, commercial partnerships can offer benefits to all parties involved.

**Challenges of PPPs in Protected Areas**

While there are proposed benefits to protected area managers from working with private operators, there are also a number of challenges and cautions for these agencies. The main challenges discussed in the literature include:

- Conflicting goals—National Parks have a legislative mandate to protect and conserve, and this goal can be viewed as incongruous with the profit motives of commercial tourism businesses.
- Policy and institutional barriers—These constraints can deter or restrict private sector engagement in protected areas (IUCN, 2003).
- Sourcing private operators—Protected area managers may be unfamiliar with how to secure suitable private sector participation, and the business methods and priorities of this sector (IUCN, 2003).
- Maintenance of partnerships—Maintaining long-lasting commercial partnerships can pose a challenge for protected area managers (Buckley, 2004).
- Conflicting use—Parks managers must ensure that commercial activities are appropriate, and do not conflict with other users and activities within parks (Eagles, 2001).
- Over-commercialisation—National Parks have traditionally been absent of commercial activities and both parks staff and the public may object to parks agencies entering into corporate agreements or private partnerships (Eagles, 2001).

The literature on public–private partnerships in protected areas suggests that these commercial relationships must be governed by parks agencies in a transparent, sustainable and equitable manner, and must not conflict with users’ activities and the conservation ethic of protected areas.
Established as a statutory body in 1967, the NSW National Parks and Wildlife Service’s role was to protect and manage a small system of the State’s national parks. Since that time, the Service has greatly expanded its park system and now manages over 600 parks, nature reserves, Aboriginal areas, historic sites, State conservation areas and regional parks. Together, these protected areas cover about 6 million hectares (7%) of the State’s land mass.

The NPWS is bound by the National Parks and Wildlife Act (1974), which is the key piece of legislation governing the management and operation of all National Parks and reserves in NSW. The Act binds that NPWS must be committed, first and foremost, to the values of conservation, protection and management of natural and cultural features, as well as to the fostering of public appreciation, understanding and enjoyment of nature and cultural heritage.

In terms of visitation, NSW’s protected areas attract around 22 million visits per year, and it is estimated that nature-based tourism contributes about $8 billion to the NSW economy (Tourism NSW, 2003).

Since a government restructure in 2007, the NPWS now sits within the Parks and Wildlife Group of the Department of Environment and Climate Change (DECC). The DECC is New South Wales’ key governmental environmental management agency. The Parks and Wildlife Group is organised into a number of branches, regions and areas (see Figure 1).

The four field branches of the NPWS have their main centres in Grafton, Queanbeyan, Parramatta and Dubbo. Together, they incorporate 19 regions, made up of more than 50 areas, with offices located in a range of local towns.

Field directorates protect and manage natural and cultural heritage at a local and regional level, through Area and Patch Rangers. It is also the responsibility of these field directorates to develop partnerships with the community and other governments and agencies, and provide leadership and direction through conservation programs.

Figure 1: NSW NPWS Branch, Region and Area Boundaries
Commercial Lease Arrangements for Visitor Facilities in NSW National Parks

In NSW, any commercial or business activity which takes place within a protected area must do so under a formal agreement through NPWS, called a concession. Concessions are a legally binding contractual arrangement, and come in the form of leases, licences, permits, consents, franchises, easements or rights of way (NSW Parks and Wildlife Division, 2005). Concessions also ensure that any operations within the National Parks system are compatible with the NPWS’ key goal of preservation and conservation.

Commercial leases are granted for the purpose of permitting commercial operations to be conducted within the State’s protected areas and associated infrastructure. Easements and rights of way, on the other hand, are generally granted for commercial and municipal utilities in National Parks, such as water pipelines, electricity transmission lines, sewage mains and communications towers.

In New South Wales alone, the National Parks and Wildlife Service has approximately 250 leases, licenses, easements and rights of way registered pursuant to the National Parks and Wildlife Act, 1974 (www.nationalparks.nsw.gov.au). A lease is defined under the Act as:

> an agreement which gives rise to the relationship of landlord and tenant or lessor and lessee. A lease of land conveys from the owner (the lessor) to the tenant or lessee an estate in the land with an exclusive right of possession for a certain period.

Opportunities for commercial activities in NSW National Parks and protected areas come about in a number of ways. Concession opportunities can be offered by public tender, or they may be initiated by a business who approaches NPWS seeking permission to run a particular operation. Many times, however, NPWS inherits commercial activities or heritage buildings which may be suitable for commercial operation when it expands its National Park system.

The NPWS controls numerous buildings of historic and cultural significance, and a small percentage of commercial lessees make use of the NSW NPWS policy of adaptive reuse of their heritage buildings. If an operator wishes to lease a heritage site or building within a protected area, special attention must be given to protecting and maintaining its historic and cultural values.

According to the NPWS, it is the responsibility of regional and area managers to ensure that each lease is carefully examined and that all provisions requiring regular or periodic monitoring and action are identified and that these obligations are duly attended to by the region.

The NPWS generally differentiates their commercial lease activities as ‘major’ or ‘minor’, according to the amount and scale of capital outlay, development, patronage and other infrastructure (see Table 1). Ski resort complexes, restaurants, hotel accommodation, caravan parks and holiday cabins, lodges and apartments are classed as major commercial agreements. Minor commercial arrangements would include tea rooms, picnic facilities, craft shops, recreational transport activities and basic kiosks (NSW Parks and Wildlife Division, 2005).
### Table 1: ‘Major’ and ‘Minor’ Concession Activities: NSW NPWS

<table>
<thead>
<tr>
<th>MAJOR FACILITIES AND SERVICES</th>
<th>MINOR FACILITIES AND SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ski resort complex</td>
<td>Refreshment kiosks</td>
</tr>
<tr>
<td>- ski lifts</td>
<td></td>
</tr>
<tr>
<td>- ski hire and retail services</td>
<td></td>
</tr>
<tr>
<td>- accommodation buildings</td>
<td></td>
</tr>
<tr>
<td>- restaurant and food outlets</td>
<td></td>
</tr>
<tr>
<td>- municipal services</td>
<td></td>
</tr>
<tr>
<td>- operations buildings</td>
<td></td>
</tr>
<tr>
<td>Hotels/taverns</td>
<td>Tea rooms</td>
</tr>
<tr>
<td>Caravan park/camping area</td>
<td>General stores</td>
</tr>
<tr>
<td>Marina complex</td>
<td>Souvenir and craft shops</td>
</tr>
<tr>
<td>- boat hire</td>
<td></td>
</tr>
<tr>
<td>- boat storage</td>
<td></td>
</tr>
<tr>
<td>- retail outlets</td>
<td></td>
</tr>
<tr>
<td>- restaurant and food outlets</td>
<td></td>
</tr>
<tr>
<td>Holiday cabins/huts</td>
<td>Recreational transport</td>
</tr>
<tr>
<td>- over snow services</td>
<td></td>
</tr>
<tr>
<td>- toboggans</td>
<td></td>
</tr>
<tr>
<td>- canoes</td>
<td></td>
</tr>
<tr>
<td>- diving equipment</td>
<td></td>
</tr>
<tr>
<td>- camping equipment</td>
<td></td>
</tr>
<tr>
<td>- push bike</td>
<td></td>
</tr>
<tr>
<td>- wind surfers</td>
<td></td>
</tr>
<tr>
<td>- wheel chains for snow</td>
<td></td>
</tr>
<tr>
<td>- water ski equipment</td>
<td></td>
</tr>
<tr>
<td>Recreational transport</td>
<td>Itinerant vendors</td>
</tr>
<tr>
<td>- public transport system</td>
<td></td>
</tr>
<tr>
<td>- ski lifts, tows, gondolas</td>
<td></td>
</tr>
<tr>
<td>Tourist trains</td>
<td>Commercial utility supplies</td>
</tr>
<tr>
<td>- petrol, LPG</td>
<td></td>
</tr>
<tr>
<td>Aircraft services</td>
<td>Picnic facilities</td>
</tr>
<tr>
<td>- coin operated barbecues</td>
<td></td>
</tr>
<tr>
<td>Associated hire operations</td>
<td>Mooring facilities</td>
</tr>
<tr>
<td>- canoes and rowboats</td>
<td></td>
</tr>
<tr>
<td>- holiday cruise craft</td>
<td>Facilities for showing films</td>
</tr>
<tr>
<td>- house boats</td>
<td></td>
</tr>
<tr>
<td>- ski equipment and clothing</td>
<td></td>
</tr>
<tr>
<td>Restaurants</td>
<td></td>
</tr>
<tr>
<td>Accommodation lodges</td>
<td></td>
</tr>
<tr>
<td>Telecommunications and</td>
<td></td>
</tr>
<tr>
<td>broadcasting facilities</td>
<td></td>
</tr>
</tbody>
</table>

Source: Property and Leasing Manual, Parks and Wildlife Division, Department of Environment and Conservation, October, 2005; p. 14

### Analysis of NSW NPWS ‘Register Of Leases, Easements and Rights Of Way’

The NPWS maintains a Register of Leases, Easements and Rights of Way, which is for public access on its website (www.nationalparks.nsw.gov.au). An analysis of this Register and its list of commercial activities was conducted for this report. This analysis provides detailed information on type of commercial arrangement, purpose of lease, type of lessee, and the regions in which such leases are held.

Table 2 shows that leases are the most common type of concession arrangement (76%) for commercial activity within the NSW National Parks system. A further 23% of concessions were Easements, while only 1% were Licences.
Table 2: Type of Concessions held in NSW National Parks System

<table>
<thead>
<tr>
<th>TYPE OF CONCESSION</th>
<th>COUNT</th>
<th>PERCENT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease</td>
<td>193</td>
<td>76</td>
</tr>
<tr>
<td>Easement</td>
<td>57</td>
<td>23</td>
</tr>
<tr>
<td>Licence</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>253</td>
<td>100</td>
</tr>
</tbody>
</table>


Table 3 shows that most of the commercial arrangements are for ski clubs (39%), public works services or infrastructure (27%) and lodges (10%). Leases for businesses like shops (3%), kiosks (3%), cabins (2%) and caravan parks (2%) make up only a small percentage of total concessions.

Table 3: Purpose of Concessions held in NSW National Parks System

<table>
<thead>
<tr>
<th>PURPOSE OF CONCESSION</th>
<th>COUNT</th>
<th>PERCENT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ski clubs</td>
<td>99</td>
<td>39</td>
</tr>
<tr>
<td>Public works (water etc.)</td>
<td>68</td>
<td>27</td>
</tr>
<tr>
<td>Lodges</td>
<td>24</td>
<td>10</td>
</tr>
<tr>
<td>Shops/retail</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Restaurant/kiosk</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Hotels</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Ski resorts</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Cabins/huts</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Caravan parks</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>TOTAL</td>
<td>253</td>
<td>100</td>
</tr>
</tbody>
</table>


The Register analysis also reveals that most of the commercial arrangements are held in National Parks (89%), with a very small number held in State Conservation Areas (4%), Nature Reserves (4%) and Historic Sites (5%). About two-thirds (66%) of all commercial arrangements are in the South-East NSW and Highlands Region, which is not surprising since this region includes Kosciuszko National Park and its ski clubs and lodges.

Table 4 demonstrates the period of time for which commercial concessions have been granted. As can be seen, most (60%) of the commercial leases/licences have been granted a tenure of between 21 and 30 years. However, this figure related to the fact that most leases exist in Kosciuszko National Park, where the leases have historically been granted for this time period.
Companies (30%) and incorporated associations (20%) were the most common lessee types operating under commercial concessions within NSW National Parks and Reserves (see Table 5).

Table 4: Length of Concessions held in NSW National Parks System

<table>
<thead>
<tr>
<th>PERIOD OF CONCESSION</th>
<th>PERCENT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1–10 years</td>
<td>11</td>
</tr>
<tr>
<td>11–20 years</td>
<td>10</td>
</tr>
<tr>
<td>21–30 years</td>
<td>60</td>
</tr>
<tr>
<td>31–40 years</td>
<td>6</td>
</tr>
<tr>
<td>41–50 years</td>
<td>11</td>
</tr>
<tr>
<td>&gt; 51 years</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Mean period = 28.9 years; standard deviation, 12.41

Table 5: Type of Concession Lessee in NSW National Parks System

<table>
<thead>
<tr>
<th>TYPE OF CONCESSION LESSEE</th>
<th>COUNT</th>
<th>PERCENT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Pty Ltd</td>
<td>75</td>
<td>30</td>
</tr>
<tr>
<td>Incorporated Association</td>
<td>52</td>
<td>20</td>
</tr>
<tr>
<td>Cooperative</td>
<td>41</td>
<td>16</td>
</tr>
<tr>
<td>Individual</td>
<td>29</td>
<td>12</td>
</tr>
<tr>
<td>Local Government</td>
<td>28</td>
<td>11</td>
</tr>
<tr>
<td>Other Government</td>
<td>24</td>
<td>9</td>
</tr>
<tr>
<td>Trust</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>253</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Chapter 5

PARTNERSHIP CASE STUDIES AND KEY FINDINGS

This report focuses specifically on case studies of commercial leases granted to private businesses that operate NSW NPWS infrastructure within national parks, nature reserves and state conservation areas.

It should be noted that concessions granted to tours and tourism development partnerships existing outside of, or adjacent to, NPWS’s protected areas were not explored. Also outside the scope of this report are commercial arrangements for new infrastructure or tourism developments within NSW National Parks.

This research used a number of methods to explore the relationships between NSW NPWS and their ‘on-park’ private visitor facilities providers (or ‘Lessees’):

- Literature and website review of business partnerships in protected areas
- Meetings and discussions with NPWS Head Office Staff
- Analysis of NPWS ‘Register of Leases, Easements and Rights of Way’
- In-depth interviews with five commercial visitor service providers

For the interview stage, a qualitative methodology was adopted. Qualitative research (rather than questionnaires providing numeric data) was appropriate here as NPWS wished to gauge an in-depth insight into staff and Lessees’ opinions regarding their commercial lease relationships. Further, no research to date has dealt with the issue of NPWS – Lessee relationships, thus qualitative research which focuses on actually talking with people ‘out in the field’ was deemed necessary.

A sample of five commercial lease arrangements was selected, after discussion and consultation with NPWS Head Office and their field staff. These five case studies were selected for their diversity of location, business-type, visitor market and offered experience. The sample consisted of a metropolitan café/function hall, three regional cafés, and a small bed and breakfast.

Athol Hall, Sydney Harbour National Park, Sydney

Athol Hall is a heritage listed building, dating back to the mid 1800s. It is located in Sydney Harbour National Park, adjacent to Taronga Zoo, with panoramic views of Sydney Harbour Bridge, the Opera House, and the City.

Over the past nine years, the current operators have established the Hall as a successful daytime café and function centre, with a particular reputation for organising weddings. Before being leased to the current operators, Athol Hall was not being used in a commercial manner by the NPWS.

The Conservation Hut, Blue Mountains National Park, Wentworth Falls

The Conservation Hut is located in the World Heritage-listed Blue Mountains National Park, at Wentworth Falls. This environmentally sustainable mud brick building was designed by Nigel Bell, and opened in 1993 as a café. It is also utilised to house several large artworks gifted to the people of the Blue Mountains, by the famous Reinis Zusters. The Conservation Hut replaced the original hut, which had been operating since 1963 as a simple tea house for bushwalkers, as well as a meeting place for the Blue Mountains Conservation Society.

Today the Conservation Hut continues its dual roles, and houses the Blue Mountains Conservation Society, as well as a professionally-run daytime café. The current operators are the third set of operators since the Hut was commercially leased by NPWS in 1993, and have managed the business for the past two and a half years.

1 NOTE: The research and its methodology were approved by the Southern Cross University Human Research Ethics Committee and David Roman (Manager, Visitor and Business Projects Unit) before any data collection commenced.
Smoky Cape Lighthouse Bed and Breakfast, Hat Head National Park, South West Rocks

With its unusual octagonal tower, the Smoky Cape Lighthouse was one of the last lighthouses to be designed for architectural excellence. In 1996, the Lighthouse and its associated buildings and cottages were inherited by the NSW NPWS. Over the next few years, restoration works were completed to bring buildings to a standard which could be used for tourism purposes.

While initially contracting management of the Lighthouse management quarters to a local real estate agent for holiday letting, over time NPWS decided to lease the buildings to commercial operators. The current operators are the second lessees of the business, and have held the lease for around one year.

Trial Bay Kiosk, Arakoon State Conservation Area, South West Rocks

The Trial Bay Kiosk and licensed restaurant is located within the Arakoon State Conservation Area, adjacent to the historic Trial Bay Goal. The daytime café provides modern Australian cuisine in a beautiful beachside setting overlooking Trial Bay, and is nearby the National Parks managed campground.

The current Lessees have managed the business for over 13 years, and developed the business from its humble ‘hot chicken and chips’ beginnings to offer contemporary food to visitors, residents and campers.

Rainforest Cafe, Sea Acres Nature Reserve, Port Macquarie

Developed by NPWS in 1989, The Rainforest Ecology Centre is located within the coastal Sea Acres Nature Reserve in Port Macquarie. The Centre combines an interpretation and visitors’ centre, a 1.2 km Tree Tops Boardwalk and the Rainforest Café. This facility is one of the three purpose-built rainforest visitor centres in NSW. Other rainforest centres managed by the NPWS are the Dorrigo Rainforest Centre and the Minnamurra Rainforest Centre.

After developing the Rainforest Ecology Centre, NPWS leased the whole centre complex to a private operator. However, when this relationship came to an end the NPWS resumed the management of the Centre and Boardwalk but leased the Rainforest Café to private operators. The current Café operators have had the lease for just over one year and have established a thriving daytime café. The glass-walled Café is set amongst the lush coastal rainforest, and offers a modern French menu influenced by regional produce.

Interview Procedures

Face-to-face, in-depth interviews were conducted with a total of 15 stakeholders involved in the development and management of commercial leases at the five case study sites:

- NPWS Head Office Staff (Visitor and Business Programs Unit)—three interviews
- NPWS Field Staff (Regional, Area and Patch Managers)—six interviews
- Private Lessees (Operator from each of five sites)—five interviews
- Other (Conservation Society)—one interview

Interview questions focused on the nature of relationships between NPWS and its Lessees. There was a particular interest in how NPWS manages and deals with these partnerships. Interviews did not ask about or assess Lessees’ performance or adherence to the lease contract.

All interviews were tape-recorded, upon permission from participants, with anonymity being ensured. For this reason, we do not directly identify each case study or its key stakeholders, as this would readily identify those individuals. Rather, the results of all of the interviews are combined as a holistic analysis of key relationship issues, and people are revealed only as either ‘NPWS staff’ or ‘Lessee’.

Analysis of the qualitative interview transcripts has identified seven key issues which influence the development and maintenance of good working relationships between NPWS and its commercial Lessees. Excerpt quotes from interviews which support these themes are included in Appendix A. Sub-themes are also included within Appendix A, to demonstrate more detailed issues that arose within each overarching results theme.
The seven key issues for NPWS – Lessee partnerships are:

- Lease Management Bureaucracy
- Sourcing and Selecting of Lessees
- Public Recognition of Partnerships
- Responding to Simple Requests
- Negotiating Complex Requests
- Working Together
- Succession Planning

**Lease Management Bureaucracy**

As part of the Department of Environment and Conservation, there appears to be pressure on NPWS from State Treasury to use its resources and generate income from commercial opportunities on-park.

However, results from interviews with NPWS staff show that the processes behind identifying potential NPWS concession opportunities are complex and ad hoc, rather than deliberately strategic. For example, the creation and management of concessions is left primarily to regional staff, though they do have clear support from Head Office.

Prior to the 2003 restructure, whereupon NPWS was amalgamated into the Department of Environment and Conservation (now the Department of Environment and Climate Change), there was higher-level commitment within the NPWS to strategically identify commercial opportunities based on input from regional offices. Following the restructure, however, it seems that these strategic processes are not being pursued to the same extent; the identification and development of commercial lease opportunities has been returned to the regional departments.

Once there has been a decision to lease out the facility, regional staff are responsible for the identification and preparation (and sometimes restoration) of potential commercial visitor facilities. Head Office staff are brought in to assist and support the lease development and selection of Lessees. The differing views among NPWS staff (between Head Office and ‘field staff’) have caused some tension with regard to the creation of lease opportunities.

For some NPWS staff, the complex organisational structure of the NPWS has led to ‘bedding-in’ difficulties (that is, the transfer from Head Office to regional offices). Once tenders are selected and leases granted, Head Office usually withdraws and regional staff take over, with Head Office maintaining a centralised administrative role (rental payments etc.). Reviews and meetings are usually localised, and organised by relevant regional staff (e.g. area/regional managers). Given additional resources, Head Office feels it would have increased power to assist its regions with the settling in of new leases and business operators.

While regional and area managers take an active role in lease management, it appears that day-to-day Lessee management is usually delegated ‘down’ to Patch Rangers. Some NPWS staff found that having higher-level involvement from the regional offices was clearly beneficial to managing local Lessee relationships.

As mentioned above, the day-to-day contact person for Lessees is generally the Patch Ranger. Patch Rangers are perceived by some Lessees to be at the ‘lower end’ of the bureaucracy, and thus not necessarily in an ideal position to facilitate Lessee requests. This highlights the perceived need by Lessees of higher-level involvement within NPWS.

**Sourcing and Selecting Lessees**

Once NPWS have developed potential sites for commercial lease opportunity, ‘calls for tender’ are advertised to bring potential private operators ‘online’ (i.e. into a concession arrangement with NPWS). In all five case studies, both NPWS staff and business operators spoke of the complex and restrictive processes related to tendering and lease contract development.

A number of the Lessees spoke of the tender application process in particular as ‘intimidating’, ‘time-intensive’ and ‘complex’. One Lessee referred to this process as ‘overwhelming’. Another was daunted to the extent that they did not initially apply.
Several NPWS staff also commented that the complexity surrounding the sourcing and selecting of Lessees was also compounded by the decentralisation of the NPWS.

While Lessees who spoke admitted to the complexity of the tender process, they also made several references to the helpfulness of NPWS staff in sourcing relevant information.

Public Recognition of Partnerships
Through the concession process, NPWS actively seeks commercial operators to help manage its visitor services and infrastructure. Yet the interviews revealed that NPWS is having difficulty in recognising partnerships and remains unsure of its ability to promote these partnerships to the general public.

In one case, NPWS conducted an official opening for a new lease arrangement, paid for jointly by NPWS and the Lessee. In other examples, there was a fear of public criticism lest NPWS were seen to be promoting business activities outside their ‘core’ environmental purpose.

Many of the Lessees have become accustomed to a lack of formal recognition from NPWS concerning their visitor service businesses. For some, this arrangement is satisfactory, as it was believed that distance had its benefits: ‘We can run our business and National Parks can run theirs’. Other Lessees, however, feel that some sort of formal recognition of partnership activities would be beneficial for both parties.

Responding to Simple Requests
Recognising the different goals and perspectives between NPWS and Lessees seems important for the efficient facilitation of Lessee requests. Interviews with both NPWS staff and Lessee operators show that what are ‘core’ issues for one are not necessarily core issues for the other. While NPWS staff’s core focus is conservation and wildlife, the Lessees’ goals is on profit and effective business management.

Just as some Lessees need to accept the importance that National Parks place on wildlife (e.g. bush turkeys, snakes), NPWS staff must accept Lessees’ need to operate in an efficient timely manner (e.g. quick maintenance, upgrades to infrastructure).

Generally, regional NPWS staff recognise the importance of their response to Lessees and the need to address issues quickly and efficiently. In most cases, Lessees feel that NPWS make a quick response to their requests, especially with regard to ‘simple’ issues of occupational health and safety (OHS) and maintenance.

In general, Lessees appreciate the fact that NPWS staff provide suitable distance and space to allow operators to run their businesses with independence. However, there were also several stories involving cases when NPWS staff were very difficult to contact and seen as unable to respond to Lessees’ simple requests. Because of this, some Lessees described how they must be continually persistent, highlighting the need for more contact from NPWS.

Negotiating Complex Requests
While NPWS staff could address some Lessees’ requests quickly, other issues have literally taken years to negotiate. Several Lessees spoke in interviews of the time-consuming nature of dealing with NPWS to have changes made to their business.

Some requests proposed by Lessees were relatively small changes that would simply make their business work better (e.g. additional toilets, expansion of opening hours etc.). However, the nature of the NPWS bureaucracy was such that it could turn some requests into lengthy and complex issues, resulting in changes to management plans, reviews of environmental factors and the necessity to develop other planning documents. For some Lessee request these additional reports and procedures extended approvals for several years.

While Lessees saw NPWS as generally being helpful, many private operators perceive that they have to drive changes themselves. NPWS staff similarly noted that it is up to Lessees to drive their own business changes. Indeed, there is a perception by NPWS that they are not working ‘for’ the Lessee, at the same time as recognising the complexity of their own organisation’s bureaucracy and planning regime. Interestingly, rather than becoming overly frustrated with the long drawn-out negotiation process, Lessees ‘just carry on’ and focus on operating their businesses to the best of their ability.
Working Together
As noted previously, the interviews reveal that NPWS and Lessees have different goals within the relationship, but that activities do overlap and provide mutual benefits.

For example, NPWS staff recognise that the commercial leasing of infrastructure to Lessee private operators provides the NPWS with much more than simply rent. The use of heritage buildings in particular (through adaptive re-use) is seen as providing maintenance and increased visitor services, at little cost to NPWS. In this way, NPWS staff readily acknowledge that Lessees facilitate NPWS goals.

While NPWS recognise these partnership benefits, many Lessees think that the NPWS could better capitalise on their partners’ business knowledge and activities. In some cases NPWS seen as were proactive in supporting Lessees’ businesses. For example, where Lessees had cafes, NPWS developed activities which provided catering opportunities or venue hire. In other exceptional cases, Lessees have developed such positive relationships that NPWS staff look over their businesses when operators need to go away. In other cases, however, some Lessees feel that NPWS had been not been particularly supportive in making use of their services.

Lessees also see that better sharing skills and knowledge would maximise NPWS return on their current leases or help to assess other opportunities. In some partnerships, Lessees and NPWS had conducted a range of joint activities such as cooperative marketing and the writing of joint submissions. In these examples, both parties shared common goals to provide better services to visitors.

Succession Planning
All lease arrangements with NPWS have a finishing date. In the five leases examined for this report, the leases were organised on a five year arrangement, plus an additional five year extension if both parties were willing. Across the five cases, there were Lessees who were in their first or second year of the lease, and those that had held the lease for 10 or more years.

There does not seem to be any formal process to monitor and evaluate the success of NPWS – Lessee partnerships, other than determining that because businesses are operating they are successful. As a result, interviews with NPWS staff show that there is general uncertainty as to how to monitor ‘success’ of the partnerships with Lessees.

Many of the Lessees are committed to their businesses for the long-term, and wish to extend their commercial opportunities to provide ongoing employment for themselves and their family. During interviews, some Lessees told of how their investment amounts to much more than being a ‘tenant’ with the NPWS. Indeed, some had built their businesses ‘up from nothing’.

Ultimately, few Lessees believe that NPWS truly recognised their commitment or supported the long-term development of their sites. Thus, there is a need for NPWS to show commitment to these partnerships through facilitating Lessees long term.
Chapter 6

PRINCIPLES FOR BEST PRACTICE RELATIONSHIP MANAGEMENT

The seven key relationship issues identified through the qualitative interviews (as shown in Section 5.0) form the basis for the principles of best practice set out below. These principles should be used to strategically guide NPWS’s relationship management with its commercial visitor service Lessees. It will be important to keep in mind that these relationships are ever-changing and require ongoing monitoring and attention if they are to provide the benefits which NPWS and its Lessees require.

Principle 1: Lease Management Bureaucracy
A strategic coordinated and organisation-wide approach is taken to the identification and development of lease arrangements.

Principle 2: Sourcing and Selecting Lessees
The sourcing and selection of potential Lessees is facilitated in a manner which is clear, inviting and encouraging, and provides applicants with good insight into the nature of partnerships with NPWS.

Principle 3: Public Recognition of Partnerships
Partnerships with Lessees are publicly and openly recognised and promoted, on an ongoing basis.

Principle 4: Responding to Simple Requests
Lessees’ simple requests are responded to in a timely and efficient way, so that their businesses can continue to operate in a professional manner.

Principle 5: Negotiating Complex Requests
NPWS is proactive in strategically predicting Lessees’ more complex requests and provides a clear structure for their resolution.

Principle 6: Working Together
NPWS capitalises on their Lessees’ skills, knowledge and services, and utilises these assets.

Principle 7: Succession Planning
The personal commitment of Lessees to their businesses is recognised, and their long-term business goals facilitated.
Chapter 7

CONCLUSIONS AND FUTURE RESEARCH

This qualitative research project has explored the nature of relationships between the NSW NPWS and a selection of their on-park commercial visitor service providers.

The NSW NPWS has developed a number of working lease arrangements with private businesses who wish to operate visitor services within their parks system. As the research results have demonstrated here, some of these relationships have developed easily while others have proved more challenging.

Currently, a lease’s ‘success’ seems largely determined by the personality of the private operator, their entrepreneurial skills and their ability to work within the NPWS structure. For NPWS to move towards ‘Partnerships’ rather than just dealings with ‘Lessees’, the Organisation will need to adopt a holistic and strategic approach to relationship management, in line with the best practice principles outlined in Chapter 6.

Ultimately, there is a perception by NPWS that Lessees’ operations sit in conflict with the Service’s core business to protect and manage its protected areas. This is a valid and important concern. Yet once NPWS legally commits to lease agreements, it is vital that the organisation and its staff fully recognise their role in managing and supporting the partnership so that both parties can meet their respective goals in a mutually beneficial—and rewarding—manner.

Future Research

To build upon the findings of this exploratory report, a number of other research questions could also be pursued by NSW NPWS in their efforts to better improve their relationships with private visitor service operators.

How do NSW National Parks visitors make use of and support Lessee businesses?
- Do National Parks visitors and Lessee business visitors actually overlap? Are they even the same people?
- Further, are these visitors local, regional, domestic or international?

How does the public perceive, use and support Lessees’ private operations?
- Which NPWS sites or buildings are seen to be most appropriate for commercial lease partnerships?
- What strategies can NPWS use to better inform and promote the benefits of these partnerships to the communities and stakeholders they represent?
# APPENDIX A: SELECTED QUOTES FROM INTERVIEWEES

## Lease Management Bureaucracy

<table>
<thead>
<tr>
<th>Differing views among NPWS staff</th>
<th>Things happen because of a personal interest [by staff members in NPWS regions] rather than for the good of the whole organisation (NPWS).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>It’s surprising, there’s still an ‘us and them’ sort of attitude [between regions and Head Office] … I’ve been in this area a long time and I actually know the hierarchy and know how this place works pretty well (NPWS).</td>
</tr>
<tr>
<td></td>
<td>My philosophy is different to those in the field. In the beginning we were a training ground for those that wanted to set up a business … they took people that had a passion for National Parks. We are attempting to change that now … we are now wanting to look for people who have the business experience (NPWS).</td>
</tr>
<tr>
<td></td>
<td>We should be promoting to existing entrepreneurs. But we give it out to regional staff and they have a different perspective … If we had more resources we could go and seek out good Lessees … but the organisation is decentralised and all the resources are out in the field (NPWS).</td>
</tr>
<tr>
<td>‘Bedding’ in difficulties</td>
<td>The transfer—that’s something that we don’t do very well. We have such a small staff, that we can’t drop in each week for a month or so and make sure that they are bedded-in properly. We have to leave that to the region (NPWS).</td>
</tr>
<tr>
<td></td>
<td>The area manager takes on the relationship management. They either take to it naturally or they don’t— they haven’t been recruited to do that, it’s not even on their position description (NPWS).</td>
</tr>
<tr>
<td>Need for higher-level involvement in NPWS</td>
<td>This lease was quite successful at the time because the regional manager was involved … if we get the regional manager involved directly and they support involvement it works, but if it gets designated down to the area manager, he is trying to sit between and trying to please his supervisors and do all his other work. If you want the best results, the regional manager has to have more flexibility [to be involved] (NPWS).</td>
</tr>
<tr>
<td></td>
<td>Our maintenance is pretty strict, but to be honest we have completed hardly any of it because I asked a question in the first six months, and am still waiting a reply two years later … there is no clear process for making these decisions. It would be better to have a local person who could sign off on such things (Lessee).</td>
</tr>
<tr>
<td></td>
<td>From a commercial point of view it can be frustrating dealing with a wheel the size of NPWS or the Department of Conservation … with extending our trading hours, they will help with photocopying, but otherwise it’s all up to us (Lessee).</td>
</tr>
</tbody>
</table>

## Sourcing and Selecting Lessees

<p>| Complex and restrictive processes | We bought the tender information for the first tender but it was too overwhelming and we didn’t go through with it. Then a few months later we saw it re-advertised and the whole thing was a bit easier and a bit more straightforward. So we decided to take the plunge and give it a go. But even that was a bit daunting and we left it ‘til the last minute (Lessee). |
|                                  | Most people don’t understand that they will be working under some pretty restrictive legislation. We tell people to go and have a look at the legislation before they put a tender in (NPWS). |</p>
<table>
<thead>
<tr>
<th><strong>Exploring relationships between NSW NPWS and private visitor facility providers</strong></th>
</tr>
</thead>
</table>

I do think that they [Lessees] were a bit overwhelmed with the complexity of the lease … When they were looking at applying I bet they said ‘look at what we are going to have to comply with, should we even bother?’, but somebody convinced them to apply … the bureaucracy was a bit daunting and some of the clauses in there they totally freaked about (NPWS).

- **Helpfulness of NPWS staff**
  - It’s even more bureaucratic because of the relationship framework. The provisions of the National Parks and Wildlife Act are very restrictive. For example, prior to the amendments to the Act, we could actually have a restaurant, but the restaurant couldn’t book itself out. It had to be available to the public at large (NPWS).
  - It’s called the intimidation process … but it was totally relevant in comparison to what they wanted you to do here. They were all relevant questions (Lessee).
  - National Parks were a great help and great support with research and things that we needed … what we could and could not do (Lessee).

**Public Recognition of Partnerships**

- **Difficulty in recognising partnerships**
  - The green movement would say ‘oh, you’re getting in bed with them’ (NPWS).
  - When we started, we were going to bring in the Minister, but you need someone to pull it all together, need the resources; we don’t have the resources … bringing the Local Member to something purely commercial—there would have to be another reason to it (NPWS).
  - Rent from us is fed back into the area and the upkeep of the National Park, at least I hope that’s what happens … it would make it a bit more personal if, like, for this area, if you could say every dollar you spend here, a percentage goes back into the upkeep of the Park … it’s a bit sad that we can’t quantify it in that way, especially so the local residents are seeing something going back—and seeing that by supporting us they are supporting the National Park, which they are. But you can’t prove it (Lessee).

**Responding to Simple Requests**

- **Quick response**
  - Every time we have said anything they do it quickly—straight away (Lessee).
  - I try not to put unreasonable demands on them. OHS concerns are always in the back of my head (Lessee).
  - If there is a problem you have to get on to it (NPWS).
  - I’m always really aware to provide a quick response to the café owners about any little complaint that they have. I want to keep them happy. And they don’t hesitate to come and see me about anything (NPWS).

- **Independence appreciated**
  - I guess we just need to know that they’re there if we need them for anything. But basically I guess they leave us alone and that works really well. We do our own thing here (Lessee).

- **Need for more contact from NPWS**
  - At one point we had a new point of contact every week. And sometimes we don’t get as much contact as I would like … I would like to keep the relationship ongoing … dealing with someone who at the meetings can go ‘yes’. That would make things a lot easier (Lessee).
  - You’re not treated like a business partner. You’re treated like a tenant (Lessee).
  - The only difficulties we’ve got, and it’s not really a difficulty, is you just have to be persistent when you want to talk to them, because they’re out in the field so much, and because there’s only so many hours in the office, and so many hours in the field—they’re out and about and you can’t reach them (Lessee).
### Negotiating Complex Requests

<table>
<thead>
<tr>
<th>Time-consuming</th>
<th>We had to amend the Plan of Management, Conservation Plan, Review of Environmental Factors, and the Lessee had to get heritage architects, archaeologists reports etc. … it’s taken a long time (NPWS).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>We should have had things three to four years ago—that would have meant that we were operating the way we should be (Lessee).</td>
</tr>
<tr>
<td>Lessees must drive requests themselves</td>
<td>We have to get a heritage impact statement done, and also we have to pay for the bathroom as well—it’s adding to our income, it’s adding to the Park’s income as well, but it’s adding to our income initially so we’ll have to pay for it (Lessee).</td>
</tr>
<tr>
<td></td>
<td>We don’t want to do the work for them because it’s not in our focus. We have got the rent but the resources and focus are not there for expanding the business, because we are a conservation and environmental organisation (NPWS).</td>
</tr>
<tr>
<td></td>
<td>The Lessee put a proposal to us to expand trading hours. The regional manager told them they had to write to all the neighbours within one kilometre … I can’t see that they will go through with it (NPWS)</td>
</tr>
<tr>
<td></td>
<td>We are busy people. In here till 1 am and back at 5 am to do the floors … we don’t have time to chase up everything … everything else is secondary. We are still operating (Lessee)</td>
</tr>
<tr>
<td></td>
<td>The frustration is just a small part of operating the business (Lessee).</td>
</tr>
</tbody>
</table>

### Working Together

<table>
<thead>
<tr>
<th>Lessees facilitate NPWS goals</th>
<th>As long as the building is used in a sensitive way, it prolongs the life of the building. Buildings are meant to be used and if you get a good Lessee in, it prolongs the life (NPWS).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>It’s a visitor facility, but without any NPWS staff involved, it’s cheap; the Lessee also generates income that we can use somewhere else (NPWS).</td>
</tr>
<tr>
<td>Sharing knowledge and skills</td>
<td>From time to time I have received calls asking for my opinion. I don’t think that enough happens. They have their skills that they specialise in and we have what we specialise in (Lessee).</td>
</tr>
<tr>
<td></td>
<td>They don’t seem interested in the income of the arrangement. But if they were they would come looking for ideas of what we could do, with a couple of variations in the lease terms we could double revenue, but no (Lessee).</td>
</tr>
<tr>
<td>Support for Lessee businesses</td>
<td>National Parks are quite good in that they support the business, they have functions and they do that and they give us a go … they have been doing a lot of work on their conference centre, bringing it up to scratch, which can only be good for us (Lessee).</td>
</tr>
<tr>
<td></td>
<td>We took a holiday and it was quite scary, because we had some new staff. But I sort of left some responsibility, not with NPWS … but just to keep an eye on things (Lessee).</td>
</tr>
<tr>
<td></td>
<td>We have had a couple of National Parks corporate functions here. But that doesn’t really work—we are too expensive (Lessee).</td>
</tr>
<tr>
<td></td>
<td>I have to be honest that I have been disappointed that they don’t have activities here where we can cater for them … we do what we can to help support the NPWS with information about track changes etc. … it would be nice to show us a bit of support (Lessee).</td>
</tr>
<tr>
<td></td>
<td>Having the café professionally run attracts a lot of people here who wouldn’t normally come (NPWS).</td>
</tr>
</tbody>
</table>
### Succession Planning

<table>
<thead>
<tr>
<th>How to monitor ‘success’?</th>
<th>Well there has been a significant increase in visitation since the café opened, so that’s one way to determine the success (NPWS).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>We probably don’t have any review in place, which is probably wise, once a year or whatever (NPWS).kea ays .</td>
</tr>
<tr>
<td>Facilitating Lessees long-term</td>
<td>The building will still be here when we are in our eighties, and we will sit back and say we did that, we love what we're doing and will continue as long as our health holds out (Lessee).</td>
</tr>
<tr>
<td></td>
<td>There’s not much work once you get to our age … so I think we will stick it out while everything stays alright (Lessee).</td>
</tr>
<tr>
<td></td>
<td>The way I see it, there would be a very gradual handover (to kids or others), but there would have to be certainty that we are happy (Lessee).</td>
</tr>
</tbody>
</table>
REFERENCES


GLOSSARY

Adaptive Reuse: The modification of the building or structure and its curtilage to suit an existing or proposed use, and that use of the building or structure.

Concession: An official authorisation granted by the NSW NPWS to engage in a commercial or business activity on its land under its management. Concessions are a legally binding contractual arrangement, and come in the form of leases, licences, permits, consents, franchises or easements.

Commercial leases and licenses: Granted for the purpose of permitting commercial operations to be conducted within reserved lands.

Lease: An agreement which gives rise to the relationship of landlord and tenant or lessor and lessee. A lease of land conveys from the owner (the lessor) to the tenant or lessee an estate in the land with an exclusive right of possession for a certain period.

NSW NPWS: New South Wales National Parks and Wildlife Service, which operates within the State Department of Environment and Climate Change.

National Parks and Wildlife Act 1974: The key piece of legislation which governs the management and operation of all National Parks and reserves in New South Wales.

Protected Area: An area of land and/or sea especially dedicated to the protection and maintenance of biological diversity, and of natural and associated cultural resources, and managed through legal or other effective means (International Union for Conservation of Nature (IUCN), 1994).

Public-Private Partnership: Generally speaking, public–private partnerships (PPPs) refer to any arrangement whereby the public and private sectors work together to provide a service.
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EC3, a wholly-owned commercialisation company, takes the outcomes from the relevant STCRC research; develops them for market; and delivers them to industry as products and services. EC3 delivers significant benefits to the STCRC through the provision of a wide range of business services both nationally and internationally.

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The Sustainable Tourism Cooperative Research Centre (STCRC) is established under the Australian Government’s Cooperative Research Centres Program. STCRC is the world’s leading scientific institution delivering research to support the sustainability of travel and tourism – one of the world’s largest and fastest growing industries.

Introduction
The STCRC has grown to be the largest, dedicated tourism research organisation in the world, with $187 million invested in tourism research programs, commercialisation and education since 1997.

The STCRC was established in July 2003 under the Commonwealth Government’s CRC program and is an extension of the previous Tourism CRC, which operated from 1997 to 2003.

Role and responsibilities
The Commonwealth CRC program aims to turn research outcomes into successful new products, services and technologies. This enables Australian industries to be more efficient, productive and competitive.

The program emphasises collaboration between businesses and researchers to maximise the benefits of research through utilisation, commercialisation and technology transfer.

An education component focuses on producing graduates with skills relevant to industry needs.

STCRC’s objectives are to enhance:

- the contribution of long-term scientific and technological research and innovation to Australia’s sustainable economic and social development;
- the transfer of research outputs into outcomes of economic, environmental or social benefit to Australia;
- the value of graduate researchers to Australia;
- collaboration among researchers, between researchers and industry or other users; and efficiency in the use of intellectual and other research outcomes.