

Long Jetty Foreshore & Yanakie Caravan Parks Information Sheet

This information paper has been prepared to assist our community (and existing 12 month site holders at the Parks) in understanding Council's direction with the Long Jetty Foreshore Caravan Park and Yanakie Caravan Park. It will be updated with questions and answers as the budget process progresses.

- In 2013 a Draft Business Plan was prepared to help guide the operations and capital improvements at the Parks. Council had limited financial information regarding operational and capital costs at the time of preparing this Draft Business Plan.
- With nearly 18 months direct management experience, Council now has the data to better inform and guide its business operations, capital improvements and annual budgets.
- During this 18 month period, Council has encountered numerous challenges relating to safety and compliance and ageing infrastructure at the Parks. Some of these challenges include:
 - Location of underground assets (plumbing, electricity).
 - Inappropriate electricity cabling and connections.
 - Capacity of septic systems.
 - Condition and hygiene of water tanks for drinking water.
 - Amount of LP Gas on site.
 - Water supply, chemical handling and treatment.
 - Age of hot water service.
 - Condition and maintenance of essential services (fire hydrants, dedicated water supply).
 - Condition of on-site private dwellings / vans and compliance with Regulations.
 - Health and condition of vegetation.
 - Proximity of trees to on-site private dwellings / vans and compliance with CFA performance measures.
- Council's decision to move away from the Draft Business Plan is due to the problems identified and preference to focus on fixing these issues which will improve the business operation and marketing opportunities in the short term.



- The decision of site holders to leave the Parks has been captured in the income side of the 2015/16 budget whilst making an allowance for increased casual tourist sites.

Recent questions relating to the 15/16 annual budget include:

Question 1: *Is \$695,000 being spent on capital improvements, extensions, upgrades, etc at the Long Jetty and Yanakie Caravan Parks?*

Response: Table 1 below shows the 2015/2016 capital expenditure items for both Yanakie Caravan Park and Long Jetty Foreshore Caravan Park. These capital expenditure items have been determined with consideration to safety and compliance whilst contributing to improved amenity of the Parks.

The Revised budget amount of \$694,825 is rounded to \$695,000 as noted in clause 7.2.6 of the draft annual budget.

Table 1: Caravan Park Capital Expenditure 2015/16

Project Name	Capital Type	Amount
Yanakie – Power Head Replacement Program	Renewal	\$ 21,549
Yanakie – Workshop / Shed / Chemical Shed	Extension	\$ 42,025
Yanakie – Playground Replacement	Upgrade	\$ 53,872
Long Jetty – Cabin Replacement	Renewal	\$ 84,050
Long Jetty – Playground Replacement	Renewal	\$ 53,872
Long Jetty – Storage Shed	Renewal	\$ 63,038
Long Jetty – Caravan Park Toilet Block	Renewal	\$376,419
Revised Budget		\$ 694,825

Question 2: *What are the estimated operating expenses for the year (ie. Everything but capital)?*

Response: The operating expenses for the year are:

Long Jetty	\$396,304
Yanakie	\$494,145

Question 3: *User fees caravan parks. Noted that 14/15 budget was \$1,225,634, but 15/16 budget has been reduced by \$331,973 to \$893,661. What is projected income for current y/e? Is the 15/16 budget too optimistic?*

Response: The projected income for current year end is \$1,156,991.00.

The 2015/16 budget has been reduced to recognise the transitional phase of master planning the Park and the reduced number of 12 month sites that will occur. It is anticipated that the income will increase in the 2016/17 year after the transition phase is complete.



Question 4: *Does Council still believe the original budget and expected revenue and expenditure for the Parks was realistic?*

Response: Based on limited financial information and knowledge of conditions at the Park at the time, yes. Operational costs in the few years will necessarily be higher at both Parks whilst we re-establish the business and address the numerous safety and compliance issues we have identified.

This has already started to taper off meaning more revenue to be allocated to capital improvements or as directed by Council (ie. to other Crown Land projects). Also, revenue has been allocated to capital improvements such as at Yanakie - new hot water system, new cabin furniture and road upgrades whilst at Long Jetty we have commenced a program of electrical upgrades with power head replacements, road upgrades and purchasing a new cabin is underway.

Question 5: *Is Council aware of possible legal action by annuals at Yanakie, opposing higher fees imposed by council?*

Response: Yes, this is unfortunate and Council would encourage existing site holders to contact us if they are experiencing difficulty in paying their fees. We are open to discussing payment plans.

Question 6: *There is a lot of confusion in the general public about why the Council decided to take over both the management and the capital improvement of foreshore caravan parks in the Shire. This Council often complains about extra responsibilities being loaded onto them by other levels of government, but here we have major management and financial commitments voluntarily being taken over by Council from the state department that owns the parks....*

Response: Council's decision to directly manage the Long Jetty Foreshore and Yanakie Caravan Parks is as outlined in the previous Council Plan (2010-2014):

"To effectively plan and provide for the social, built, economic and natural environments that ensure the future well-being of South Gippsland communities"

There are various areas of attention required at these Parks that may not appear obvious to you from an initial site inspection. A summary of these are provided below:

Risk and Compliance

Yanakie and Long Jetty Caravan parks were managed poorly under



the lease model and the existing assets were in a run-down condition. The ratio of annual site holders was too high with no controls in place to ensure site holder accommodation complied with the Residential Tenancies (Caravan Parks and Moveable Dwellings Regulations and Standards) Regulations 2010 and the State Government's Policy and Guidelines for Crown Land Caravan Parks.

Safety

Management of safety within the Park was also poorly managed. This included emergency management, occupational health and safety, foreshore erosion and management and vegetation management. These are all required to be complied with in accordance with either legislation and/or the direction of the State Government policy mentioned above.

Financial

All operating profit generated at the Parks gets invested back into Council's Caravan Park Reserve and used for capital expenditure at the Parks. Therefore in the long term, no ratepayer funds are used to operate and make improvements to these parks.

Tourism / Business benefits

Studies undertaken for Council have shown that the vast majority of tourists to South Gippsland visit our natural attractions such as Wilson Prom and our beaches.

If Council develops as a leader in the industry, it can transfer this knowledge to privately owned caravan parks in the Shire/Region and we can work together towards improving the tourism experience for campers in South Gippsland.

The improvements made to the Parks will also generate increased attention from suitably qualified privately operated caravan park professionals with whom Council could consider negotiating a future lease/contract.

At the moment, the interest in leasing and operating these Caravan Parks is minimal due to their poor run-down condition.

With regards to Council withdrawing as Committee of Management for the Parks, this has been tried many times and failed. It is difficult to ever see the State Government agreeing to Council withdrawing as Committee of Management for the Parks.