

**Western Sydney Parklands Trust**

# **Regulatory Impact Statement**

## **Draft Western Sydney Parklands**

### **Regulation 2019 under the Western**

### **Sydney Parklands Act 2006**

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## **Abbreviations**

BCR	Benefit Cost Ratio
CPI	Consumer Price Index
FTE	Full Time Equivalent
LGA	Local Government Area
NPV	Net Present Value
OEH	Office of Environment and Heritage
PIN	Penalty Infringement Notice
POM	Plan of Management
PV	Present Value
RIS	Regulatory Impact Statement
TBA	To Be Announced
WSP	Western Sydney Parklands
WSPT	Western Sydney Parklands Trust

# 1. Introduction

Regulation:	Western Sydney Parklands Regulation 2019
Enabling Act:	Western Sydney Parklands Act 2006
Responsibility:	Minister. Matthew Kean, NSW Minister for Energy and the Environment

The Western Sydney Parklands Regulation 2012, made under the *Western Sydney Parklands Act 2006* is proposed for remaking as the matters it contains continue to be required.

The remaking of the regulation will produce a number of social and economic benefits and costs to government and the community. The *Subordinate Legislation Act 1989* therefore provides for the preparation of a Regulatory Impact Statement (RIS) prior to remaking the regulation.

A RIS is an assessment of all social and economic costs and benefits relating to the proposed regulation and other possible options to ensure that the approved regulation is the preferred course of action in achieving the policy objectives.

## 1.1 Approach Used to Prepare the RIS

The RIS was prepared in accordance with the *Subordinate Legislation Act 1989* and has followed the NSW Department of Finance, Services & Innovation's *Better Regulation Principles* (see below). The RIS will be finalised after consideration of feedback received following exhibition of the draft.

Cost benefit analysis of regulatory options was completed using the *NSW Government Guidelines for Economic Appraisal* prepared by the NSW Treasury. A real discount rate of 7% was used and a five year analysis period, consistent with the life of the regulation, was employed.

## 1.2 Better Regulation Principles

In accordance with the NSW Department of Finance, Services & Innovation's Guide to Regulatory Impact Assessments, this RIS also addresses the seven *Better Regulation Principles*. The principles are:

1. The need for government action should be established
2. The objective of government action should be clear
3. The impact of government action should be properly understood by considering the costs and benefits of a range of options, including non-regulatory options
4. Government action should be effective and proportional
5. Consultation with business and community should inform regulatory development
6. The simplification, repeal, reform or consolidation of existing regulation should be considered
7. Regulation should be periodically reviewed and if necessary reformed to ensure its continued efficiency and effectiveness.

## **2. Background to the Regulatory Proposal**

### **2.1 Current Regulation**

The Western Sydney Parklands Regulation 2013 regulates the entry of persons and vehicles to trust lands and their conduct in the park. Specific sections of the regulation address entry into the park, the parking of vehicles, areas approved for designated purposes (e.g. sport, entertainment, private ceremonies), fees for use of Trust lands, areas that may be closed to the public, alcohol free zones, commercial and other activities, races on Trust land, camping, affixing signs, damage to Trust lands, recreational activities, animals, vehicles (e.g. access, speed, emergency vehicles), personal conduct (e.g. smoking, use of obscene language), lessees, staff exemptions and penalty notices.

### **2.2 Regulatory Making Powers under the Western Sydney Parklands Act 2006**

The *Western Sydney Parklands Act 2006* was enacted to establish the Western Sydney Parklands Trust, define the Trust's functions and to vest Western Sydney Parkland in the Trust.

The *Western Sydney Parklands Act 2006* provides for the making of a regulation. Section 50(2) of the Act provides for the Governor to make regulations with respect to:

- a) The fees and charges that may be imposed for the purposes of this Act
- b) Regulating the use by the public of, and the conduct of the public on, the Parklands
- c) Regulating the use of facilities of the Trust and the provision of services by the Trust
- d) Requiring the payment of fares or other charges for the use of any facility operated or service provided by the Trust
- e) Authorising a person granted a lease, licence or other authority by the Trust to require the payment of fares or other charges for the use of any facility operated or service provided under the lease, licence or other authority
- f) Conferring on the Trust any function that may be exercised by a council in relation to a public space.

The regulation may create an offence punishable by a penalty not exceeding 10 penalty units and Trust land refers to any part of the Trust estate.

### **2.3 Need for Government Action (Policy Response)**

The Western Sydney Parklands Trust (WSPT or the Trust) is responsible for the ongoing stewardship of the public interest of Western Sydney Parklands (WSP, the Parklands) and associated assets. The lands vested in the Trust are defined in the Act. Trust land is spread through the Blacktown, Fairfield and Liverpool Local Government Areas (LGA) and covers 5,280 hectares. The Parklands is 27 kilometres in length and is the largest urban park in Australia and one of the largest in the world. The Western Sydney Parklands is a multi-use and multi-value parkland.

The Parklands was first identified in the 1968 Sydney Region Outline Plan. At that time, government planners advocated that a major program was needed to acquire enough land to satisfy the demand for regional open space in the future. By 1978, almost 70% of the current Parklands area had been acquired by the NSW Government. In 2011, the Plan of Management (POM) 2020 was published detailing vision, principles, strategic directions and ongoing management of the Parklands to 2020. In 2018, a POM for the period to 2030 was developed and adopted by the Minister and the Parklands celebrated 50 years since inception (WSP Trust, Draft POM 2030).

In 2019 the Parklands retain evidence of an historic landscape which can be meaningfully interpreted by visitors. The Parklands has evidence of Indigenous heritage including scatters of artefacts along the margins of its freshwater creeks. Key items of European heritage within the Parklands include Prospect Reservoir, Upper Canal, the Rooty Hill, Bungarribee Farm Homestead complex archaeological site, Eastern Creek and the rural ridgeline through Fairfield and Liverpool LGAs.

There are significant environmental assets located in the Parklands. The vegetation of the Parklands includes woodland, riparian, grassland and garden areas. There is a mix of native and exotic species. There are 1,386 hectares of bushland in the Parklands including sites such as the Kemps Creek Nature Reserve, Western Sydney Regional Park and Prospect Nature Reserve which have recognised values under the *National Parks and Wildlife Act 1974*. The Parklands also houses major areas of urban agriculture including market gardens and the 160 hectare Calmsley Hill City Farm. Educational, recreational and existence values are attached to these historic, natural and agricultural assets.

The Western Sydney Parklands provide land for major electricity and gas supply lines, four of the 2000 Olympic Games venues (equestrian, shooting, baseball/softball and mountain biking) and the M7 motorway which provides significant benefits to Western Sydney. There are major commercial hubs within the Parklands including the Eastern Creek Business Hub, the Bringelly Road Business Hub and the Horsley Drive Business Hub which attract capital investment and support many thousands of local full time jobs. Lease payment from these business hubs help support Parkland infrastructure and Trust maintenance activities. The Parkland POM includes a strategy to use two percent of the estate for business hubs to create a long-term income stream to manage the remainder of the Parklands.

The Parklands include everything from playgrounds to sports facilities, bike tracks, nature trails and large scale entertainment facilities. Recreation events in the Parklands are mainly unstructured. The Parklands provide a range of passive and active recreation opportunities for visitors. There are extensive walking and cycling tracks which allow public access to the entire 27 kilometre length of the site.

The Parklands has a number of facilities developed by the Trust and its partners including:

- Plough and Harrow West – large group platform/picnic shelters and barbeques
- Plough and Harrow East – playground, barbeques, ropes course, café, and function centre
- The Dairy – picnic shelters and barbeques
- Lizard Log – nature playground, active water feature and flying fox
- Sugarloaf Ridge – picnic shelters
- Moonrise Lookout – parking with scenic views
- Bungarribee Park – cycle track, off-leash dog area and walking track
- Shale Hills – outdoor classroom, boardwalk, walking track and cycle track
- Nurragingy Reserve – picnic and barbeque areas, playgrounds, bush walking tracks, formal garden areas, planted international gardens, quiet shaded areas and pavilions, a waterfall, natural bushland suitable for nature studies, wedding garden areas, the Nurragingy Blacksmith and Colebee Centre.

There are many picnic shelters available for use across the Parklands. Some are available for hire while others are left available for people to use free of charge. There are 70 plus electric barbeques available free of charge at the Parklands picnic areas. Nurragingy Reserve has wood fired barbeques. Gas barbeques are permitted throughout the Parklands and the Lizard Log picnic area permits 'bring your own' coal briquette cooking. Playgrounds are scattered throughout the Parklands. Major playgrounds are found at Nurragingy, Lizard Log and Plough and Harrow East. Each playground is

located close to accessible car parking, toilets, drinking fountains and picnic shelters. Toilets and barbeques are cleaned every day.

The Parklands host a number of large-scale events including:

- Parklands Food Fest – 8,000 people in attendance
- Woof-Fest festival for dogs and their humans – 6,000 people in attendance
- CoLabs art and science cultural event – 2,500 people in attendance
- Brunch at Bungarabee – 2,000 people in attendance
- Bringing Back the Bush environmental education for school children – 3,200 in attendance.

The Trust also develops programs for leisure activities and events, education and community tree planting.

The Parklands is well visited with 2,341,000 people visiting partner tourism venues (such as Calmsley Hill City Farm), a further 1,694,000 people visiting the Parklands and 22,000 attending Parkland events (WSPT Annual Report 2017-18). The rate of increase in patronage to the Parklands has averaged 7.2% per annum over the last three years – Table 2.1.

**Table 2.1 WSP Visits to Partner Tourism Venues, Parklands and Events 2013 to 2018**

Year	Visitors to Partner Tourism Venues	Total Parkland Visits	Events and Public Programs
2013/14	2,300,000	1,300,000	26,000
2014/15	2,300,000	1,300,000	28,500
2015/16	2,100,000	1,300,000	18,700
2016/17	2,200,000	1,600,000	25,000
2017/18	2,341,000	1,694,000	22,000

Source: various WSP Trust Annual Reports

In the absence of some form of government action it would not be possible for the Trust to protect the lands and assets in its stewardship nor encourage their use and enjoyment by the public.

## **2.4 Policy Objectives**

The objective of the proposed regulation is to give effect to the provisions of the *Western Sydney Parklands Act 2006* and to assist the Trust to meet its statutory objectives.

Part 3 (12) of the Act defines the functions of the Trust as:

- (1) The principal function of the Trust is to develop the Parklands into a multi-use urban parkland for the region of Western Sydney and to maintain and improve the Parklands on an ongoing basis.
- (2) The Trust also has the following functions:
  - a. To conserve, restore and enhance the natural environment of the Parklands, including through the protection of remnant bushland and the restoration of vegetation or revegetation
  - b. To conserve, restore and enhance the cultural and historical heritage of the Parklands, including its Indigenous heritage and its scenic qualities
  - c. To provide or facilitate the provision of a diverse range of recreational, entertainment and tourist facilities and opportunities in the Parklands, such as major sporting facilities, private amusement and recreational attractions and accommodation

- d. To cater, at a regional level, for a diverse range of community interests, organisations and groups, including through the provision of facilities such as multi-use halls
- e. To facilitate the use of the Parklands to meet community health needs and provide opportunities for, and encourage, activities that promote health and well-being in the community
- f. To encourage and promote public access to and use and enjoyment of the Parklands where appropriate
- g. To facilitate and promote the use of the Parklands for education and research (such as scientific research), including the provision of facilities for these purposes (such as camping facilities, learning centres and accommodation)
- h. To ensure that government agencies and State owned corporations continue to have access to major service infrastructure within the Parklands
- i. To maintain the rural character of parts of the Parklands by allowing sustainable agriculture, horticulture or forestry in the Parklands
- j. To undertake or provide, or facilitate the undertaking or provision of, commercial, retail and transport activities and facilities in or in relation to the Parklands with the object of supporting the viability of the management of the Parklands.

The Trust is a statutory authority and consists of seven members appointed by the Minister for Energy and the Environment. The Trust employs an Executive Director and management team including park rangers (authorised officers).

## **2.5 Relevant Stakeholders**

Stakeholders relevant to the remaking of this regulation include the NSW community, various organisations and agencies of government:

- Heritage Branch of the NSW Office of Environment & Heritage (OEH)
- NSW National Parks and Wildlife Service (NPWS)
- National Trust of Australia (NSW)
- New South Wales Police Force
- New South Wales Roads and Maritime Services
- Bus and Coach Association (NSW)
- Commercial lessees of park assets
- Blacktown, Fairfield and Liverpool Councils.

## **3. Options to Achieve the Policy Objectives**

Specific options to address the policy objectives were identified:

1. Base Case – ‘Do Nothing’ and allow the current regulation to sunset
2. Current Regulation – ‘rollover’ the current regulation without change
3. Proposed Regulation – ‘rollover’ the current regulation with proposed amendments.

### **3.1 Base Case – Do Nothing**

The base case is the situation that would exist if the current Western Sydney Parklands Regulation 2013 were allowed to lapse without a regulatory response.



To deliver the requirements of the *Western Sydney Parklands Act 2006* (i.e. develop, maintain and improve the parklands) the Trust would need to employ other tools:

- A more cumbersome and operationally focussed POM
- Use of common law without the ability to issue Penalty Infringement Notices (PIN)
- Public education and voluntary codes of conduct.

Use of these non-regulatory tools would have implications for Western Sydney Parkland values.

A POM is a requirement of the Act it provides specific information and proscriptive responses on proposed Trust operations (see *Western Sydney Parklands Plan of Management 2030*). If the Western Sydney Parklands POM were expanded to include provisions currently contained in the regulation, it would become a much more cumbersome method of management and would not provide appropriate discretion for the Trust.

The POM would impose fixed requirements and would not allow those requirements to be exercised in a discretionary manner by Trust officials. Such an approach would not allow the Trust, the Trust's Executive Director or an authorised officer to make determinations depending on the circumstances. For example the Trust would lose the ability to:

- Temporarily close to the public parts of the Trust lands or buildings within Trust lands
- Declare an area alcohol free or a licensed area for the purposes of an event or public program
- Remove temporary structures, buildings, tents, or other things it deems compromise park values.

Discretion available under the regulation allows:

- Commercial and community events and other activities on Trust lands
- Recreational activities on Trust lands
- Certain activities with vehicles including the vending of refreshments and paid parking areas.

An absence of discretion engendered by the regulation will affect the Trust's ability to generate revenue and fund conservation activities and provide community services. Furthermore, with reduced flexibility, many of the Trust's operational activities will be made more costly. Additional costs will be incurred to increase staff presence in the park to monitor, manage and educate visitors in the absence of regulations.

Other Trust activities that would be hampered by repeal of the regulation include the Trust's ability to manage visitors to the Western Sydney Parklands and protect Trust assets using PINs.

In the absence of the regulation, undesirable behaviour that is restricted by authorised officers (rangers) could no longer be enforced. This would limit the authority of the Trust to only those provisions outlined within the Act.

Current regulations are the basis upon which the Trust draws its authority to allow certain activities such as commercial events to proceed and restrict behaviour that would damage property, injure other visitors or interfere with public enjoyment of the Western Sydney Parklands.

The base case represents a situation where these regulations no longer apply and offences such as damaging property, injuring other visitors or interfering with the public's enjoyment of the Western Sydney Parklands would no longer be regulated by the Trust. The implication would be that

behaviour which the Trust has considered as anti-social, dangerous or undesirable would no longer be controlled under legislation specific to the Trust.

In the absence of regulation, the Trust would be unable to establish appropriate constraints on visitor behaviour and provide visitors with an understanding of their rights and responsibilities when using the Trust's lands.

If the Trust were to operate without a regulation there would be an absence of enforceable direction on acceptable behaviour on Trust lands. Western Sydney Parkland rangers would lose their authority to impose penalties for offences currently outlined in the regulation, and would be unable to enforce other legislation that may prohibit unacceptable behaviour. Thus previous restrictions on offences to do with the management of animals in the parkland, vandalism, damage to Trust lands or dangerous behaviour would no longer be enforceable by Trust rangers.

The responsibility for regulating such anti-social behaviour on Trust lands would fall to the NSW Police Force. However, the Police would also lose the authority to regulate undesirable behaviour of particular relevance to a parkland setting and the natural environment. Local government rangers have no authority to enforce the *Local Government Act 1993* on Trust lands.

Some forms of undesirable behaviour, currently prohibited by the regulation, pose the risk of damaging natural and cultural heritage assets held by the Trust.

In the absence of a regulation the Trust would endeavour to meet the objectives of the Act using non-enforceable measures such as public education and voluntary codes of conduct. Its success with non-enforceable measures would be limited.

### **3.2 Current Regulation**

Current regulation is the situation that would exist if the Western Sydney Parklands Regulation 2013 were 'rolled over' without change.

The current regulation addresses entry of both persons and vehicles to Trust land, regulates conduct of persons on Trust land and provides for the enforcement of these requirements.

Specific provisions within the current regulation address entry, parking, parts of Trust lands approved for designated purposes, fees for use of Trust lands, parts of Trust lands that may be closed to the public, alcohol free or consumption zones, commercial and other activities on Trust lands, races on Trust lands, camping and erection of tents and structures on Trust lands, affixing signs and the like on Trust land, conditions attaching to permission to use Trust lands, damage to Trust lands, recreational activities on Trust lands, activities involving dogs and other animals, vehicles, speed of vehicles, certain provisions not to apply to emergency vehicles, personal conduct of visitors, noise on Trust land, requirements to state name and address and persons to leave Trust lands on request.

Miscellaneous provisions in the current regulation focus on rangers, penalty notice offences and penalties, lessees and licensees, regulation not to limit other statutory provisions or functions, application of regulation to employees and other persons exercising functions and saving.

Rollover of the current regulation would result in Trust land being maintained, visitors would be encouraged to use Western Sydney Parklands and park heritage, environmental and other assets would be protected. The objectives of the *Western Sydney Parklands Act 2006* would be met.

### 3.3 Proposed Regulation

The proposed regulation is the current regulation with important but relatively minor changes. The regulation clauses have been re-ordered and organised for clarity of reference and general issues have been addressed including the addition of the words 'and in the manner approved by' into clauses where approval of certain activities is only currently permitted with the written permission of the Trust or Executive Director. Changes considered to have a material effect on either government or the community are as follows.

**NB: clause numbers refer to proposed regulation and do not correspond to the current regulation.**

#### ***Clause 5 and 6 Closure to the Public and Limits on Number of Persons who may Enter Trust Lands***

Clauses 5 and 6 are consistent with the Sydney Olympic Park Authority Regulation 2012 and the proposed Parramatta Park Regulation 2019 and are required to manage large numbers of pedestrians at major public events. These clauses will be relevant to public events where site capacity is an issue and measures are needed to limit the number of people entering the parkland, temporarily close part or all of the parkland and restrict people entering the parkland if they are carrying specific things or are intoxicated. Measures are designed to enhance public safety and in consideration of specific risks including terrorism type risks.

#### ***Clause 9 Trust Prohibit or Regulate Entry of Vehicles***

Additional control is required to manage visitor safety around vehicles before, during and after large public events. A new subclause has been included to address this risk to visitors from vehicle related injury and in consideration of specific risks including terrorism type risks. The clause is consistent with the Sydney Olympic Park Authority Regulation 2012 and the proposed Parramatta Park Regulation 2019.

#### ***Clause 11 (2) Cycle Riding Permitted After Parkland Closure***

This provision explicitly recognises the importance of the parkland to cycle riders and provides additional opportunity for cycle riding. Under the proposed regulation cycle riders will be able to use their bikes in the parkland after parkland closure. Additional community benefits will be generated for this group of park users.

#### ***Clause 12 Vehicles Use and Parking on Trust Lands***

Clause 13 further clarifies use of vehicles in the parkland to assist with traffic and risk management. Visitors will enjoy a safer parkland with improved access for emergency vehicles.

#### ***Clause 29 Affixing Signs and the Like on Trust lands***

Simple adjustment to the current regulation is proposed to also allow an authorised officer to permit the affixing of signs within the parkland. For example the Trust booking and event officers may for management flexibility give authority in writing for certain activities such as the erecting of signs to promote a public function or event. Previously only the Executive Director or Trust was able to give authority.

#### ***Clause 29 Consuming or Possessing Liquor in Restricted Areas***

Clause 29 has been strengthened. Existing provisions allowing the declaration of alcohol free areas and prohibiting alcohol consumption in those areas have been augmented with the ability to restrict sale of alcohol in certain areas of the park at public events which may have multiple age groups. The measure is consistent with the Barangaroo Delivery Authority Regulation 2015 and the proposed

Parramatta Park Regulation 2019 and will increase safety and enjoyment levels for those attending events in the Western Sydney Parkland.

#### ***Clause 34 Other Prohibitions Relating to Animals on Trust Lands***

Clause 34 now recognises the requirement to remove animal faeces deposited by authorised animals such as horses in the same way that dog faeces must be removed. The amendment has positive public health implications e.g. fly control, the spread of disease and visitor amenity.

#### ***In Summary***

Amendments have been suggested by rangers and management in response to empirical issues. Amendments are consistent with achieving the policy objectives of maintaining parkland, encouraging visitation and protecting park visitors and assets. A number of redundant clauses have been identified for removal. Substantive amendments likely to produce additional benefit for the community include removal of unnecessary restrictions on use of bicycles, additional measures designed to reduce incidents/accidents at public events; and minor administration cost savings.

## **4. Regulatory Impact Assessment Framework**

### **4.1 Identification of Costs and Benefits for Each Option**

Review of Chapter 3 description of regulatory options allows development of a framework for reporting and analysing government and community costs and benefits – Table 4.1.

**Table 4.1 Costs and Benefits of Trust Regulatory Options**

<b>Option</b>	<b>Costs</b>	<b>Benefits</b>
Base Case	<ul style="list-style-type: none"> <li>• Augmented POM development costs</li> <li>• Cost of public education and voluntary codes of conduct to offset loss of enforcement powers</li> <li>• Damage to Trust land and assets with an increased maintenance cost</li> <li>• Reduction in the public's enjoyment of Trust land and assets</li> <li>• Diminished ability to generate revenue from events</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory administration and compliance cost savings (minor and less than either the cost of POM development or the cost of public education and voluntary codes of conduct)</li> </ul>
Current Regulation	<ul style="list-style-type: none"> <li>• Regulation administration and compliance costs</li> </ul>	<ul style="list-style-type: none"> <li>• Savings in POM development costs</li> <li>• Saving on public education and voluntary codes of conduct</li> <li>• Damage to Trust lands and assets avoided</li> <li>• Increased public enjoyment of Trust land and assets</li> <li>• Additional revenue associated with events</li> <li>• Additional revenue associated with business hubs</li> </ul>

Proposed Regulation	<ul style="list-style-type: none"> <li>• Regulation administration and compliance costs – broadly consistent with current regulation (some minor cost savings associated with affixing signs)</li> </ul>	<ul style="list-style-type: none"> <li>• All benefits associated with the Current Regulation</li> <li>• Additional enjoyment received by those engaged in extended period bicycle riding</li> <li>• A reduction in the risk of incidents/accidents at public events</li> <li>• Minor administration cost savings associated with an authorised officer being able to give permission for the affixing of signs</li> </ul>
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Analysis of each option is presented in the following chapters.

## 5. Base Case – Do Nothing Benefit Cost Analysis

The *Western Sydney Parkland Parklands Trust Act 2006* itself does not allow the Trust to prescribe the types of behaviour considered unacceptable within Trust lands, especially relating to property violations or matters of public safety. Without the regulation, the Trust is unable to impose any penalty for offences that would act as a deterrent to such behaviour.

### 5.1 Costs – Base Case

#### ***Augmented Plan of Management Development Costs***

Under the no regulation base case the Trust would need to develop an augmented POM to address provisions currently contained in the regulation. The augmented POM would be an attempt to manage entry of people and vehicles and people's conduct in the parkland. Costs would be incurred in POM preparation and establishing systems internally and with other organisations such as Blacktown City Council, City of Fairfield Council, Liverpool City Council, NSW Police Force and Roads and Maritime Services.

#### ***Cost of Public Education and Voluntary Codes to Offset Loss of Enforcement Powers***

In the absence of the regulation and capacity to impose penalties and enforce behaviour that is socially acceptable, the Trust will incur costs to educate members of the public on what is and isn't acceptable in a nationally significant parkland and communicate voluntary codes of conduct to visitors. Considerable cost will be incurred persuading large numbers of visitors to comply with voluntary measures and even with this investment, damage to Trust assets and land and a reduction in public enjoyment will occur.

#### ***Damage to Trust Land and Assets with an Increased Maintenance Cost***

Additional damage to Trust assets (heritage items, flora and fauna, walking and cycle tracks, picnic facilities, playgrounds and barbecues) and land (native woodland, riparian habitat, grassland and garden beds) can be expected. Associated with this additional damage will be an increase in park repair and maintenance costs.

### ***Reduction in the Public's Enjoyment of Trust Land and Assets***

The increase in anti-social behaviour will detract from quiet enjoyment of Trust lands, fewer local community members will visit and visitors from outside the community will find Western Sydney parklands a less attractive destination.

### ***Diminished Ability to Generate Revenue from Events***

The termination of the regulation will also result in the diminution of the Trust's ability to generate revenue from short-term events such as food festivals, organised entertainment and organised ceremonies. The fees from Western Sydney Parkland user charges totalled \$230,000 in 2017-18 (Western Sydney Parkland Trust Annual Report 2017-18). Loss of this revenue would reduce the Trust's capacity to perform its functions outlined under the Act including Parkland maintenance.

### ***Diminished Ability to Generate Revenue Business Hubs***

Under the regulation the Trust can give effect to its strategy of using two percent of its estate for business hubs to create a long-term income stream to manage the remainder of the Parklands. The income from Western Sydney Parkland business hubs totalled \$6,559,000 in 2017-18 (Western Sydney Parkland Trust Annual Report 2017-18). Loss of this income stream will diminish the Trust's ability to encourage Parkland use and reduce its ability to protect its asset base.

## **5.2 Benefits – Base Case**

### ***Regulation Administration and Compliance Cost Savings***

Costs are incurred by the Trust training authorised officers (rangers) in the requirements of the regulation, setting and maintaining administration systems, processing and on rare occasions prosecuting PINs. These modest costs, approximately one full time equivalent (FTE) employee per annum, become a cost saving under the no regulation base case.

## **5.3 Benefit Cost Analysis – Base Case**

The base case does not address the policy objectives of developing, maintaining and improving the Western Sydney Parklands.

Accordingly the base case of do nothing is rejected.

# **6. Current Regulation Benefit Cost Analysis**

Many of the community and government costs incurred under the base case are benefits under the current regulation.

## **6.1 Costs – Current Regulation**

### ***Regulation Administration and Compliance Costs***

Under the current regulation costs are incurred by the Trust training rangers in the requirements of the regulation, setting and maintaining administration systems, processing and on rare occasions prosecuting PINs. These modest costs equate to approximately one FTE employee per annum, a cost of \$100,000.

## **6.2 Benefits – Current Regulation**

### ***Savings in Augmented POM Development Costs***

Under the base case, costs are incurred by the Trust developing an augmented POM to manage entry of people and vehicles and people's conduct in the parkland. Costs are also incurred establishing systems internally and with other organisations such as City of Blacktown Council, City of Fairfield Council, Liverpool City Council, NSW Police Force and Roads and Maritime Services. These costs include augmented POM preparation by a consultant, consultation and ongoing operation expenses for the Trust. The overall cost is estimated at \$80,000 per annum and becomes a cost saving under the current regulation.

### ***Savings in Supplementary Public Education and Voluntary Codes of Conduct***

Under the base case and in the absence of capacity to impose penalties and enforce behaviour that is socially acceptable, costs are incurred by the Trust to educate members of the public on what is and isn't acceptable behaviour in a nationally significant park and develop and communicate voluntary codes of conduct. This investment is no longer required under the current regulation and a saving on voluntary measures of \$250,000 per annum is realised.

### ***Damage to Trust Lands and Assets Avoided***

Trained Trust rangers with the power to intervene, issue PINS and prevent activities that threaten or damage Trust assets and land will diminish damage caused under the base case and assist with the delivery of the objectives of the Act. Protecting assets and land for the community is the purpose of this policy intervention. However, it will also manifest itself as a reduction in the cost of repairs and maintenance of approximately \$200,000 per annum.

### ***Increased Public Enjoyment of Trust Land and Assets***

Control of anti-social, dangerous and undesirable behaviour will increase the public's enjoyment of Western Sydney Parklands to the point where steady growth in annual visitation of 7.2% per annum (average of the three years to 2017-18) will be realised against a base case where visitation stagnates. The economic value that visitors place on their visits to Western Sydney Parklands was comprehensively established by Arche Consulting in 2012 at \$3.13 per visitor (\$5.01M in recreation value and 1.6M visitors). The Arche Consulting value has been updated to \$3.54 per visitor using the Consumer Price Index (CPI).

The economic value of increased public enjoyment of Trust land and assets increases over time and is shown in Table 6.1.

**Table 6.1 Visits to Trust Lands – Base Case and Current Regulation**

Option	2020	2021	2022	2023	2024
<b>Current Regulation</b>					
Visitor numbers <sup>#</sup>	1,946,718	2,086,882	2,237,137	2,398,211	2,570,882
<b>Base Case</b>					
Visitor numbers <sup>*</sup>	1,946,718	1,946,718	1,946,718	1,946,718	1,946,718
<b>Net increase in visitors associated with the Current Regulation</b>	0	140,164	290,419	451,493	624,164
<b>Economic Benefit per Visitor (\$) <sup>+</sup></b>	3.54	3.54	3.54	3.54	3.54
<b>Total Benefit to additional visitors (\$' million) <sup>+</sup></b>	<b>\$0</b>	<b>\$496,179</b>	<b>\$1,028,084</b>	<b>\$1,598,285</b>	<b>\$2,209,541</b>

# Basis used to estimate current visitors shown in Section 2.3 of this document. Growth in visitor numbers estimated using historical growth rate of 7.2%

\* Stagnation in visitor numbers is a result of loss of amenity under the base case.

+ Economic benefit per visitor estimated using consumer surplus data for recreation values at Western Sydney Parklands in 2012 (Arche Consulting 2012). Arche Consulting's estimate was \$3.13 per visitor and was derived from a total consumer surplus estimate of \$5.01 million divided by 1.6 million visitors. This estimate has been updated to \$3.54 per visitor using the CPI.

### ***Additional Revenue Associated with Events***

The current regulation allows the Trust to generate revenue from short-term events such as food, art and science festivals. This revenue allows the Trust to maintain parkland, encourage its use and protect park heritage. The fees from Western Sydney Parkland user charges totalled \$230,000 in 2017-18 (Western Sydney Parkland Trust Annual Report 2017-18) and it is estimated that 20% of this total is 'underwritten' by the current regulation.

### ***Additional Revenue Associated with Business Hubs***

Under the regulation the Trust can give effect to its strategy of using two percent of its estate for business hubs to create a long-term income stream to manage the remainder of the parklands. Loss of this income stream will diminish the Trust's ability to encourage parkland use and reduce its ability to protect its asset base. The income from Western Sydney Parkland business hubs totalled \$6.5 million in 2017-18 (Western Sydney Parkland Trust Annual Report 2017-18) and it is estimated that 20% this total is 'underwritten' by the current regulation.

## **6.3 Benefit Cost Analysis – Current Regulation**

The current regulation addresses the policy objectives of develop, maintain and improve the Westerns Sydney Parklands. Benefit cost analysis results show a positive net present value of \$11.35 million and a benefit cost ratio for the NSW community of 28.68:1 (i.e. for each dollar of cost, \$28.68 is returned to the NSW community as a benefit).

## **7. Proposed Regulation Benefit Cost Analysis**

The proposed regulation builds on the benefit and cost outcomes described and analysed for the current regulation with the following relatively minor additions.



## **7.1 Costs – Proposed Regulation**

Proposed regulation administration and compliance costs are broadly consistent with the current regulation. There are some minor cost savings associated with allowing the affixing of signs by authorised officers rather than requiring referral to the Executive Director. These minor cost savings are recognised but not quantified.

## **7.2 Benefits – Proposed Regulation**

### ***All Benefits Associated with the Current Regulation***

All benefits associated with the current regulation are relevant to the proposed regulation and their quantum remains unchanged. These benefits include savings in augmented POM development costs; savings in supplementary public education and voluntary codes of conduct; damage to Trust lands and assets avoided; increased public enjoyment of Trust land and assets; additional revenue associated with the holding of events on Trust lands; and additional revenue associated with business hubs.

### ***Additional Benefits for Cycle Riders***

Clause 11 of the proposed regulation permits the riding of cycles after parkland closure. This relaxation of the current regulation will generate additional economic benefits for cycle riders. Data from other parks e.g. Parramatta Park (Scape Data, 2016) has established that 5% of visitors use the park for cycling. On this basis 85,000 visits to Western Sydney Parkland are associated with cycling (5% of 1,694,000 visitors). To value the additional economic benefit to cycle riders associated with additional access to Trust land it has been assumed that in any given year, 10% of current riders will choose to ride after park closure – 8,500 additional cycle visits per annum at a value of \$3.54 per visit. An additional economic benefit for cycle riders of \$30,000 per annum is realised.

### ***Reduction in Incidents/Accidents at Public Events***

Multiple clauses in the proposed regulation address safety at public events – Clauses 5 and 6 closure to the public and limits on the number of persons who may enter Trust land; Clause 9 Trust prohibition or regulation of entry of vehicles; Clause 14 vehicle use and parking; and Clause 29 consuming or possessing liquor in restricted areas. The purpose of these proposed changes to the current regulation is to improve visitor safety and reduce the incidence of accidents at public events.

Public safety is of prime concern to the Trust as it administers Western Sydney Parklands and delivers its statutory objectives. Public safety and avoidance of accidents is an end in its own right. However, accident avoidance also has an economic value. Dimensions of this economic value include treatment costs, personal loss experienced by accident victims and their families, costs associated with carers, lost accident victim earnings and lost productivity within the workplace.

In the absence of comprehensive data on the number and profile of incident/accident victims at public events in the Western Sydney Parklands a conservative approach to quantification of a reduction in incidents/accidents based on ‘in-park’ treatment costs has been adopted:

- 22,000 people attended events in the Western Sydney Parklands in 2017-18
- An assumed 500 people experienced some form of injury
- New provisions contained within the proposed regulation will halve the incidence of accidents at events held in the park

- First aid treatment cost for accident victims is estimated at \$100 per accident inclusive of St Johns Ambulance officer time and first aid materials.

The benefit of reducing incidents/accidents at public events attributable to the proposed regulation is estimated at \$25,000 per annum (250 fewer accidents costing \$100 each).

### **Administrative Cost Savings**

The proposed regulation results in administrative cost savings associated with:

- an authorised officer or any other person approved by the Trust to give such directions being able to give permission for the affixing of signs; the delegated approval of public events; and the provision to give directions and instructions to persons on Trust lands for good order, safety and security.

The reduction in administrative process and the alignment of such process with efficient event management practices has the potential to save costs for the Trust and the community relative to the current regulation. These costs are however relatively minor and have not been quantified.

## **7.3 Benefit Cost Analysis – Proposed Regulation**

Consistent with the current regulation the proposed regulation also addresses all three policy objectives i.e. develop, maintain and improve Western Sydney Parklands. However, benefit cost analysis shows that the proposed regulation addresses the policy objectives for the same community cost but with additional community benefits. The proposed regulation results in a positive net present value of \$11.57 million and a benefit cost ratio for the NSW community of 29.23:1 (i.e. for each dollar of cost, \$29.23 is returned to the NSW community as a benefit).

## **8. Community Consultation Strategy**

Stakeholders listed in Section 2.5 of this draft RIS will be forwarded a copy for comment.

In addition the following consultation is proposed:

- Posting of the draft RIS on the Western Sydney Parklands website
- Advertising in NSW newspapers
- Posting of intention to remake the regulation and the availability of the draft RIS in the NSW Government Gazette.

## **9. Conclusions**

A summary of benefit cost analysis results is provided in Table 9.1.

**Table 9.1 Summary of Costs and Benefits against the Base Case**

<b>Criteria</b>	<b>Option 1 No Regulation</b>	<b>Option 2 Current Regulation</b>	<b>Option 3 Proposed Regulation</b>
Costs – PV (\$'million)	<i>base case</i>	0.41	0.41
Benefits – PV (\$'million)	<i>base case</i>	11.80	11.98
NPV (\$'million)	<i>base case</i>	11.35	11.57
Benefit Cost Ratio	<i>base case</i>	28.68	29.23

Both Option 2 and Option 3 meet the policy objectives. However, Option 3 the proposed regulation is preferred on economic grounds generating additional benefits for the NSW community at no additional cost.

## References

Arche Consulting (2012) Regulatory Impact Statement Draft Western Sydney Parklands Regulation 2013 under the Western Sydney Parklands Act 2006

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NSW Government Guidelines for Economic Appraisal (2007)  
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Scape Data (2016) Sydney Parks Use Survey Members Report – 2016 prepared for Parramatta Park Trust, Sydney

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