



Wednesday January 18th, 2023

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To whom it may concern,

Objection to the proposal to grant a lease to Trees Adventure Holdings Pty Ltd

Objection to this poor public comment process:

Wilderness Australia objects to public not being given a reasonable opportunity to comment on a development proposal before Trees Adventure is granted exclusive possession of this reserve through the issue of a lease. Wilderness Australia is part of the Gardens of Stone Alliance that commissioned *Destination Pagoda*, a visitor management vision for a proposed Gardens of Stone State Conservation Area that would optimally boost nature-based tourism for Lithgow with far less environmental impact than what has been proposed under this lease.

A lease issued over part of a public conservation reserve should be the last step in a development review process, not the first. It is unfair and unreasonable to alienate a conservation reserve without giving the public a prior opportunity to comment on published details of the proposal and its environmental impacts. An advertised development application with an environmental impact statement should be exhibited, reviewed and determined prior to any lease application being considered over a conservation reserve.

The process to invite public comment on this lease is defective. No details are provided regarding the size of the lease, the scope of the activities, works and structures permitted. Other than the lease notice, the plan of management and section 151 of the National Parks and Wildlife Act, 1974 (the Act) are the only guides available for public comment on this lease. These documents are generic and of no assistance regarding the particulars of the proposed activities and structures to be developed under this lease. As a decision to grant a lease has apparently been made, public comment is unlikely to inform the Minister's decision making, particularly when few details have been provided to the public to assist in framing considered submissions.

Summary of Objections:

Wilderness Australia objects in principle to the issue of a lease over the Lost City Precinct.

Wilderness Australia objects to:

- A lease being made without prior determination of a well-prepared development application after an independent and transparent review process that also provides ample opportunity for informed public comment on a defined proposal, with information on and scientific understanding of site impacts presented in an environmental impact statement;
- The lease being premature, as the NPWS does not own the entire site;
- The lease making process being opaque so that the public cannot make informed submissions on the lease;
- The Lost City site next to Marangaroo Army Base where children may visit and be harmed by the explosion of ordinance or shot on a live firing range;
- The subsequent development application and environmental impact assessment processes being pre-empted by lease making that is effectively a ministerial decision that then can't be rejected by subsequent development review and determination processes;
- The unassessed but likely substantial environmental impacts on the Lost City precinct;
- The failure to publicly exhibition of a business case, particularly as Lithgow shall be disadvantaged as tourists shall go directly to Lost City and not by way of Lithgow;
- The financial burden that the NPWS will carry being required to provide infrastructure support to the developments established under this lease;
- A partial monopoly on family tourist visits that ensures the profits from tourism go to Experience Co shareholders, and not to the Lithgow community; and
- The lease compromising the vision of nature-focused tourism, as outlined in *Destination Pagoda*, and the perversion of the public's understanding of a conservation reserve that should be about protection of heritage values.

The marketing value of the Lost City's pagoda landscape for Trees Adventure is in essence its naturalness and scenic beauty, but these values are disrespected by the proposed infrastructure to be installed under the proposed lease. Visitors will not come so much to view the Lost City's stunning geodiversity, but to enjoy thrill rides that visually blight that landscape.

Facilities such as ziplines and via ferrata structures are built on the assumption that nature on its own is not good enough, which is a poor basis on which to attract visitors to a conservation reserve. To modify the Gardens of Stone State Conservation Area's most scenic location nearest Lithgow to improve 'marketability' of its geodiversity will degrade these features with visually intrusive facilities, and also lead to the pollution of the Marrangaroo Creek headwaters.

Lithgow will also lose the opportunity to establish a lookout that would be equal to Echo Point, Katoomba. The tragedy of this proposed lease is that many potential park visitors who would have been awed by the Lost City pagoda landscape, just as visitors are spell bound by the Three Sisters, will not be wonderstruck by theme park fun rides. Importantly what society in this climate changing world needs is inspiration from raw nature, not fun rides that blight scenic wonder.

The Lost City location ensures most visitors will not visit Lithgow but enter from Clarence via the Old Bells Line of Road. Visitors from the east who use map navigation applications on their devices will be guided direct to Lost City, by-passing Lithgow.

Grounds for objection to the issue of a lease to Trees Adventure Holdings Pty Ltd for facilities to support ziplines, via ferrata and suspension bridges:

1 – Wilderness Australia objects in principle to the grant of a lease to Trees Adventure Holdings Pty Ltd ACN 604 827 027 over the Lost City Adventure Precinct, as identified in the Gardens of Stone State Conservation Area plan of management. No usable roads, power, water or sewerage are currently available at Lost City. This lease location requires costly NSW Government funded services and infrastructure to make this Precinct a viable destination for possibly tens of thousands of tourists visits each year.

The Precinct will require a carpark, power, water, and sewerage to service up to hundred thousand visitors per year, each staying for about three hours. Further, more than 10 kilometres of access road between the top and bottom parts of the Precinct will also require a significant upgrade that will be paid for by the NSW Government.

The lease conditions will perhaps set out provisions for supporting infrastructure as described above that will be a significant subsidy to Trees Adventure Holdings and greatly reduce the range of visitor facilities and access provided elsewhere in the State Conservation Area using the \$50 million budget announced by Perrottet, Kean and Toole on 13 Nov 2021. Experience Co is a loss-making company that was given considerable Covid support (\$6 million), and its Trees Adventure subsidiary does not merit further support by the NSW Government.

2- The Lost City Precinct location is weakly associated with Lithgow due to the vehicle access arrangements in the plan of management. Visitors to the adventure park will be advised by a mobile device navigation application to enter the Gardens of Stone State Recreation Area by the Old Bells Line of Road and then either head south on the State Mine Gully Road to the southern end of the Lost City Adventure Precinct, or, alternatively, head north on the Glowworm Tunnel Road to the northern end of the Precinct. If Lost City remains a theme park development site, then lease conditions cannot alter the fact that visitors are likely to bypass Lithgow.

Tree Adventure Holdings will seek to be a "closed-circuit" operation, with their family patrons remaining on site and using its facilities. To secure its revenue from visitors, Tree Adventure Holdings will not encourage customers to go to Lithgow.

3- Despite the Precinct being approved under the plan of management in 2021, the proposed lease to permit development and operation of a multi-activity adventure is inappropriate. These activities are fun but distract from the quiet enjoyment of Lithgow's most scenic and iconic pagoda attraction. Stunning pagodas landscapes give Lithgow an amazing tourism cachet and to lose this site to a fun park causes a significant loss in geo-heritage authenticity. The development under this lease will also create the expectation that conservation reserves are amusement parks that should provide more of these facilities in prime scenic locations. Visitors seeking quiet enjoyment of the iconic Lost City view of pagodas will be displaced by visitors seeking the excitement of adventure tourism.

This is a poor use of Lithgow's most iconic scenic pagoda attraction, and is the equivalent to locating, for example Scenic World at the Three Sisters.

A 2008 Tourism and National Park Taskforce examined what kinds of things people wanted out of national parks in New South Wales. The Taskforce rebuffed theme parks as inappropriate in parks and reserves managed under the Act (see page viii Findings, Taskforce on Tourism and National Parks in NSW Report, 2008). According to this Taskforce, if ziplines, via ferrata and suspension bridge amusements are built in reserves like the Gardens of Stone it would degrade the standing of these reserves as land set aside for nature.

The Gardens of Stone Alliance had offered a compromise of locating adventure facilities on nearby State Mine Museum land (that was/is on offer to the NPWS). This site was proposed by the Alliance so that the outstanding Lost City precinct would be retained for appreciation of its scenic values, while providing a location for thrill-seeking activities with better access and nearby services.

As our compromise was rejected, Wilderness Australia now objects in principle to the granting of the lease due to adverse environmental impacts arising from the activities proposed under this lease that are also incompatible with the conservation of heritage values in the reserve. Further, the large number of visitors to the adventure facility will cause water pollution of the near pristine headwaters of Marrangaroo Creek.

4 – The NSW Government recently announced investment of \$3.5 million to construct 25km of mountain biking and walking trails beginning at Lithgow State Mine Museum Heritage Park. This announcement fails to fully utilise this opportunity presented by this Heritage Park. The adventure theme park should also be located at the Heritage Park.

The Museum-owned, forested and pagoda-studded State Mine Gully is more accessible, and will be serviced by an upgraded and sealed State Mine Gully Road. This site has utility services nearby, making it a superior lease site that generates visitor potential for this Museum and would benefit Lithgow to a greater extent.

5 – It is inappropriate to grant Trees Adventure a lease over the Lost City Adventure Precinct as the adjoining Marangaroo Military Base presents an unacceptable risk to children who would use the adventure facilities.

Children will explore the military base and be exposed to high risk of injury or death from exploding munitions and a live firing range. The adventure theme park and a military base should not be adjacent land uses. No documents have been publicly exhibited to establish that the potential risks to children have been adequately addressed by the Department of Defence and the NPWS.

6 – A lease should not be issued to Trees Adventure due to the high level of risk pertaining to its economic circumstances. Trees Adventure is a subsidiary of Experience Co Limited that made a loss of \$13 million in 2021-22 FY and has a net tangible asset value of only 8.7 cents/share at the end of the last financial year.

In December 2015, the company (then called Skydive the Beach Group Limited) had a share price of \$0.915. The share price fell initially due to a tragic sky diving accident in New Zealand and has been bouncing around low \$0.20s since 2019 to the present. This low share price reflects the high level of risk associated with adventure activities and the potential of damage claims against this company arising from injury and loss of life from

these activities. Further, many of the parent company's 37 locations are exposed to climatic impacts such as cyclones in Queensland, and downturns in the international and domestic tourism economy, for example from disease outbreaks. The parent company's low share price and low net asset value will increase the potential risk of Trees Adventure not delivering on lease conditions and lease purposes, leaving the NSW Government with a stranded liability that will require expensive site rehabilitation.

7- The Lost City Adventure Precinct and this proposed lease have been moved east, partly onto a Crown Reserve managed by Lithgow Council. The plan of management and the notice to grant a lease both indicate that this reserve is proposed for transfer and reservation under the Act. Unless the NPWS has permission from the owner, the NPWS cannot issue a lease over the land it does not own, and notice to grant a lease seems to be prematurely advertised. It is arguable that the notice issued on 21 December does not comply with the requirements of the Act.

The notice regarding the proposal to issue a lease should be re-exhibited once the NPWS has reserved the land that is the subject of the proposed lease.

8 - The proposed structures and activities in the lease area are not explained in relation to the objects of the Act, any assessment criteria adopted by the Secretary under the Act or otherwise explained to the public in a report. These relevant matters are inappropriately hidden under commercial in confidence lease processes denying the public the right to make fair comments on a lease that adversely impacts on the reserve and its heritage values.

Natural, cultural, social and economic impact assessments should be required and submitted as part of a development application before the publication of a notice inviting public comment on the intention to grant a lease. Only once these assessments are exhibited and public concerns satisfied through public consultation associated with a development assessment and review processes, and following a successful determination of the proposal, should issue of a lease over a conservation reserve be considered.

The lease assessment and review processes are deficient in detail on the nature, scope and size of the proposal, cultural and natural heritage of the land affected, and offers no economic or social information. Understanding of the proposal and its impacts can only come from considering such information and without such information mistakes will be made when framing lease conditions. If the lease is granted by the Minister, then errors will arise in the delivery of the proposed activities and facilities due to poorly framed conditions that relied on a limited understanding of the site and potential environmental impacts.

Any review of environmental factors that accompanies a subsequent development application process is unable to remedy defects in the conditions of a signed lease. Secrecy at this stage is inappropriate as it denies the public's right to know what is being undertaken on their land before it is alienated. This lack of consideration of relevant issues must lead to decision-making errors by the Minister when granting this lease.

9 – Tree Adventure should not receive any subsidy from the \$50 million the NSW Government is investing in the Gardens of Stone State Conservation Area (media release, Perrottet, Kean, Toole 13 Nov 2021).

Tree Adventure must be required to pay an environmental offset for damage caused to heritage values at Lost City. As the company is required to pay an environmental offset,

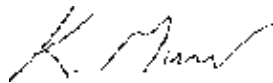
Tree Adventure should not be paid a subsidy through the NSW Government providing facilities and infrastructure.

Request for a public hearing under s151F(4) of the Act

Wilderness Australia requests that the Minister hold a public hearing to ascertain all matters relevant to the Trees Adventure lease, including a process to identify the impacts on heritage values in the reserve and measures taken to mitigate potential damage. For example, a public hearing can remedy defects in the lease process and seek to minimise scenic blight and other adverse environmental impacts from the proposed adventure theme park.

Thank you for the opportunity to comment.

Sincerely,



Keith Muir
for Wilderness Australia