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1. INTRODUCTION

1.1 The Site

The study area incorporates all of the land bounded by the Derwent Foreshore, Trumpeter Street, Napoleon Street and the southern boundaries of the Slipyards and the adjacent open space.
1.2 **The Brief**

The key outcomes of the study required by the brief are:

i. an assessment of the demand or potential demand for the extant slipyard facilities including boat building, boat and marine engine repair and associated chandlery or other ancillary activity in both local and regional terms (including an assessment of alternative locational opportunities for slipyard operations)

ii. an assessment of the direct employment generating potential of the Slipyards, through both the current industrial activity carried out there and in terms of possible new entrants and niche markets e.g. such as wooden boats

iii. an assessment of the educational and training opportunities for young Tasmanians that might be generated or further encouraged through the continued presence of Slipyards in Battery Point

iv. an assessment of the indirect benefits to employment and the economy through the Slipyards - especially Tourism

v. a review of the lease arrangements and rentals between the Council and the slipyard operators and the need and scope for any mutually agreed changes to ensure that they are effective tools in the management of the area as a ‘community asset’

vi. the formulation and evaluation of options for:

   a) the future use of the Slipyards the associated zoning provisions consistent with their heritage (physical and cultural) and having regard to the character and amenity of Battery Point overall

   b) the tenure/lease arrangements appropriate to reinforce and help realise desired land use outcomes

   c) optimising the level of public access to the area of the current Slipyards Zone and the adjacent Public Open Space Reservations having regard to the needs of local residents, the wider Hobart community and visitors to Battery Point

vii. the drafting of preferred provisions capable of incorporation into a Revised Battery Point Planning Scheme; such provisions to include ‘deemed to comply’ performance measures to provide certainty in respect of recommended preferred and permitted land uses and
developments, and ‘performance criteria’ needed to guide the exercise of discretion in relation to planning applications for other uses and developments.
2. THE EXISTING SITUATION

2.1 History of the Site

The history of the slipyards is documented by Hudspeth and Scripps (1990 - extracts at Appendix A). Briefly, the history is:

History (Source: Hudspeth and Scripps, 1990)

- Original grant to William Sorell who sold to Robert Kermode in 1824.
- Tradition of owners of slipyards living and working on-site.
- Shipbuilding the first important manufacturing industry in Van Diemens Land.
- 1847 two slipyards listed (John Watson, Risbys).
- Concentration of activity 1850’s and 1860’s.
- Need for large ships - Ross Patent slip yards c.1866.
- In 1950’s the former Marine Board acquired the sites and leased to the owners.
- In 1974 purchased by the Hobart City Council.

2.2 Land Tenure

The Council commenced negotiations with the lessees in 1990 (who had offered to purchase the land) with regard to long-term leases. The current tenure arrangements are summarised in Table A overleaf. The Lot numbers referred to in the Table are shown in Figure 2.

The leases provide for there to be (inter alia):

- no change to buildings without planning permission;
- no sub-letting without consent;
- compliance with the planning scheme;
- payment of all rent, rates, excess water charges and land tax.
- on demise sale of buildings to lessor (at lessor’s option) or removal and “make good”;
- no signs without consent;
- no public access to any marina without consent;
- maintenance of private rights-of-way; and
- provision by the lessor of communal toilet block at the rear of Watsons Cottage.
**Table A: Current Tenure**

<table>
<thead>
<tr>
<th>Lot</th>
<th>Address</th>
<th>Lessee</th>
<th>Contact name / Address</th>
<th>Lease payment per quarter</th>
<th>Date lease ends</th>
<th>Present land use</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Napoleon Street</td>
<td>Taylor Brothers Holdings Pty Ltd</td>
<td>Mrs J. Taylor PO Box 135 Moonah 7009</td>
<td>$2250</td>
<td>February 1st 2040</td>
<td>Slipyard/boat repairs</td>
</tr>
<tr>
<td>2</td>
<td>44 Napoleon Street</td>
<td>Muirs Boatyard Pty Ltd</td>
<td>Mrs W Muir P.O. Box 83 Sandy Bay</td>
<td>$1935</td>
<td>February 1st 2040</td>
<td>Slipyard/boat repairs. Leadlight fabrication.</td>
</tr>
<tr>
<td>3</td>
<td>44 Napoleon Street</td>
<td>Muirs Engineering</td>
<td>Mrs W Muir P.O. Box 83 Sandy Bay</td>
<td>$810</td>
<td>February 1st 2040</td>
<td>Slipyard/boat repairs</td>
</tr>
<tr>
<td>4</td>
<td>30 Napoleon Street</td>
<td>Michael Muir trading as Powercraft Marine</td>
<td>Michael Muir Powercraft Marine 30 Napoleon Street</td>
<td>$1695</td>
<td>February 1st 2040</td>
<td>Aluminium boat fabrication, outboard repairs, boat sales etc</td>
</tr>
<tr>
<td>5</td>
<td>30 Napoleon Street</td>
<td>Max Creese Pty Ltd</td>
<td>Max Creese Pty Ltd Attn: Graham Phillips PO Box 11 Sandy Bay</td>
<td>$1305</td>
<td>February 1st 2040</td>
<td>Slipyard/boat repairs</td>
</tr>
<tr>
<td>7</td>
<td>44-42 Napoleon Street</td>
<td>National Trust (Watons Cottage)</td>
<td>C/- W. Foster 6 St Georges Terrace Battery Point 7004</td>
<td>$2.50</td>
<td>November 8th 2004</td>
<td>Cruising Yacht Club of Tasmania(Office) Hobby space for voluntary custodians</td>
</tr>
</tbody>
</table>

Lot 4 & 5 have the same address although different lessees.  
Lot 6 does not have a lease. (Public open space)
INDEX TO LOT NUMBERS

Aerial photograph supplied by Department of Primary Industries, Water and Environment

OCCUPATION & LOT NUMBERS

1. Taylor Bros. Holdings Pty Ltd (lease)
2. Muir’s Boatyard Pty Ltd (lease)
3. Muir Engineering Pty Ltd (lease)
4. Michael Muir / Powercraft (lease)
5. Max Creese Pty Ltd (lease)
6. Hobart City Council (owner)
7. Hobart City Council (owner)
National Trust (lease - part lot 7)
Study Area Boundary

INDEX TO LOT NUMBERS

BATTERY POINT SLIPYARDS ECONOMIC & PLANNING REVIEW

 metres

0 25 50
2.3 Zoning

The land is zoned ‘slipyards’ in the Battery Point Planning Scheme, 1979. Zonings in the vicinity are shown in Figure 3.
3. PLANNING SCHEME PROVISIONS

3.1 The Battery Point Planning Scheme 1979

The Scheme states (2.1) that “The District’s historic character has lasted because it is still being used in the same way: (underline in the Scheme): it can continue to perform the same functions, and its townscape and its future amenity both depend upon these functions being protected”.

The “intent” of the Scheme (2.2) contains a statement that “... the physical character of non residential zones is maintained and improved. Accordingly, only those uses which can be accommodated within the existing physical framework will be encouraged.”

The subject land falls into the slipyards zone. In considering any change of use regard must be had (3.1) to “provide for the continued use of the historic slipyards and an adequate amount to (sic) public open space and access to the waterfront”.

Perhaps surprisingly, given the stated intent of the Scheme, the following uses are discretionary in the Slipyards zone (Table 1):

- private residence;
- home occupation;
- residential business;
- local service;
- specialist service;
- light industry; and
- recreation.

This apparent anomaly may be explicable though if it assumed the intention was to avoid giving existing use status to any site - a status which opens up development rights pursuant to clause 3.5.

When considering a “use” application the intentions of the zone must be considered (3.4). This severely constrains the apparent wide scope of discretionary uses.

When considering a “building” application (defined as “development” - as is “use”, “demolition” and “subdivision”) the following must be considered (8.1):

a) provide an adequate amount of usable public open space, while retaining an option for some residential development;
b) extend public access to the foreshore;
c) allow existing small scale boat-building, repair and maintenance activities to continue;
d) protect the residential amenity of nearby houses and houses on access routes to the zone;
e) retain, where possible, those existing structures and slipyards which are of historic or visual importance.

Moreover, all “development” must comply with codes in the Scheme (8.2).

The Slipyards Code (Code G) provides for regard to be had to ensuring the area does not turn over to boat sales, industry does not create nuisance and the impact of vehicles is minimised. Specific provisions relate to restrictions on the size of boats built or slipped, noise levels, and parking.

The Slipyards Building Code (Code H) emphasises the need to ensure that the traditional scale, openness and general informality of buildings, slipways and work spaces is maintained. Siting and appearance provisions aim to preserve the existing layout and built form. There is an intention to preserve public access.

3.2 Comment on Scheme Provisions

The scheme constantly refers back to its intent which is to perpetuate these traditional uses of the land within the same built form. On the face of it there is a wide range of uses which would run counter to this intent. However, the specific wording of the scheme restricts scope for exploiting the discretionary uses to usurp the intent of the scheme, which is effectively to preserve the status quo. Extensions and changes of use (eg. Leadlighting) since 1979 represent only small changes although demolition of the smoke sheds in the 1980’s (arguably of heritage significance) indicates that the area has not been treated entirely as a museum.

It is now twenty years since the scheme was prepared with an expectation that the slipyards would and could evolve with minimal change in the physical environment. With the benefit of hindsight this now appears to be overly ambitious. In this sense the Scheme might be regarded as being somewhat ‘economically naïve’.

It is not the nature of such uses to remain the same. For continued viability industries must constantly assimilate new technologies and must respond to new market demands. Invariably this means
investment in new infrastructure. Industries which maintain old technologies tend to exist only in pioneer museums or in the backyards of hobbyists.

The emphasis on public access is most likely only workable while the land is owned by a public body. If it became privately owned such a provision would be interpreted in law as constituting a ‘reserve’ which would be liable for compensation. Of course, if the land was disposed of, easements in favour of the public could be created prior to disposal. The issue of public access also raises other matters which are dealt with below.

3.3 The Draft Revised Planning Scheme

No comment will be made on the structure of the draft Scheme, its terminology nor its practicality/user friendliness. Rather, the comments below are confined to the ‘effect’ of the Scheme as it applies to the slipyards (to the extent that its effect can be identified).

The Statement of Desired Future Character (1.2) states:

“In the Slipyards and the Marieville Esplanade areas the role of spaces and buildings in providing for a range of needs associated with water based activities should be recognised. The increasing importance of recreational boating, the need for associated support facilities and the need to provide public access to shorelines should underlay development in these areas. Buildings and activities in this area are not to reduce the amount and quality of public open space amenity currently enjoyed by users. The design and siting of buildings, parking areas, open spaces, foreshores structures, signage, boat storage areas and any commercial facilities should not interfere with public access to the foreshore, water views and vistas from public places and not detract from the amenity of adjoining residential areas.

Within the Slipyards area any new residential use should only be ancillary to Slipyards activity and not result in or be likely to lead to the displacement of that activity.”

This may be interpreted as a departure from the current Scheme which refers to protecting the current functions and perpetuating them (2.1). There is a heavy emphasis on public open space, public access and views.

The intent of the draft Scheme (1.3) is very much skewed towards preserving traditional physical forms and enhancing residential amenity. The objectives (1.4) state that redevelopment of “existing” commercial spaces is to be encouraged, and there is no mention of creating new commercial spaces.
The definition of a “marine industry” in the draft scheme (2.9.8) is one which essentially creates no nuisance or noise above residential standards, requires no buildings which are out of character with the area (i.e. small scale) and has no materials stored where they can be seen. Basically, the proposal is that the use should be everything a working slipyard is not.

The draft scheme provides for primary uses (ie. Marine Industry, Specialist Service [Incl. Restaurant] and Recreation) to be “permitted” (i.e. permit must be approved - no advertising) if “performance requirements are met”. However, these relate to matters which are invariably debatable, if not contentious (eg. ‘encourage’ small scale boat building...(G.2.1) What amounts to encouragement is unclear). Similarly, secondary uses can be “permitted” on the same basis as primary uses and these include use classes:

- private residence;
- home occupation;
- local service;
- residential business; and
- utilities.

3.4 Comment on the Draft Revised Planning Scheme

The draft Scheme is not policy neutral insofar as it affects the slipyards. It moves away from an objective of perpetuating their continued presence as a group of viable industries to one of restricting impacts and preventing any technological change which might require a change to the built environment.

The draft Scheme has the effect of making primary uses classes the subject of debate, and potentially extended litigation, and of making secondary use classes of equal status. The nexus that exists in the current scheme between the consideration of applications and the intent of the scheme has not carried over to the draft Scheme.
4. THE ECONOMICS OF SLIPYARDS

4.1 The Overall Economic Environment

Tasmania’s overall economic environment can be appreciated from the Nixon report (1997) which is summarised (in part) below:

Population growth (in Tasmania) over recent years has slowed to become virtually stagnant (0.19% compared to 1.37% for Australia), and the future projection is for the population to decline. The balance within the population is also changing, with an outflow of young people and a rapidly ageing population.

Economic activity and jobs growth in Tasmania is the worst of all States. Over the last decade gross state product (GSP) has increased by only 13% in real terms. This is in contrast to an increase of 35% nationally and 66% in Western Australia. Output per capita has declined from 88% of the Australian level to 79% over the past ten years. By 2000 it is projected to be 74.5%. Poor economic growth is restricting the ability of Tasmania to provide the level of services its community enjoyed in the past.

Tasmania’s labour skills, once a strong point for the State, are declining. Retention rates for years 7 to 12 are not improving relative to Australia, and Tasmania has the lowest percentage of persons who have attained a recognised post-school qualification. The skills base of the workforce is being depleted as skilled workers leave Tasmania to look for employment. Education and training is not meeting the demand for skilled workers.

Business confidence in Tasmania’s future has declined. While it is picking up on the mainland, the outlook for the Tasmanian economy, as seen by business, remains depressed.

In recent years, Tasmania has seen the closure, or announced closure, of a number of industries which have underpinned employment. These include Tioxide, ACI Glass, Sanitarium Foods, Stanley Tools, Coats Patons, J&H Furniture and Southern Aluminium. While some new industries have developed, they are not generating the jobs needed to reduce Tasmania’s unemployment. Employment growth has been about half the national average over the past 20 years, and all of this growth has been in part-time work with the total number of full time jobs lower in 1997 than it was in 1978. There is also massive underemployment of the workforce.

(Cont..)
Investment in Tasmania, especially by some of the State’s larger firms, is not keeping up with State output. This indicates Tasmania is experiencing a run-down in its capital stock. Over the past decade, private sector investment has been static and public investment has experienced a marked decline. While this will not impact immediately on the State’s economy, the lack of investment creates uncertainty about the future of many major employers in Tasmania. Instead of growing, the State’s investment is marking time.

Tasmania is not unique with regard to economic prospects. There are many regions in Australia suffering the same symptoms of structural economic change.

An implication of this is that any economic enterprise which exists should be nurtured, especially those with any export function or potential and of course these economic conditions will place downwards pressure on demand for recreational boating.

4.2 The Demand for Slipway Facilities in Southern Tasmania

Interviews were conducted with slipyard operators at Battery Point, other contacts in the industry and the Hobart Ports Corporation to gain an understanding of the current and likely future demand for slipway facilities in Southern Tasmania.

The first source of demand is the fishing industry which has seen the resources largely fished-out close to shore since the Second World War. This has seen a trend towards larger boats for deep sea fishing. At present the average size is about 25m but these are getting larger.

Reduced crayfish quotas have seen 25 licences disappear and cray boats are under-utilised. Regulation changes to double the period to two years for surveyed boats to be slipped have had a significant impact on demand. Improved ‘self polishing’ anti-foulants have also had some effect. Taken together these developments have reduced the frequency of slipping by 33% to 50%.

The future of fishing would appear to be in fewer larger boats fishing in deep water thus signalling a continued drop-off in demand for the smaller slipyards from this source.
The second source of demand is recreational boating which, for slipways, essentially means motor and sailing yachts. General economic conditions have seen little if any growth (possibly contraction) in this sector and, according to slipyard operators, those people with boats are generally spending as little money as possible.

Again, self-polishing anti-foulants increase the period between slipping, thus further reducing the demand for facilities.

Tasmania is reported to have the highest per-capita rate of recreational boat ownership in Australia, but with lower incomes. Only 3% to 4% of boats are said to be owned by mainlanders. With static population growth, an ageing population and lowering incomes (Section 4.1) a contraction of demand for slipyards from this sector is to be expected for the foreseeable future.

### 4.3 Supply-Side Factors

In Southern Tasmania slipping facilities for larger boats are:

- Hobart Ports Corporation (Domain)
  - No1 slip 250t
  - Nos 2 & 3 slips 70t (est)
- Triabunna 100t
- Dover 100t
- Battery Point 2 X 70t

For even larger boats Launceston has a 1,500t synchrolift, but this has draft restrictions.

In all, there are reported to be 14 individual facilities in Southern Tasmania. Amongst the smaller facilities are those of the nearby yacht club which also has a marina and chandlery and there is a slip at Kettering. These facilities are attractive to the smaller recreational boats.

The Hobart Ports Corporation has built a large marina in Sullivans Cove which is presently under-utilised. The Corporation intends marketing its Domain facility aggressively and has capital available for upgrades if required. This may well see better use of the Sullivans Cove Marina which might be regarded as a relatively ‘young’ facility.

Generally though, there is little return on a slipway. Fees hardly cover the cost of labour employed in the slipping operation - let alone the considerable amount of capital tied up in the infrastructure. For
example, a 10m boat slipped for one week would pay in the order of $240. This ties up the infrastructure for the whole time, unless the boat is lifted onto a hardstand - at extra cost. For small boats a double cradle is necessary to fully utilise the slip. Slipways are merely a means to pull boats out of the water so that other work can be done to generate income.

Another supply side consideration is the fact that many other slipways are not as constrained to upgrade by residential amenity and heritage considerations. The leasehold situation is said to be a constraint on financing upgrades. There is also the prospect of newer, more modern facilities coming on-line such as those mooted for the Margate Maritime Industrial Park.

4.4 The Current Businesses

Lot 1

The lessee is Taylor Bros Holdings Pty. Ltd. who set up on this site in 1936 to cater for yachting and the small coastal fishing trade. The company’s main operation is at Prince of Wales Bay where a large factory is located. The company does fabrications and repairs for clients which include the Antarctic Division, Incat, Liferaft systems and the general fishing fleet. There is also some diversification into agricultural machinery from the Prince of Wales Bay site.

The Battery Point slipway is operational (upgraded in 1981 at a cost of $200,000) but it is effectively ancillary to the use of the site as a depot to service boats in the Derwent River and Sullivans Cove. This is to say that the Battery Point site serves as a point of water entry with most work being performed at Prince of Wales Bay.

Lots 2 & 3

The current lessees wish to recoup the investment in slip rather than relinquish the lease.

The lessees are Muirs Boatyard Pty. Ltd. and Muirs Engineering. The larger (double) slip is not operational, having had $80,000 spent on structural work but requiring a further $80,000 (est). The smaller slip is operational but used infrequently.

Muiras have a large business (40 employees) in Kingston manufacturing winches and the Company maintains only one employee on site at Battery Point. This is supplemented by contractors when required.
Part of the workshop on the site is sub-leased to a leadlighter and the former chandlery building is used for storage.

The slipyards business has been for sale for some time. There is a rich heritage of Sydney-Hobart yacht racing associated with the site with a number of successful craft having been constructed and/or based there by Jock Muir (now deceased). The current lessees wish to recoup the recent investment in the slip rather than relinquish the lease.

Lot 4

The lessee is Powercraft Marine who manufacture small (17’ to 18’) boats. There are three permanent staff plus casuals producing around 20 to 30 craft per year for Tasmania, the mainland and New Zealand. The main markets are abalone divers, fish farms and recreational boaters.

There is no slip but there is a jetty and a boat ramp. Access is difficult due to a right of way which bisects the site. This also separates the boat storage yard from the workshops - creating operational difficulties associated with having to transfer boats which could otherwise stay in the same location.

Lot 5

The Lessee is Max Creese Pty. Ltd. who have two full time employees on the site, one part-time, plus casuals. The slip is fully utilised, mainly catering for larger vessels (eg. 25t) which are often lifted from the slip by a hire crane due to space constraints. The slip and its surrounds have been upgraded with concrete paving in recent times.

The company specialises in fibreglass renovations (eg. relaminating) and insurance work (eg. repairs subsequent to accidents), and has sales agencies for anodes and marine ply.

Infrastructure

The most modern and up-to-date infrastructure in the slipyards is the carpark. The Lot 1 (Taylors) and Lot 4 (Powercraft) buildings are in serviceable condition but the Lots 2/3 (Muirs) and Lot 5 (Creese’s) buildings are in very poor repair.
The slips and paved surfaces are generally in poor to just-serviceable condition, as are the jetties. The working environment potentially does no comply with occupational health and safety requirements in many areas. As an area where public access is possible (even encouraged by the Planning Scheme) the site represents a significant public liability risk. This is due to uneven surfaces, a lack of guard-rails at level changes and ad hoc materials storage. Public access to areas where 25 tonne boats are secured in cradles by only two ‘knock out’ stays per side (as has been observed in Lot 5 but could occur on any of the slips) might be referred to as an accident waiting to happen.

**Issues Raised by Lessees**

Amongst the issues raised by lessees (not necessarily verified) are the following:

- A restaurant is required to underwrite the viability of the Muirs operation and to create a tourist attraction based on the rich Sydney-Hobart Yacht Race and boat-building heritage of the site.

- A restaurant would be incompatible with ‘boatyard behaviour’ and would conflict with the viable operation of bona-fide slipyards.

- A restaurant would result in higher rents rendering slipyards unviable.

- Applications in the past to expand viable slipyards by investing in new buildings have been refused planning permission, and the rezoning of land for residential use has brought housing closer to the industries (referring to the privately owned ‘Taylors’ site where a permit application was approved by the Council but refused by the then Appeals Board).

- Reasonable requests to realign a right-of-way on Lot 4 and to bring the boat storage yard next to the workshops have been unsuccessful.

- There is a concern that heritage controls will place further barriers to upgrading facilities (referring to mooted listing on the Heritage Register).

- Slipyards in this location are viable as owner/operator businesses.

- Slipyards in this location are not viable.
• In-fighting between lessees has held the area back as a viable concern.

• A marina with a breakwater would enhance viability.

(Note: the views expressed are not necessarily consistent with each other).

4.5 Tourism

It is well documented (Tourism Tasmania Visitor Survey) that tourism is an important export earner for the Tasmanian economy and for Hobart in particular. Of the 493,000 adult visitors to Tasmania in 1997 43% arrived by air in Hobart and around 80% visited Hobart. Over 70% of visits are ‘holidays’ with an average length of stay of 9.7 nights.

Over 55% of visitors visit historic sites and they spend $1,200 per head on average, mainly on arts/crafts, food, wine and books about Tasmania. 35.6% of all visitors to Tasmania visit Sullivans Cove, second only to Port Arthur (39.3%).

According to Jane Foley (Tourism Tasmania, Personal Interview) tourists are looking for ‘genuine product’ which maintains its connection with local people. This is the unique strength of Sullivans Cove which is a working port.

There is scope for job growth in the tourism sector building on maritime industries and ‘smart industries’ such as Incat.

It is quite clear that Battery Point is a major draw card and its maritime associations contribute significantly to its attractiveness. The slipyards are an integral part of this history and provide a tangible link to the maritime past.

Sullivans Cove as a tourist attraction is the sum of a multiplicity of small parts each of which offer authentic experiences.

It is not known what the visitation to Battery Point actually is although many tourists can be observed in the area in buses, in cars and on foot. Karen Rees of Hobart Historic Walks (Personal Interview) confirms that in their first year of operation (in the period Jan-Mar) 1,400 visitors took the 2 hour walk from the Visitor Centre to Battery Point. The National Trust’s Saturday walks which have been running for over twenty years attract around 500 to 600 patrons per year.
An estimate of the annual visitation is 1,400 for the summer, 400 for the rest of the year and 600 by others (eg. National Trust) - total around 2,400 p.a.

The tours presently do not take in the slipyards (nor the Maritime Museum). There is no evidence of any significant interest in the slipyards at this point, although this may be due to a lack of promotion.

### 4.6 Wooden Boats

According to Bill Foster (Personal Interview) who is the president of the Wooden Boats Guild there are 12 wooden boats being built in Southern Tasmania, 3 professionally (one at each of Cygnet, Franklin and New Norfolk) and 9 by ‘amateurs’.

There is a Shipwrights School operating at Franklin which presently caters mainly for overseas students. This is a privately initiated but fully accredited training establishment.

Potentially, the Shipwrights School could grow, building on established teaching expertise and catering for a world market. The Battery Point Slipyards site would be an ideal location for an expanded facility or another school.

However, establishing a successful operation such as the one at Franklin requires an initiator with extraordinary commitment and a high level of expertise and entrepreneurship. Such people are very rare in any given field of endeavour.

Thus, it cannot be concluded there is a demand for wooden boat building facilities as such. There may be a ‘potential’ but this is contingent upon the right people coming forward to invest time, effort and money. In any event, it must be acknowledged that wooden boat building would be a ‘no rent’ enterprise with the product production process absorbing most of the income generated.
5. **IMPLICATIONS**

Detailed below are comments on the required outcomes of the brief based on the analysis carried out.

5.1 **Demand for Slipyards**

Notwithstanding that one or more slipyards at Battery Point could continue to operate it is quite clear that there is no demand for slipyards at Battery Point that cannot be satisfied at other locations. However, this is not to say that a modern slipyard in this location cannot be built - but it would be a vastly different operation.

A modern slipyard would probably have a single high capacity slip or synchrolift with a transverse to enable boats to be moved to handstand areas. There would be a breakwater and a marina and sheds would be rebuilt and expanded.

Some heritage elements could be maintained in a redevelopment of this type (eg. remnants of the old slips and sheds) but essentially it would be a new facility.

But there are major constraints on a complete redevelopment of the site which include the existing leases, likely resident opposition and, perhaps most importantly, the viability of such major investment given the potential competition from the Marine Board and possible the Margate Maritime Industrial Park.

5.2 **Employment and Training Opportunities**

The number of people employed directly on site is low indeed (around 6 full-time plus casuals and contractors) and all of this employment would be transferable to other sites. The slipyards cannot be said to be creating direct employment in aggregate terms.

With regard to Wooden Boats the site certainly is suitable but no more so than a number of other sites such as Franklin or many sites away from the water. It therefore cannot be said to have a potential to create direct employment in aggregate terms.

Similarly, the site is suitable as a training venue for shipwrights, but no more so than a number of other sites (eg. Franklin, Kettering or Margate).
5.3 Indirect Employment Benefits

The most obvious potential for indirect employment benefits is the contribution the presence of the slipyards makes to the authenticity of the tourism experience in inner Hobart. This of course cannot be quantified because it is inseparable from the other elements of the Sullivans Cove / Battery Point tourism package.

5.4 Other Benefits

The presence of the slipyards in Battery Point adds to the character and amenity of the area for many people by providing a feeling of authenticity and living history in the locale. But the positive perceptions articulated by some people are likely to be countered by negative perceptions in the minds of others. The emphasis in the draft revised planning scheme on open space, public access and views seems to suggest that the main benefit the community derives is the open space attributes of the site rather than its slipyards function.
6. **OBJECTIVES**

6.1 **Council as Landowner**

There is only one reason for the Council (as a public agency) to own land and that is to produce public benefits which are needed and which private markets do not provide. Examples are land for open space, short-term shopper parking, sites for community facilities and land for urban infrastructure.

When land is used to produce public benefits it cannot yield full market rent. If the council is in possession of land which yields full market rent it should look critically at whether it needs to own it on the basis that there are probably no public benefits being generated over and above what private ownership would generate.

In the case of the Battery Point slipyards it appears that the Council acquired the land for the express purpose of ensuring that the objective in the planning scheme to perpetuate the slipyards could be achieved in the longer term. This was deemed at the time to be a significant public benefit. The fact that the council entered into long-term leases at modest rentals reinforces this view.

The objective of a (rational) **private landowner** is to maximise the utility and rental income from the land, within the law (eg. planning and environmental law).

In contrast, the objective of the Council should be to maximise the public benefit generated from the land and thereafter to maximise the rental income, within the law.

Where there is confusion is when the Council is also the lawmaker, in this case the planning authority. The dual roles of landowner and planning authority should at all times be kept **conceptually separate**. But the reality is that the Council has set about to achieve a desired outcome by playing both roles in this instance.

There has been no suggestion that the council’s stance on the slipyards has changed. The intention remains to perpetuate the slipyards use. However, the question of the long-term viability of the slipyards has been raised and must be addressed.

If the slipyards are not viable they will cease operation and the public benefits which underpin the Council’s involvement will cease. The
rational for the council to own the land will be gone - unless of course some alternative public benefit can be generated.

6.2 Council as Planning Authority

Council as the planning authority has statutory obligations mapped out in legislation but in general terms it must encapsulate the community’s objectives for the use and development of land.

For any given parcel of land the Council’s and the community’s objectives should be the same. Arriving at a common set of objectives is of course a difficult task which requires the full exercising of democratic processes. Objectives will be challenged from time to time by interest groups and they will change over time. Notwithstanding these difficulties though, a set of objectives is necessary to evaluate options and these must be to the extent that is possible reflect the objectives of the community.

6.3 Community Objectives

Based on the material reviewed for this study and the consultations undertaken the following objectives have been formulated (ie. Author’s interpretation).

To ensure the continued operation and viability of the Battery Point slipyards as facilities for slipping, building, maintaining and servicing small to medium sized commercial and recreational boats.

To conserve the cultural heritage significance of the place by preserving the layout, scale and fabric of existing buildings and structures.

To promote the tourism potential of the site by facilitating interpretation of its maritime history including its Sydney to Hobart Yacht Race associations.

To protect the amenity of adjacent residential areas by containing nuisance generated by noise, emissions, traffic and visual impact to commonly accepted residential standards.

To provide public access to the foreshore.

There are of course inherent conflicts in these objectives. A situation where a ‘viable’ industry such as a slipyards can be perpetuated with infrastructure from the nineteenth century and at the same time generate only residential levels of external impacts is difficult, if not impossible to achieve.
7. **OPTIONS**

Described below are some options that present themselves.

7.1 **Status Quo**

This option involves proceeding as is but it must be recognised that, notwithstanding that slipways on lots 1 & 3 (small slip only) are operational, there is really only one fully utilised slipyard at present (Lot 5 – Max Creese Pty Ltd) and any significant investment in the others is highly unlikely. There will be continued pressure for non-slipyard uses to establish. A precedent was set when the Ross Patent slipyards were rezoned to ‘residential’ on the basis that permission for modern slipyard building could not be obtained (as stated in the Panel’s report).

The current zoning allows applications to be made for non-slipyard uses and the draft revised scheme frees this up even more.

The Council could adopt this option on the basis that the deal it has struck with the lessees was for continued slipyards use only. It would be morally acceptable to reinforce this by tightening up the planning controls to remove an expectation of conversion to other uses. If lessees do not wish to continue they are at liberty to hand their lease back. There may still be some owner/operators who would be prepared to take over the lease and continue the slipyards uses. Purchase of existing leases for any substantial amount where the slipyards function has ceased is unlikely.

This option preserves the site in public ownership for any future, but as yet unknown development concept.

7.2 **Modern Slipyard**

This option involves major investment in a new slip, probably a central facility - either in high capacity slip or a synchrolift, a transverse, new handstand, a breakwater/marina and new sheds. The investment would be in the millions of dollars.

However, given competition from other facilities such investment is highly unlikely, especially in a leasehold situation. There would be major conflicts with other objectives, that is, those not relating to viability.
7.3 **Commercialisation**

This option involves conversion to commercial uses such as non-slipyards light industry and hospitality uses (eg. restaurant). Commercialisation raised a number of issues for the Council as landlord. Is there any point owning the land if public benefits are usurped by commercialisations? Why should a lessee be allowed a commercial uses rather than simply handing the lease back if the slipyards are not viable? What are the implications for other lessees - will their rent be increased because the commercial potential of their lease has been proved?

These and other questions pose a very complex set of circumstances.

7.4 **Heritage Park**

One could conceive of a scenario whereby bonafide slipyards operators continue, but when any operation ceases the lease is handed back and if no other operator is found the lot becomes part of a heritage park where artifacts of cultural heritage significance are conserved in an appropriate setting for interpretation of the history of the site. Such a park would benefit greatly from the Whalers Walk (a path around Battery Point to Sullivans Cove), but this is of course contentious project due to titles running to the high water mark.

Visitation to such a park would not be great (as evident by visits to the Maritime Museum at Secheron House which have been quite low) but the conservation benefits may be superior to other options. A restaurant/interpretation centre would be an appropriate facility in such a park to enhance its attractiveness as a destination and to underpin its financial viability.

7.5 **Housing**

The site could be developed for housing with concessions to conservation and public access and a one-off community gain could be made from the sale of lots.

7.6 **Open Space**

This is a similar option to the heritage park except the conservation of artifacts would be minimal and prime use of the land would for local recreation rather than conservation and tourism. It is noted that
the Council accepted transfer of the former Purdon and Featherstone land from the Crown for open space.

8. **EVALUATION**

8.1 **Assessment Against Objectives**

An assessment of the options is described in Table B overleaf. For each objective a rating of either Very Good, Good, Neutral, Poor or Very Poor is given. In each instance an explanation of the basis for the rating is provided.

This is not proferred as a totally objective analysis; there is of course the vexed question of weighting the objectives. But it does provide a systematic and transparent analytical framework.

It is intended that the identification of other criteria and options will be invited.
### COMMUNITY OBJECTIVE

1. To ensure the continued operation and viability of the Battery Point slipyards as facilities for slipping, building, maintaining and servicing small to medium sized commercial and recreational boats.

<table>
<thead>
<tr>
<th>A: STATUS QUO</th>
<th>B: MODERN SLIPYARD</th>
<th>C: COMMERCIALISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEUTRAL</td>
<td>VERY GOOD</td>
<td>POOR</td>
</tr>
<tr>
<td>Gradual decline likely.</td>
<td>Arguably the only real option for achieving this end.</td>
<td>Likely to accelerate conversion due to expectations of higher rents.</td>
</tr>
</tbody>
</table>

2. To conserve the cultural heritage significance of the place by preserving the layout, scale and fabric of existing buildings and structures.

<table>
<thead>
<tr>
<th>A: STATUS QUO</th>
<th>B: MODERN SLIPYARD</th>
<th>C: COMMERCIALISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOOD</td>
<td>POOR</td>
<td>GOOD</td>
</tr>
<tr>
<td>But lack of economic base for maintenance of heritage fabric.</td>
<td>Significant amounts of heritage fabric would be lost. (slips, buildings and archaeology)</td>
<td>Could provide an economic base for conservation (but actual use lost).</td>
</tr>
</tbody>
</table>

3. To promote the tourism potential of the site by facilitating interpretation of its maritime history including its Sydney to Hobart Yacht Race association.

<table>
<thead>
<tr>
<th>A: STATUS QUO</th>
<th>B: MODERN SLIPYARD</th>
<th>C: COMMERCIALISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEUTRAL</td>
<td>POOR</td>
<td>VERY GOOD</td>
</tr>
<tr>
<td>Opportunity would be preserved but little tourism visitation expected.</td>
<td>Would have minimal tourism attraction.</td>
<td>Would provide a tourism attraction at little (public) cost.</td>
</tr>
</tbody>
</table>

4. To protect the amenity of adjacent residential areas by containing nuisance generated by noise, emissions, traffic and visual impact to commonly accepted residential standards.

<table>
<thead>
<tr>
<th>A: STATUS QUO</th>
<th>B: MODERN SLIPYARD</th>
<th>C: COMMERCIALISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEUTRAL</td>
<td>POOR</td>
<td>NEUTRAL</td>
</tr>
<tr>
<td>Impacts are already greater than residential standards.</td>
<td>Impacts would be greater.</td>
<td>Impacts would be consistent with current use.</td>
</tr>
</tbody>
</table>

5. To provide public access to the foreshore.

<table>
<thead>
<tr>
<th>A: STATUS QUO</th>
<th>B: MODERN SLIPYARD</th>
<th>C: COMMERCIALISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>POOR</td>
<td>POOR</td>
<td>GOOD</td>
</tr>
<tr>
<td>Access is provided but should not be continued due to public liability situation</td>
<td>Unlikely to be provided except in small area (segregated).</td>
<td>Site could be made suitable.</td>
</tr>
</tbody>
</table>

### Table B: Assessment of Options
<table>
<thead>
<tr>
<th>COMMUNITY OBJECTIVE</th>
<th>D: HERITAGE PARK</th>
<th>E: HOUSING</th>
<th>F: OPEN SPACE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To ensure the continued operation and viability of the Battery Point slipyards as facilities for slipping, building, maintaining and servicing small to medium sized commercial and recreational boats.</td>
<td>NEUTRAL</td>
<td>VERY POOR</td>
<td>NEUTRAL</td>
</tr>
<tr>
<td></td>
<td>Gradual decline likely.</td>
<td>Operations cease.</td>
<td>Open space replaces slipyards as they close.</td>
</tr>
<tr>
<td>2. To conserve the cultural heritage significance of the place by preserving the layout, scale and fabric of existing buildings and structures.</td>
<td>VERY GOOD</td>
<td>POOR</td>
<td>GOOD</td>
</tr>
<tr>
<td></td>
<td>But significant public subsidy.</td>
<td>Significant amounts of heritage fabric would be lost (slips, buildings and archaeology)</td>
<td>But significant public subsidy.</td>
</tr>
<tr>
<td>3. To promote the tourism potential of the site by facilitating interpretation of its maritime history including its Sydney to Hobart Yacht Race association.</td>
<td>VERY GOOD</td>
<td>VERY POOR</td>
<td>GOOD</td>
</tr>
<tr>
<td></td>
<td>Would provide tourism attraction.</td>
<td>No tourism attraction.</td>
<td>Would provide some interpretation opportunities.</td>
</tr>
<tr>
<td>4. To protect the amenity of adjacent residential areas by containing nuisance generated by noise, emissions, traffic and visual impact to commonly accepted residential standards.</td>
<td>NEUTRAL</td>
<td>VERY GOOD</td>
<td>VERY GOOD</td>
</tr>
<tr>
<td></td>
<td>Impacts would be consistent with current use.</td>
<td>Residential amenity provided.</td>
<td>Would enhance residential amenity significantly.</td>
</tr>
<tr>
<td>5. To provide public access to the foreshore.</td>
<td>VERY GOOD</td>
<td>POOR</td>
<td>VERY GOOD</td>
</tr>
<tr>
<td></td>
<td>Site could be made suitable.</td>
<td>Unlikely to be provided except in small area (segregated).</td>
<td>Ultimate public access.</td>
</tr>
</tbody>
</table>

Table B (Cont): Assessment of Options
8.2 **Financial Implications for the Council**

Detailed below are some indicative estimates of the cash flows which are likely to be associated with each of the options. These are from the Council’s perspective and they are estimates only for the purpose of highlighting the relative merits of the options. (Assistance was provided by Bernie Smith of Knight Frank Consulting, however, responsibility for the data remains with the author).

The analysis is based on the concept of **present value** which expresses net revenues in today’s values, that is, it accounts for the **time value of money**. Put another way; a dollar in ten years is worth less than a dollar today. The mechanism to calculate present values is to apply the compound interest formula which can calculate the present day equivalent of a sum received in the future. This is done on the basis of the amount that would have to be put into the bank today to yield the future amount specified at the interest rate applicable.

Example:

$10 invested at 5% p.a.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>OPENING BALANCE</th>
<th>INTEREST AT 5%</th>
<th>CLOSING BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$10.00</td>
<td>$0.50</td>
<td>$10.50</td>
</tr>
<tr>
<td>2</td>
<td>$10.50</td>
<td>$0.53</td>
<td>$11.03</td>
</tr>
<tr>
<td>3</td>
<td>$11.03</td>
<td>$0.55</td>
<td>$11.58</td>
</tr>
<tr>
<td>4</td>
<td>$11.58</td>
<td>$0.58</td>
<td>$12.16</td>
</tr>
<tr>
<td>5</td>
<td>$12.16</td>
<td>$0.61</td>
<td>$12.76</td>
</tr>
</tbody>
</table>

The table shows that:

- $10 today is worth $12.56 in year 5.
- The **present value** of $12.56 in year 5 at 5% is $10.

**A: Status Quo Option**

The Council currently receives $32,000 p.a. in rent from the six leases (including the nominal National Trust rent). Assuming this is maintained in real terms (i.e. rents are indexed) and the full amount is collected until the expiration of the leases in 2040 the present value of this income stream would be (at a 5% discount rate) $553,000.
However, with the gradual decline of these industries future incomes may fall away. Thus the present value may well be lower than this figure.

B. Modern Slipyard

A modern slipyard would still be a financially marginal operation given the competition and the lack of growth in demand. Rentals could be expected to be similar to those currently realised. Thus the present value of future income to 2040 would be around $553,000.

C. Commercialisation

The highest yield use in this location would most likely be a restaurant, however the land rent would be modest compared to Sullivans Cove and taking into account the capital investment involved.

Conceivably, the total rent could be doubled to yield a present value of (say) $1.0 mil.

D. Heritage Park

A heritage park type operation in this location would struggle to cover its operational costs.

It would require capital investment in the order of $0.5 mil and a recurrent subsidy in the order of $100,000 p.a. The present value would be approximately -$2.2 mil. (This present value is negative because both the initial capital and the ongoing subsidy are Council expenditure – which has to be discounted to today’s equivalent value).

E. Housing

Assuming that after public open space is provided and some heritage items are conserved a housing development of eight dwellings is possible the site might we worth around $500,000.

F. Open Space

Assuming this is provided as leases expire or are handed in there will be increasing capital and maintenance costs. There will be some revenue from leases. The present value of the resultant cash flows would be in the order of -$500,000.
8.3 **RESIDUAL VALUES**

In an analysis such as this it is necessary to consider the residual value of the asset, that is, what it could theoretically be sold for in the year 2040. The following values are adopted.

<table>
<thead>
<tr>
<th>Option</th>
<th>Value in Year 2040 (expressed in 1999 Dollars)</th>
<th>Comment on Basis of Residual Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Status Quo</td>
<td>$ 553,000</td>
<td>Assume same as present value of cash flows. (1)</td>
</tr>
<tr>
<td>B: Modern Slipyard</td>
<td>$ 553,000</td>
<td>Assume same as present value of cash flows (1)</td>
</tr>
<tr>
<td>C: Commercialisation</td>
<td>$ 1,000,000</td>
<td>Assume same as present value of cash flows (1)</td>
</tr>
<tr>
<td>D: Heritage Park</td>
<td>$ 0</td>
<td>No market value (2)</td>
</tr>
<tr>
<td>E: Housing</td>
<td>$ 0</td>
<td>Already sold</td>
</tr>
<tr>
<td>F: Open Space</td>
<td>$ 0</td>
<td>No market value (2)</td>
</tr>
</tbody>
</table>

Note (1): When it is assumed that the residual value in Year 2040 is the same as the present value today this is based on a purchaser expecting the income to continue to the Year 2080.

Note (2): Where no market value is assumed in the Year 2040 this is based on there being no future income – hence no value – hence no purchaser.
8.4 Summary of Values

A summary of the value estimates is:

<table>
<thead>
<tr>
<th>Option</th>
<th>Present Value of Cash Flows</th>
<th>Residual Value in Year 2040</th>
<th>Present Value of Residual Value in 2040 (at 5%)</th>
<th>Net Present Value (at 5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Status Quo</td>
<td>$ 553,000</td>
<td>$ 553,000</td>
<td>$ 75,000</td>
<td>$ 628,000</td>
</tr>
<tr>
<td>B: Modern Slipyard</td>
<td>$ 553,000</td>
<td>$ 553,000</td>
<td>$ 75,000</td>
<td>$ 628,000</td>
</tr>
<tr>
<td>C: Commercialisation</td>
<td>$ 1,000,000</td>
<td>$ 1,000,000</td>
<td>$ 135,000</td>
<td>$1,135,000</td>
</tr>
<tr>
<td>D: Heritage Park</td>
<td>- $ 2,200,000</td>
<td>$ 0</td>
<td>$ 0</td>
<td>- $ 2,200,000</td>
</tr>
<tr>
<td>E: Housing</td>
<td>$ 500,000</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 500,000</td>
</tr>
<tr>
<td>F: Open Space</td>
<td>- $ 250,000</td>
<td>$ 0</td>
<td>$ 0</td>
<td>- $250,000</td>
</tr>
</tbody>
</table>

The findings of the analysis are in the right hand column of the table where the relative financial present values are indicated.

8.5 Findings on Financial Implications

As would be expected Option C: Commercialisation is financially superior - almost double that of Options A & B which maintain the slipyards. Interestingly, Option E: Sale for Housing is difficult to justify given that its NPV is lower than the status quo option.

Option F: Open Space has a negative present value and Option D: Heritage Park even more so.

Of course, the financial implications are only part of the equation and reference must be made to the full range of costs and benefits.
9. CONCLUSIONS AND RECOMMENDATIONS

9.1 Summary of Results

The results are summarised in the Table below.

<table>
<thead>
<tr>
<th>OPTION</th>
<th>MAINTAIN SLIPYARDS</th>
<th>HERITAGE</th>
<th>TOURISM</th>
<th>RESIDENTIAL AMENITY</th>
<th>PUBLIC ACCESS</th>
<th>FINANCIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: STATUS QUO</td>
<td>NEUTRAL</td>
<td>GOOD</td>
<td>NEUTRAL</td>
<td>NEUTRAL</td>
<td>POOR</td>
<td>$628,000</td>
</tr>
<tr>
<td>B: MODERN SLIPYARD</td>
<td>VERY GOOD</td>
<td>POOR</td>
<td>POOR</td>
<td>POOR</td>
<td>POOR</td>
<td>$628,000</td>
</tr>
<tr>
<td>C: COMMERCIALISATION</td>
<td>POOR</td>
<td>GOOD</td>
<td>VERY GOOD</td>
<td>NEUTRAL</td>
<td>GOOD</td>
<td>$1,135,000</td>
</tr>
<tr>
<td>D: HERITAGE PARK</td>
<td>NEUTRAL</td>
<td>VERY GOOD</td>
<td>VERY GOOD</td>
<td>NEUTRAL</td>
<td>VERY GOOD</td>
<td>-$2,200,000</td>
</tr>
<tr>
<td>E: HOUSING</td>
<td>VERY POOR</td>
<td>POOR</td>
<td>VERY POOR</td>
<td>VERY GOOD</td>
<td>POOR</td>
<td>$500,000</td>
</tr>
<tr>
<td>F: OPEN SPACE</td>
<td>NEUTRAL</td>
<td>GOOD</td>
<td>GOOD</td>
<td>VERY GOOD</td>
<td>VERY GOOD</td>
<td>-$250,000</td>
</tr>
</tbody>
</table>

9.2 Discussion

Option B: Modern Slipyard performs well in terms of maintaining the slipyards use but is no better or inferior to the status quo on all other criteria. Given how poorly it performs in relation to heritage and residential amenity and the fact that such a development is likely to be financially quite marginal and risky, this option is not really a serious contender.

Option D: Heritage Park performs equally well or better on all criteria than the status quo, with the exception of the financial criterion. The cost is very large and the benefits quite modest when compared to any similar investment that might take place in the tourism heart of Sullivans Cove. This option is not really a serious contender.

Option E: Housing performs poorly on all criteria including the financial criteria and is not considered to be a serious contender.

Option F: Open Space performs well on all but the financial criteria. Unlike the Heritage Park though, the cost may be considered to be justified by the benefits.
9.3 **Practical Considerations**

The fact of the matter is that the existing lessees have tenure to the year 2040 and they have legal rights including the right to use the land for any purpose for which a planning permit can be obtained. The Council cannot change this (except by mutual agreement with the lessee).

The Council can initiate a change to the planning scheme, however, which in turn influences what use can be approved. But it should of course of this solely on the basis of planning considerations.

Given the likelihood of gradual decline of the slipyards there is a danger that there will be pressure for changes of use which will result in a poor planning outcome. The area could become a concentration of marginal light industries with underinvestment in their sites due to the leasehold situation. Such industries would bear little relationship to the original intention of the Battery Point Planning Scheme.

There appear to be three fundamental principals flowing out of these practical considerations:

- The current slipyards should be encouraged and supported but conversion to non-slipyards use should be prohibited.
- The current non-slipyards uses should be facilitated but upon cessation should become prohibited.
- Upon cessation of any of the current uses provisions should be in place for conversion to a desirable planning outcome. (see below).

9.4 **What is a Desirable Planning Outcome?**

Taking into account the options examined, a desirable planning outcome appears to be on which maintains the slipyards as long as possible but with gradual conversion to an open space theme. This may have an element of commercialisation which could reduce the cost impost on the community. Such an outcome could also have an element of the heritage park concept.

The commercialisation in question would be a **single** café/restaurant in a heritage setting which would be compatible with current uses and with open space which would be gradually developed in the event that slipyards close down.
The question of viability of a restaurant in this location is acknowledged, with an apparent surplus of seats in Sullivans Cove and Hobart generally. However, restricting any form of economic competition through the development control system (without valid ‘planning’ arguments) is an area fraught with difficulty. There are examples of very successful restaurants in ‘off-centre’ locations.

A café/restaurant in this location could promote itself on the basis of water views, heritage and Sydney Hobart Yacht Race connections. It could become a venue favoured by locals.

The heritage park elements referred to are the conservation of a slipyards in conjunction with the café/restaurant and incorporation of a site history and Sydney Hobart Yacht Race museum.

Encouragement of the current slipyards means planning provisions which allow reasonable modification of sheds and infrastructure to modernise and rearrangement of sites where appropriate, such as relocation of the access way which bisects Lot 4 (Powercraft Marine)

### 9.3 Recommendations

a. It is recommended that Council test by way of extensive consultation the planning options based on:

- Encouraging current slipyards uses and allowing reasonable redevelopment;
- Prohibiting conversion of slipyards or any current use which ceases to any other use;
- Promoting a single café/restaurant in an appropriate location on the basis that it conserves slipyards buildings and infrastructure and incorporates a site history and Sydney Hobart Yacht Race museum;
- Facilitating conversion of closed slipyards (upon cessation of the lease) to open space incorporating conservation of durable heritage elements

b. It is recommended that the Council have a competent assessment undertaken of the safety aspects of public access to the area including the public liability situation and that any required rectification measures be implemented, including restrictions as appropriate on public access to all or part of the site.
c. It is recommended that the draft Battery Point Planning Scheme by thoroughly reviewed to achieve the outcome specified in ‘Recommendation a.’ and an amendment be prepared to the current scheme to incorporate an appropriate Concept Plan (see below) which would give complying development *approved* status.

d. It is recommended that a Concept Plan be prepared for the whole site to resolve the optimal location for a café/restaurant (as described above), traffic, parking, urban design and heritage issues.