

Appendix P: Submission #7 – Specific Responses

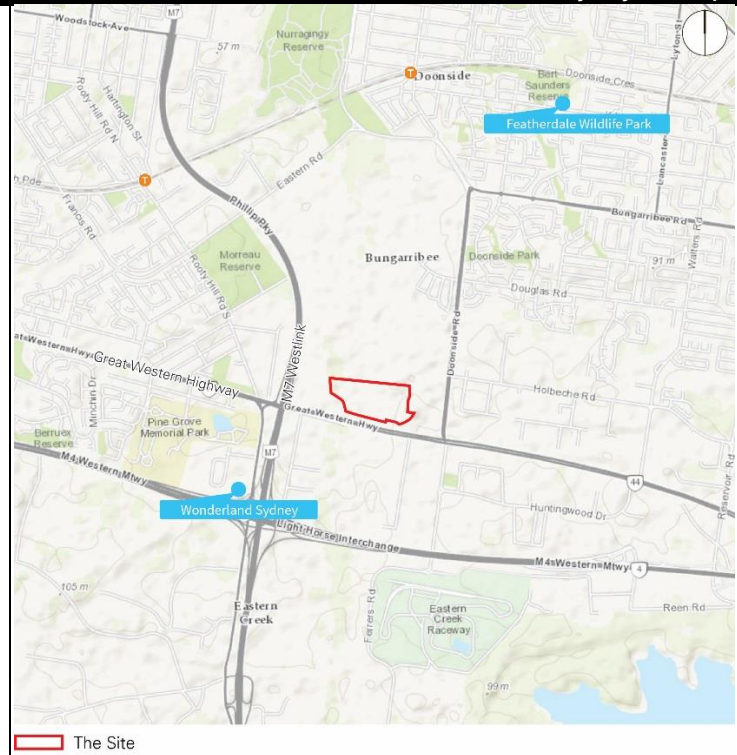
| Issue Raised | Sydney Zoo Response |
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| Deficiencies in Economic and Social Assessments | |
| The documentation that accompanies the application for the Sydney Zoo does not include a detailed business case to demonstrate the viability of the Sydney Zoo development and its likely source of patronage | Sydney Zoo's detailed business case is commercial in confidence. Sydney Zoo has completed extensive analysis and is realistically projecting visitation in the range of 500,000 to 875,000 people per annum, which will make Sydney Zoo a profitable enterprise under all these visitation scenarios. |
| The documentation that accompanies the application for the Sydney Zoo does not include a balanced economic impact assessment that considers both the positive and negative impacts of the development on the immediate and broader locality | Refer to Section 7 of the KPMG Socio-Economic Impact Assessment (Appendix O) which considers two alternative scenarios incorporating net impacts after any redirected visitation. Additionally, Section 7.8 and Appendix A refer to the economic impacts in the extreme negative case of Featherdale closing down. |
| The documentation that accompanies the application for the Sydney Zoo does not include a comprehensive social impact assessment that considers both the positive and negative impacts of the development on the immediate and broader locality. | Refer to Sections 5.9 and 5.10, and Section 8 of the KPMG Socio-Economic Impact Assessment (Appendix O) which considers the existing social environment in Blacktown and Western Sydney, and the measures that Sydney Zoo has taken to create incremental positive social impact for the region. |
| Whilst the Environmental Impact Statement (EIS) attempts to describe the differing nature of the Featherdale Wildlife Park and the Sydney Zoo facilities, the EIS does not take into consideration the timing of procurement of exotic animals and therefore does not take into consideration the likelihood that in the first two to three years, the Sydney Zoo may operate with only limited exotic animals and mostly native animals. Therefore, providing similar experiences and sourcing patronage from similar markets as Featherdale. | <p>The Sydney Zoo product is differentiated from Featherdale and as a result the competitive threat to the Featherdale business should be relatively low. Sydney Zoo makes this statement on the basis that:</p> <ul style="list-style-type: none"> ▪ Sydney Zoo will be less specialised, having a much broader animal collection and with little focus on birds. There are no current plans to have an aviary in Sydney Zoo, which is a significant part, if not a majority of the exhibits by number at Featherdale. ▪ Sydney Zoo will be longer visit time, at 3-4 hours, and so has a different purchase decision driver. ▪ Sydney Zoo admissions will be priced more expensively than Featherdale. <p>On this basis Sydney Zoo will offer visitors diversity of choice and it is considered that the market is large enough to sustain two operators with differentiated products (refer below). Sydney Zoo has a team of highly regarded individuals from the Zoo and Aquarium industry working on animal acquisition. They have visited every major facility along the eastern seaboard of Australia, from Adelaide to the Sunshine Coast.</p> <p>Sydney Zoo is joining a number of industry associations, including:</p> <ul style="list-style-type: none"> ▪ NSW Fauna and Marina Parks Authority ▪ Zoos and Aquariums Association ▪ South East Asian Zoos Association ▪ The World Association of Zoos and Aquaria <p>In addition, the Sydney Zoo General Manager for Life Sciences spent 4 ½ years working in Singapore at the S.E.A. Aquarium and has well developed connections throughout South East Asia.</p> <p>Sydney Zoo is establishing itself as a quarantine facility to allow the importation of animals from facilities around the world. The response from the broader zoo industry has been overwhelmingly positive. Smaller facilities are excited by the idea of having another major quarantine facility established to allow the importation of animals. Most operators running breeding programs are excited by the potential addition of genetics to the local breeding programs, and the addition of major new spaces and facilities to accept animals from captive breeding programs.</p> <p>Where animals are ineligible for import, Sydney Zoo has, as part of the acquisition strategy, expressed a willingness to initially accept bachelor groups and animals that are excess to the breeding programs under the Australian Species Management Program. This serves the purpose of alleviating overall</p> |

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| | <p>pressure on the domestic zoo industry's breeding programs by offering housing to animals which are otherwise surplus to other zoo's requirements. This is the case in approximately half a dozen of the very hard to acquire animals for which the Zoo would otherwise have to wait a prolonged period of time.</p> <p>The consequence of this is that Sydney Zoo is highly confident of opening with a full complement of exotic animals from the outset. Sydney Zoo view this as an essential part of the product offering and has publicly positioned the Zoo as providing a world class exotic animal experience. Accordingly, the proposition that Sydney Zoo will initially have an Australian animal centric is not correct.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>A business case was not made available as part of the application to establish Sydney Zoo. The KPMG report assumption that Sydney Zoo will attract some 888,000 visitors per annum appears unrealistically high when considering that the proposed zoo is only 6 km from the Featherdale Wildlife Park which received some 384,000 visitors in FY14/15.</p> | <p>Refer to the visitor analysis in Section 6 of the KPMG Socio-Economic Impact Assessment (Appendix O), which analyses the visitation numbers based on the heat-map market penetration approach prepared by Sydney Zoo. This analysis has also been benchmarked against other major zoos that provide a suitable comparable analysis. We also highlight the Urbis Analysis that shows there is significant scope for increased penetration of the Featherdale visitor catchment. It is informative to examine the present catchment assessments provided by Urbis in Table 2.1 in the context of the actual visitor number experienced at individual attractions, as disclosed in chart 1.2. This reveals the following visitation relative to catchment size:</p> <table border="1" data-bbox="819 517 2121 705"> <thead> <tr> <th></th> <th>NSW Residents</th> <th>Interstate visitors</th> <th>International visitors</th> <th>Total catchment</th> <th>Annual visitors</th> <th>Visitation as a % of catchment</th> </tr> </thead> <tbody> <tr> <td>Featherdale Wildlife Park</td> <td>1,691,066</td> <td>2,576,398</td> <td>205,867</td> <td>4,473,331</td> <td>383,700</td> <td>8.6%</td> </tr> <tr> <td>Taronga Zoo</td> <td>263,649</td> <td>707,012</td> <td>150,406</td> <td>1,121,066</td> <td>1,464,100</td> <td>130.6%</td> </tr> <tr> <td>Taronga Western Plains Zoo</td> <td>243,724</td> <td>2,151,215</td> <td>41,932</td> <td>2,436,870</td> <td>222,600</td> <td>9.1%</td> </tr> </tbody> </table> <p>On this basis, the under penetration of Featherdale in its catchment relative to that of Taronga Zoo infers that there is considerable scope to accommodate a complementary facility such as Sydney Zoo within the Featherdale visitor catchment.</p> | | NSW Residents | Interstate visitors | International visitors | Total catchment | Annual visitors | Visitation as a % of catchment | Featherdale Wildlife Park | 1,691,066 | 2,576,398 | 205,867 | 4,473,331 | 383,700 | 8.6% | Taronga Zoo | 263,649 | 707,012 | 150,406 | 1,121,066 | 1,464,100 | 130.6% | Taronga Western Plains Zoo | 243,724 | 2,151,215 | 41,932 | 2,436,870 | 222,600 | 9.1% |
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| <p>The KPMG report unrealistically assumes that all Sydney Zoo visits will be new whereas a notable share of these visits will be diverted from existing facilities, particularly nearby Featherdale Wildlife Park.</p> | <p>Refer visitor analysis in Section 6 of the KPMG Socio-Economic Impact Assessment (Appendix O) and subsequent analysis in Section 7 which presents economic impacts of different mixes of visitor sources. Particular attention to Featherdale visitation is detailed in Section 7.8 and Appendix A of the Economic Impact Assessment report completed by KPMG (at Appendix O).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>A further assumption made in the KPMG report is that all non-resident zoo visitors would extend their trip to spend an extra half day in Sydney to visit the Sydney Zoo. However, the report does not provide evidence to support this claim.</p> | <p>This assumption has been made following the report on the Contribution of Taronga and Western Plains Zoo to the economy of NSW by Applied Economics and Aegis Consulting in 2005. Analysis for this report was based on national account data published by the Australian Bureau of Statistics and previous work by the Centre for Agricultural and Regional Economics. It also follows the strategic directions set out by the NSW Government in the Visitor Economy Industry Plan. Visitation is linked to improving the visitor experience, making NSW more competitive, and changing the mindset of Government and industry. These factors provide the rationale for increased trip time.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>One of the specification criteria for focus group respondents, conducted as part of the Urbis study, is that they hosted interstate or overseas visitors in the past 12 months. Focus group respondents were asked if they could see their visitors extending their stay to visit the Sydney Zoo. Nearly all respondents said this is unlikely since the duration of visits is fixed. Respondents noted that tourists strive to plan their itinerary efficiently, and thus seek attractions within close proximity of other attractions. Based on this insight it seems unlikely that non-local zoo visitors would spend an extra half day in Sydney to visit Sydney Zoo.</p> | <p>KPMG acknowledges that interstate travellers visiting friends are often constrained by factors such as weekends and school holidays which determine their length of stay. An additional half-day does not mean that exactly half a day is added to each current trip to Western Sydney, but a mix of increased frequency of trips and of length due to visitation to Sydney Zoo.</p> <p>Domestic overnight visitors, whose primary reason for visiting Sydney was visiting friends/relatives, represents 12% of the total international, domestic overnight and domestic day visitation according to TRA's 2013-14 Sydney regional profile. Focus groups responses are not representative of the whole tourism market that Sydney Zoo anticipates. As mentioned previously, this assumption is based on a previous study conducted in NSW, and is in accordance with tourism strategies identified by the NSW Government.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Analysis of the length of stay of visitors in the different states across Australia clearly shows no relationship between the number of days visitors spend in a state and the number of animal attractions.</p> | <p>Determinants of visitor stay length are not purely dependent on the number of wildlife attractions in a state or territory. These include a wide range of aspects such as demographics of tourists, purpose for visit, and income levels. Tourism offerings are significantly different between regions, and incorporate a range of recreational activities, sporting events, leisure facilities, and natural endowments that are unique to each region.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Issue Raised | Sydney Zoo Response |
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| | <p>The data presented in charts 1.3, 1.4, and 1.5 on pages 6 and 7 of the Urbis report submitted with Submission #7 would not be expected to produce a relationship between the variables presented, as tourism markets are dependent on a broader range of factors.</p> |
| <p>Potential Adverse Economic Impacts on Featherdale</p> | |
| <p>The extent of the impacts the Featherdale Wildlife Park is likely to sustain from the Sydney Zoo can potentially lead to its closure.</p> | <p>Refer Sydney Zoo visitor analysis in the KPMG Socio-Economic Impact Assessment (Appendix O). The Urbis report identifies four key factors that could result in a potentially negative impact on the future usage of Featherdale Wildlife Park:</p> |
| <p>The Sydney Zoo can potentially result in a substantial contraction in the size of the Featherdale Wildlife Park catchment such that even with population and tourism growth, Featherdale will have access to -80% to -91% less catchment residents and visitors in 2017 compared to today.</p> | <p>1) “Proximity – respondents confirmed that proximity is a driver in the decision making around visiting animal attractions.” Sydney Zoo agrees that proximity is a reason for competitive tension between undifferentiated offerings such as shopping centres, retail outlets etc. However for differentiated offerings such as Featherdale and Sydney Zoo there is the opportunity to create a “cluster” of attractions that work together to create a tourism precinct and a destination. Examples include:</p> |
| <p>The Sydney Zoo can substantially reduce the annual visitation at Featherdale Wildlife Park by as much as -50% to -84%.</p> | <p>a) Orlando Florida - with Universal Islands of Adventure, SeaWorld Orlando, Universal Studios Florida, Legoland, Busch Gardens Tampa, Discovery Cove, Magic Kingdom Park, Disney’s Hollywood Studios, Epcot, Disney’s Animal Kingdom Theme Park b) Singapore – with Singapore Zoo, Singapore Night Zoo, River Safari Singapore, Jurong Bird Park and Singapore Aquarium c) The Gold Coast Queensland – with SeaWorld, Dreamworld, Movieworld, Wet n Wild.</p> |
| | <p>2) “Offer – the type of offer is a reason to visit animal attractions, families will be attracted towards the Sydney Zoo over Featherdale Wildlife Park because of the variety of international species” This statement appears to be contradictory to the prior statement about the animal collection initially being not sufficiently differentiated made in other areas of the Elanor submission. A significant element of Elanor’s argument of competitive pressure is that Sydney Zoo will be insufficiently differentiated to Featherdale. Sydney Zoo notes that its differentiation will offer consumers a choice and diversity of attraction that is not comparable to Featherdale.</p> |
| | <p>3) Budget – families are often budget conscious and would therefore be unlikely to visit two animal attractions within the same period Sydney Zoo’s price position is intended to be higher than that of Featherdale. If the market is price sensitive then Featherdale will be at competitive advantage to Sydney Zoo in this area. Indeed Elanor highlights “Affordable ticket prices and fee [sic] parking (relative to Taronga Zoo and other animal attractions)” as one of the positive features identified by the focus group (ref P2 of the Urbis report)</p> |
| | <p>4) Amenity – the quality and availability of amenity is a driver to visit, and limited amenity at Featherdale Wildlife Park will put it at a disadvantage to the new Sydney Zoo which promises extensive amenity. The Urbis report goes on to define amenity as “playgrounds, a variety of food, quality food options and picnic spots”. The report then asserts that Featherdale cannot provide this level of amenity. It is unclear why Featherdale cannot do this. Featherdale is owned by a well-financed listed conglomerate with significantly more financial capacity than Sydney Zoo – there are many strategies that could be employed within Featherdale to improve amenity and the quality of their product offering.</p> |
| | <p>The Urbis report takes the four drivers and applies them to three areas of potential economic impact on Featherdale. These are (as drafted):</p> <ul style="list-style-type: none"> ▪ Reduced size of catchment ▪ Reduced visitation assuming conservatively that the Featherdale Wildlife Park is able to maintain the same trade area after the Sydney Zoo but its market share is halved ▪ Reduced visitation assuming the Featherdale Wildlife Park is able to maintain the same market shares but applied to a reduced catchment area. |
| | <p>The first and third points are essentially the same and not separately dealt with in the Urbis report. The catchment assessment model used by Urbis maps each Census Statistical Area 1 (SA1) across Australia and ascribes to its closest zoo, wildlife park or animal attraction on the basis of drive time analysis. An “exclusive drive time catchment” was then defined for each attraction. Factors such as product differentiation, visitation times and price mean that this</p> |

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| | <p>analysis is flawed. Consumers don't simply go to the closest facility – their purchase decisions are more complex than that. Again it is informative to examine the present catchment assessments provided by Urbis in Table 2.1 in the context of the actual visitor number experienced at individual attractions, as disclosed in chart 1.2. This reveals the following visitation relative to catchment size:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: black; color: white;"></th> <th style="background-color: black; color: white;">NSW Residents</th> <th style="background-color: black; color: white;">Interstate visitors</th> <th style="background-color: black; color: white;">International visitors</th> <th style="background-color: black; color: white;">Total catchment</th> <th style="background-color: black; color: white;">Annual visitors</th> <th style="background-color: black; color: white;">Visitation as a % of catchment</th> </tr> </thead> <tbody> <tr> <td>Featherdale Wildlife Park</td> <td>1,691,066</td> <td>2,576,398</td> <td>205,867</td> <td>4,473,331</td> <td>383,700</td> <td>8.6%</td> </tr> <tr> <td>Taronga Zoo</td> <td>263,649</td> <td>707,012</td> <td>150,406</td> <td>1,121,066</td> <td>1,464,100</td> <td>130.6%</td> </tr> <tr> <td>Taronga Western Plains Zoo</td> <td>243,724</td> <td>2,151,215</td> <td>41,932</td> <td>2,436,870</td> <td>222,600</td> <td>9.1%</td> </tr> </tbody> </table> <p>This simple analysis shows several things:</p> <ul style="list-style-type: none"> ▪ Featherdale catchment is underpenetrated in comparisons to that of Taronga Zoo. ▪ There is a poor correlation between catchment size and experienced visitation <p>A new attraction such as Sydney Zoo should serve to reinvigorate a latent market in Western Sydney by improving audience participation and bringing local zoo visitation to levels closer to that experienced by Taronga Zoo and zoos in other comparable population areas.</p> | | | | | | | NSW Residents | Interstate visitors | International visitors | Total catchment | Annual visitors | Visitation as a % of catchment | Featherdale Wildlife Park | 1,691,066 | 2,576,398 | 205,867 | 4,473,331 | 383,700 | 8.6% | Taronga Zoo | 263,649 | 707,012 | 150,406 | 1,121,066 | 1,464,100 | 130.6% | Taronga Western Plains Zoo | 243,724 | 2,151,215 | 41,932 | 2,436,870 | 222,600 | 9.1% |
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| <p>The proposed Sydney Zoo is too close to Featherdale. Therefore, even after allowing for population and visitation growth, the catchment resident and visitor population to the area may be insufficient to be able to sustain both the Featherdale Wildlife Park and the Sydney Zoo.</p> | <p>During its history Featherdale has absorbed competitive pressures from the opening of Wildlife Sydney Zoo in Darling Harbour and the 14 years of operation of the Australian Wildlife Park. The Australian Wildlife Park was a separate attraction owned and operated by Australia's Wonderland.</p> <p>These are far more directly competitive offerings in terms of visitation time and product offering, and in the case of Australian Wildlife Park was approximately 1 kilometre from the present Sydney Zoo site:</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Issue Raised **Sydney Zoo Response**



The Australian Wildlife Park offered guests the chance to have an 'outback experience' without leaving Sydney. It was home to over 600 animals including Dingoes, Kangaroos, Koalas, Wallabies, Goannas, Little Penguins, Crocodiles and Wombats.

The Australian Wildlife Park first opened its doors on the 26th December 1990 and was part of Wonderland Sydney (formerly Australia's Wonderland). It brought many local tourists to the park, plus a large contingent of international tourists. When The Australian Wildlife Park first opened, it was open 7 days a week. Wonderland shortly followed suit 12 months later. It eventually closed its doors when Wonderland closed on 26th April 2004 – a victim of the lack of success of the fun park, rather than due to any competitive pressures between it and Featherdale.

Featherdale survived having this close proximity, direct competitor in the market for a span of 14 years. During this prolonged period of operation both facilities co-existed with little attempt to differentiate or otherwise change their offers or otherwise shift their animal collections away from the competitor. A competitive equilibrium existed where both parties saw no need to adjust their operations to win back market share. On this basis it is difficult to accept that a differentiated offering such as Sydney Zoo cannot be supported by Western Sydney. History would indicate otherwise.

Workers at the Featherdale Wildlife Park tend to come from lower socio demographic areas. Therefore, any employment loss that Featherdale sustains from the Sydney Zoo would be borne by those who can least afford it.

Sydney Zoo visitor analysis indicates that the closure of Featherdale Wildlife park as a result of the opening of Sydney Zoo is an unlikely possibility. Sydney Zoo will be an employment generator that will substantially offset any unlikely jobs losses, with 60 annual fulltime equivalent jobs to be provided in that scenario.

Social and Economic Impact on the Community

| Issue Raised | Sydney Zoo Response |
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| <p>The closure of Featherdale Wildlife Park would result in a number of extensive negative social and economic impacts on the local and broader community.</p> | <p>The loss of social programs is predicated on the closure of Featherdale, which is unlikely. Refer to the visitor analysis section and comments on the financial impact on Featherdale in Section 7 of the KPMG Economic Impact Assessment report at Appendix O.</p> |
| <p>Featherdale Wildlife Park provides social and economic benefits to the community through a range of education and workplace programs, programs to increase awareness and social interaction with the community, and the care and support for native and endangered animal populations.</p> | <p>Sydney Zoo is also working with Universities, TAFE NSW and Blacktown Council on the development of education and employment programs – refer section 8 of the KPMG Economic Impact Assessment at Appendix O and to the letters of support from these institutions in Appendix H. This is an integral component of the Sydney Zoo proposal.</p> |
| <p>The closure of the well-established Featherdale Wildlife Park would have considerable negative social and economic impacts on the local community, and will result in a number of negative and potentially irreversible impacts on the broader Australian, animal conservation efforts.</p> | |
| <p>The closure of Featherdale would result in the loss of important, well established educational programs. Many of these programs are unique and could not be easily replaced or replicated. These impacts would be immediate and wide ranging for students and schools across the region.</p> | |
| <p>The closure of the Park would also have a negative impact on the social interaction with the community, reducing access to native wildlife and understanding of issues associated with their conservation. It would also remove valuable support and enjoyment provided to charities, schools and those in need within the community.</p> | |
| <p>The closure of the Wildlife Park would have a sizable impact on the support for native wildlife, in particular endangered species. The services the Wildlife Park currently provides, at its own cost, including the support for injured wildlife through the Wildlife Clinic, are important and unlikely to be duplicated by new facilities. Also the closure of the Park would have a substantial impact on the current breeding program and the support the Park provides to the conservation of endangered species.</p> | |
| <p>There is currently insufficient evidence to demonstrate that the Sydney Zoo could replicate the social and economic benefits currently delivered by the Featherdale Wildlife Park in the same scale or to the same community. The transitional and displacement impacts which could occur as a result of the closure of Featherdale Wildlife Park and the establishment of Sydney Zoo would be extensive and detrimental to the community</p> | |