



ROYAL BOTANIC GARDENS AND DOMAIN TRUST AMENDMENT BILL 2024

STATEMENT OF PUBLIC INTEREST

Need: Why is this amendment needed?

The purpose of the Bill is to amend the Royal Botanic Gardens and Domain Trust Act 1980 (Act) to increase the term for leases and licences for any commercial premises up to but not exceeding 50 years and to update the description of the land that the Royal Botanic Gardens and Domain Trust (Trust) is responsible for overseeing.

Without this amendment, the maximum term of leases granted by the Trust, including an option to extend, is 8 years (or 10 years in relation to a lease for the purpose of a restaurant or café). The short lease terms are a disincentive for investment, as they place greater risk impact on operator's potential financial return, and result in lower economic and financial benefit to the Trust.

Schedule 2 of the Act does not currently reflect the extent of the Trust lands in Blue Mountains Botanic Garden Mount Tomah or Australian Botanic Garden Mount Annan. This amendment will identify all the land at the Blue Mountains Botanic Garden Mount Tomah and the Australian Botanic Garden Mount Annan for which the Trust is responsible.

Objectives: What is the policy's objective in terms of the public interest?

By providing better opportunities for capital investment in leasing Trust land, the amendment will improve resources available to improve and maintain the facilities and services provided by the Trust. The amendments will also ensure that all of the land the Trust is responsible for is equally protected and can be maintained on an ongoing basis for future generations.

The current lease term provided under the Act significantly limit the value of Trust land for leasing and licensing purposes. The short period of the leases allowed (8 years generally, 10 years for cafés or restaurants) increases the risk to potential investors and limits their potential financial return.

An increase in the lease terms would therefore lead to greater opportunities for improved revenue and investment for the Trust, which would in turn lead to the Trust being able to invest in facilities and other services for the people of NSW.

To ensure appropriate public oversight, and consistency across the Public Spaces portfolio, an amendment will also be made providing that the Trust must not grant a lease, or licence with a term of 10 years or more, over any part of the Trust lands unless the granting of the lease or licence has been the subject of an open tender process.

Options: What alternatives were considered in setting the 50-year term for leases and licences?

An increase in lease and licence terms cannot be achieved without legislative amendment. In determining the appropriate term for leases and licences over Trust lands, 50 years was identified as providing consistency across leases granted by the Trust, as the Act currently allows for 50-year leases to be granted on certain parts of Trust land.

The 50-year period also allows the Trust to be more consistent with other Acts governing public spaces. For example, the *Place Management NSW Act 1998* and

Centennial Park and Moore Park Trust Act 1983 allow for leases up to 99 years (with Ministerial approval). Meanwhile the *Greater Sydney Parklands Trust Act 2022* and *Western Sydney Parklands Act 2006* have no restriction on lease length, with Ministerial approval required for leases over 25 years.

Increasing the length of leases and licences would therefore ensure a comparable environment to support the Trust on an ongoing basis.