

MARTINDALE HALL ESTATE – APRIL 2016

The National Trust of South Australia (National Trust) proposes to redevelop Martindale Hall Conservation Park as a heritage-based tourism attraction utilising the buildings and grounds to create a unique destination celebrating its cultural and agricultural heritage.



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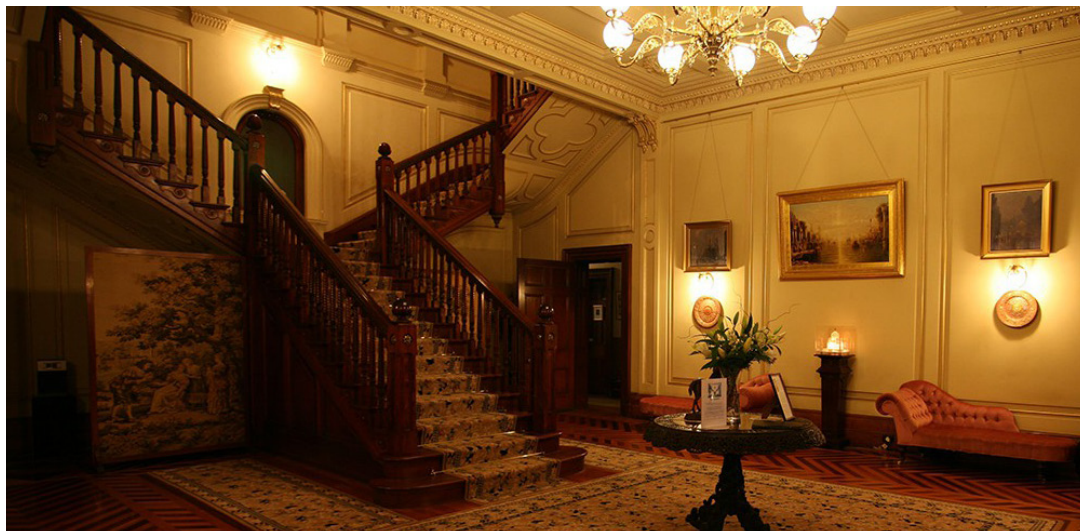


Schedule of Information Requirements

Organisation/Consortium Name
National Trust of South Australia
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Identity
Company ABN 45 432 652 725
Type of Organisation/Consortium
Not-for-profit Charity
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Date of Submission
April 2016



Under the National Trust's proposal, Martindale Hall's static museum would become a dynamic exhibition and events space showcasing national and international heritage collections.



1

Martindale Hall Estate

The National Trust of South Australia (National Trust) proposes to redevelop Martindale Hall Conservation Park as a heritage-based tourism attraction utilising the buildings and grounds to create a unique destination celebrating its cultural and agricultural heritage.

Martindale Hall Estate will bring significant new investment and visitation to the Clare and Mid North regions, create employment and training opportunities and promote local wine and produce to an international market.

Our proposal is to create a world class tourism destination offering an integrated package of attractions and activities including:

- Using the Hall as a dynamic public gallery and exhibition space for displays and events;
- Developing parks and gardens including a 19th century pleasure garden, olive grove, heritage orchard and community garden;
- Utilising the original Coach House and stables to operate a horse drawn vehicle service;
- Hospitality and leisure facilities including farm shop and licensed café, cellar door, retail operations, a marquee facility for functions, and amenities for outdoor events and school camps;
- Education and training opportunities for school, TAFE and university programs;
- An extensive special events program including music events, food and wine festivals, garden

shows, car rallies, antique and collectors road shows and equestrian events; and

- Farming, sporting and other outdoor recreation activities including horse riding, animal handling, clay pigeon shooting, croquet, polo and cricket.

To be delivered in stages over a 7-year period the proposal will involve partnerships with the private sector providing opportunities for:

- private investment for a hospitality facility/ operation on the site; and
- existing tour operators and accommodation providers to include Martindale Hall as part of their tourism offerings.

We have already enlisted the support of international bodies such as the National Trust of the United Kingdom, International National Trusts Organisation and The Georgian Group. We are in discussion with a number of national, state and local organisations on potential partnerships in terms of operations and promotions. We will also pursue sponsorship opportunities with national and local businesses and through philanthropic organisations and individuals.



Our vision is to develop the Martindale Hall Conservation Park into a world class tourism attraction welcoming more than 100 000 visitors annually.



2

Proposal Details

PROPOSAL DETAILS

Our proposal involves creating an integrated tourist destination that leverages the heritage of the site to create diverse experiences aimed at a range of target markets, in particular families, international tourists and day trippers from Adelaide. The new attractions and experiences proposed here will provide a secure and sustainable income to support ongoing public access and long term conservation of the heritage buildings and surrounds, as well as generating additional employment and economic benefits for the region and the state.

Martindale Hall Estate will be a unique destination for tourists within South Australia and one which differentiates the Clare Valley from other popular wine regions.

Specifically, the objectives of this proposal are as follows:

- ensure Martindale Hall remains fully accessible to the public and local community, and retains its heritage value for future generations as the original bequest intended;
- increase attendances at Martindale Hall and environs through a range of diverse and engaging attractions, events and experiences that build upon the site's heritage;
- create a unique destination for local, interstate and international tourists;
- support and promote other tourism operators and destinations in the region;
- contribute to the economic well being of the Clare Valley and Mid North regions;
- create local employment and training opportunities;
- establish a sustainable business model for the Martindale Hall Estate including an administration fund for its operation, maintenance, insurances and budgeted expenses and an investment fund for ongoing conservation and future major capital works;
- provide a range of opportunities for private sector participation and innovation and community and tourism oriented events, consistent with the heritage of the site; and
- implement a governance structure that allows the asset to remain in public hands and brings together experienced leadership in heritage-based tourism.



The site will host an extensive special events program including music events, food and wine festivals, garden shows, car rallies, antique and collectors road shows and equestrian events.



2

Proposal Details

Our business approach (method) will involve the following strategies:

HERITAGE ATTRACTIONS

We will transform the visitor experience of Martindale Hall, which is currently used as a static museum, by creating an ever-changing exhibition and event space using a combination of the National Trust's own significant national holdings of fine art and heritage objects and the existing collection on the site.

We will work in partnership with other National Trust organisations in Australia and internationally to loan and exhibit collections of art and cultural objects relevant to the period of its use, establishing Martindale Hall as an essential part of a traveller's itinerary and a cultural destination in its own right.

The upper level of Martindale Hall will be returned to its former glory and provide additional exhibition space for cultural, art and historic displays and interpretation and a venue for exhibitions of national and international significance.

The Coach House will be restored to host displays and demonstrations of horse-drawn vehicles using the National Trust's own collection of horse-drawn vehicles, the largest and most significant held in Australia. It will also include a workshop including live demonstrations by blacksmiths, farriers, saddlers and wheelwrights to recreate what would have been in place during the life of the Martindale Hall estate. A feature of the Coach House will be the opportunity to take coach rides around the estate and to learn how to drive working horses.

OUTDOOR ATTRACTIONS, ACTIVITIES AND EVENTS

The Martindale Hall site will be redeveloped to its original conditions as a working estate and pleasure garden including areas for sporting activities and an adventure playground.

In creating the Martindale Hall Home Farm we will provide a unique opportunity for visitors, in particular children, to experience a working estate exhibiting agricultural and horticultural techniques used in South Australia's pioneering days and providing opportunities to interact with farm animals and experience farm life.

To deliver this experience we will partner with the UK National Trust and adopt their successful home farm model used at iconic estates such as Wimpole Estate located in Cambridgeshire, England. As part of this model we will investigate rare breed farm animals and will re-establish the estate's orchard and garden based on a community garden model to increase local participation and engagement with the rejuvenation of Martindale Hall.

We are investigating with state and national associations the opportunity for Martindale Hall to provide facilities for croquet and clay pigeon shooting. We believe the inclusion of regular sporting and recreational activities and events will further encourage community participation in Martindale Hall in addition to ensuring its use in line with the intention of the Mortlock bequest. The site will also host exhibition matches for cricket and polo and other regular sporting events.



Our business model includes developing infrastructure for events including room for temporary infrastructure such as marquees for weddings and tent cities for school camps.



2

Proposal Details

The National Trust will invest in an adventure playground and picnic area to create an important public recreation space. We will partner with the Australian Garden History Society to develop a pleasure garden of the Victorian era appropriate to Martindale Hall's history. We believe this investment in public space will become a vital business and marketing tool to increase visitation to the site.

All of these activities lend themselves to education, training, internship and employment opportunities in the areas of heritage conservation, agriculture, horticulture, animal husbandry and tourism management.

PRIVATE SECTOR PARTICIPATION

Private sector involvement will be secured through a development agreement and licence for:

- a) the existing non-heritage structure (or its footprint) currently used as residence; and/or
- b) a new building, up to 400 square metres, facing Manoora Road.

Through these arrangements a hospitality operator will be secured to provide food and beverage facilities and services for Martindale Hall, a much-needed element to attract visitors to the site.

The Trust will invest in infrastructure for outdoor events including utilities, services, picnic areas and temporary infrastructure (marquees), providing additional incentive for a hospitality operator to establish itself at the site.

Infrastructure for outdoor events will also provide a fit-for-purpose facility for music events, garden shows, food and wine festivals, car rallies and markets. We have already secured interest in the site from national event organisers and promoters.

TOURISM DEVELOPMENT

The proposal will support the achievement of the goals established in the Destination Action Plan for the Clare Valley developed by the South Australian Tourism Commission in conjunction with local tourism operators and stakeholders.

GOVERNANCE

Our proposal involves the National Trust acquiring the site. We will however consider negotiating a long-term lease arrangement if this is the preferred position of the State.

Martindale Hall Estate will be managed directly by the National Trust as part of its ongoing operations. We will establish an Advisory Board drawing on expertise in agriculture, tourism, the arts, education and small business to provide strategic advice and guidance in managing and promoting Martindale Hall Estate.

We will form a dedicated Martindale Hall Trust fund to source and promote ongoing financial support via public contributions. This foundation will help secure the future development of the property and provide funding for necessary conservation and development projects for the buildings, collections and grounds.



Our proposal presents opportunities for private sector involvement to provide food and beverage facilities and services for Martindale Hall, a much-needed element to attract visitors to the site and a valuable opportunity to showcase local wine and produce.



2

Proposal Details

THE NATURE AND EXTENT OF ANTICIPATED OUTCOMES

Visitors will experience:

- A unique and diverse range of attractions and activities;
- An annual program of major events including festivals, exhibitions, markets, shows, competitions and rallies; and
- Opportunities to fully explore and enjoy the grounds for sport and recreation.

The community will gain:

- A focal point for the arts, culture and enterprise of the region;
- Public amenity with free and accessible open space including playground, picnic area and sporting grounds;
- A community garden, orchard and kitchen garden;
- An increase in visitors to the region contributing to employment and the local economy;
- Education and employment opportunities; and
- An increase in major events.

The State Government will achieve:

- A sustainable asset management strategy;
- An increase in tourism for the State and region;
- Economic development for the region; and
- Community support for valuing and protecting our heritage assets.

BENEFITS

The key benefits our proposal will bring to the State include:

- Preserving the site's significant heritage and cultural values;
- Increasing tourism related income and investment;
- Attracting tourists and visitors to South Australia interested in heritage and its preservation;
- Creating new jobs and services;
- Creating opportunities for partnerships with the community and the private sector;
- Local and regional economic activity and growth;
- Generating flow on business investment in the region and State;
- Building community pride in heritage; and
- Increasing awareness of the site's significance.



A range of agricultural activities will become attractions at Martindale Hall Estate including working farm animals, rare breed displays, horticulture and shearing, as well as heritage trades such as blacksmiths, farriers and wheelwrights.



3

Assessment Criteria

ASSESSMENT CRITERIA

1. COMPETING PROPOSALS

At the time of submitting this proposal the National Trust is aware that an unsolicited proposal submitted by “Martindale Hall Partnership – Warren Randall and Warrick Duthy” is still under advanced consideration.

The distinct advantages our proposal has over the Martindale Hall Partnership proposal or any other similar proposal, are as follows:

- Our proposal ensures Martindale Hall remains in public hands, accessible to the community and ensures it is used, preserved and enhanced in accordance with the legal terms and intentions of its original gift to the people of South Australia;
- Our proposal retains and invests in the conservation and maintenance of the tangible heritage fabric and intangible cultural values of the site;
- Our proposal ensures maximum public access to the entirety of the current Conservation Park with greatly enhanced amenity and appeal;
- Our capabilities include decades of experience in heritage management in South Australia and a network of local, national and international partners;
- The National Trust has unique capabilities and experience in the management of heritage-based tourism destinations, products and services;
- The National Trust has strong, global brand recognition and public support as a custodian of heritage places and as a provider of unique tourism experiences; and

- The National Trust is uniquely placed to undertake public fundraising and to secure government and philanthropic support for its work, including the ongoing conservation of Martindale Hall.

2. COMMUNITY NEED/GOVERNMENT PRIORITY

Our proposal promotes the following outcomes for South Australia and its economic priorities: Increased tourism to the region contributing to the State’s economic development.

Current visitation to the site is estimated to be approximately 12,000 to 15,000 a year. Other heritage sites in South Australia, for example Carrick Hill, attract more than 60,000 visitors a year. Rippon Lea House and Garden, managed by the National Trust in Victoria, attracts more than 100,000 visitors a year. Wimpole Estate managed by the National Trust in the UK attracts more than 270,000 visitors annually. Our short term goal is to double current visitation to the site in the first year. Our long term goal is to increase visitation to numbers similar to comparable National Trust properties in Australia, to reach over 100,000 a year, within a 7-year period.

Australia’s leading heritage-based tourism attraction, Sovereign Hill in regional Victoria, attracts around 700 000 visitors per annum and contributes an estimated \$228.5m to the Victorian economy each year. In this context, we believe that our Martindale Hall Estate proposal has the potential to deliver a benefit of at least \$30m per annum to the South Australian economy.



The National Trust will invest in an adventure playground and picnic area to create an important public recreation space.



3

Assessment Criteria

International connections and engagement

The purpose of the UK National Trust is to safeguard places of significant heritage and environmental value. They do this by embracing commercial and sustainable models to create major tourism attractions and valued community assets, with an emphasis on sustainable operations and local community participation. The National Trust of South Australia will work with the UK National Trust to implement this model for Martindale Hall Estate. The value of engaging with the National Trust in the UK includes arrangements to loan collection items, promote to their members, access their extensive skills and expertise and developing international collaborations and exchanges between the UK and South Australia.

Jobs

The proposal will deliver new direct and indirect employment associated with the development and ongoing operations of the site. Further employment opportunities will be created in relation to private sector hospitality facilities/services on the site and indirectly in other businesses in the region as a result of increased visitation to the region and the State.

The recent economic impact study of Sovereign Hill in Victoria revealed that it supports more than 1400 jobs directly and indirectly. We believe a similar impact – albeit on a smaller scale – can be achieved through this proposal.

Our focus on local sourcing and partnerships will ensure the maximum flow on effect to employment within the region.

3. UNIQUENESS OF THE PROPOSAL

The key elements of the proposal for Martindale Hall Estate – cultural, agricultural, educational and recreational – are all key areas of strength for the National Trust and unmatched by any other private or public organisation in the State. This proposal draws on the unique heritage assets, professional networks and organisational capabilities of the National Trust to deliver outcomes in terms of heritage conservation, tourist experiences and community engagement.

In South Australia the National Trust is recognised and valued by the community for our capacity and experience in preserving, managing, maintaining and promoting heritage sites, museums, collections and local heritage. We undertake this role on the behalf of the people of South Australia and future generations. This proposal embodies our role.

One major advantage gained by the State Government in entering into negotiations and a partnership with the National Trust is community support and trust. The public will accept that the State Government acknowledges Martindale Hall's heritage and cultural value, and will be assured that the asset will continue to be maintained in the interests of the community and the original bequest.

We are also the only other organisation that already holds a significant collection of items from Martindale Hall (more than 1000) donated to the Trust by the late Dorothy Mortlock.



The Coach House will be restored to host displays and demonstrations of horse-drawn vehicles using the National Trust's own collection of horse-drawn vehicles, the largest and most significant collection in Australia.



3

Assessment Criteria

The National Trust is unique among private and non-government organisations in its capacity to fundraise for heritage conservation works using its Deductible Gift Recipient (DGR) status with the Australian Taxation Office.

We have an established track record as the most cost effective manager of the State's heritage assets and the largest outside of government.

This proposal draws on and extends our access to the unique expertise of the worldwide National Trust movement, the best known and respected heritage brand in the world.

The National Trust has a unique and long standing association with Martindale Hall through the Mortlock family and the University of Adelaide, prior to its transfer to Government. In fact it was the Trust that initiated the first public tours of the Hall in the 1980s.

4. VALUE FOR MONEY

Our proposal offers financial benefits for the State Government by replacing subsidies with revenues that will contribute to the maintenance and lifecycle risk for Martindale Hall. Revenues will be achieved through increased visitation, a hospitality business on site, retail and other commercial operations, as well as sponsorship and donations.

5. ORGANISATIONAL CAPACITY AND CAPABILITY

The National Trust has been preserving and promoting South Australia's heritage for more than 60 years. We manage more than 120 heritage places across the State. We operate a range of tourism oriented services and attractions, including a number of accredited Visitor Information Centres and more than 20 local museums from Ceduna to Burra to Renmark to Mount Gambier. We have managed one of the State's major heritage properties, Ayers House in Adelaide, on behalf of the Government for more than 40 years.

We are part of a national and international association of National Trust organisations, the world's largest and best recognised heritage attraction operator in the world.

Our capacity is greatly enhanced through our membership base of 6 000 South Australians (60 000 nationally and 4 million worldwide). In addition we have more than 1 000 registered volunteers in South Australia who work with us to manage properties and deliver visitor experiences.

Our current annual operating income is approximately \$3m per annum, derived from our business activities and supporters. We do not depend on government to fund our ongoing operations. We hold net assets worth more than \$12m. In addition, in the past year alone, we have raised more than \$1.6m for heritage conservation in South Australia through our conservation appeals program.



4

Financial and commercial details

FINANCIAL AND COMMERCIAL DETAILS

The National Trust believes it can achieve the best future for Martindale Hall through a transfer of title to secure our proposed investment and to maximise fundraising opportunities. We believe an urgent priority is to secure an investment fund for current and future conservation work required on the heritage buildings. The Trust is best placed to establish and grow this investment fund if it holds title to the property. However we may also consider a long term lease arrangement subject to negotiations on rights and responsibilities.

We believe the benefit to Government of a transfer of title is a clear shift of operational and financial responsibility for the maintenance of the facility and all future major capital works to the Trust.

In order for the National Trust to commit to the investment proposed here, it will require the State Government to ensure the building is in good repair at the start of the negotiated property transaction (i.e. transfer or lease) or require a payment for agreed conservation and maintenance works.



5

Other

COSTS AND REQUIREMENTS OF GOVERNMENT

Costings will be further developed in phase 2 of the unsolicited bid process when we are in possession of the current costs and asset condition reports requested.

If the State Government preferred position is to establish a long term lease the site, we would require lease terms that allow the sub-lease and/or license of areas of the site to a third party for hospitality use and short-term events.

RISKS

The proposal allows the State Government to fully and permanently transfer the asset's maintenance and lifecycle risk to the National Trust. Operational risk for the site will also be transferred to the National Trust.

INTELLECTUAL PROPERTY DETAILS

The National Trust retains the right to all Intellectual Property contained within its proposal.

OTHER STATEMENTS

This document has been prepared by the National Trust of South Australia for submission to the State Coordinator-General, the Steering Committee and Cabinet for the purposes of Stage 1: Initial Proposal under the State's Unsolicited Proposal Guidelines.

The detail that the National Trust of South Australia has been able to include in its submission as part of this process has been limited, in particular the financial and commercial details.

As requested by the National Trust in February 2016 the National Trust requires the following information to undertake the necessary due-diligence to inform its proposal:

- Any information regarding the asset's condition including an asset condition assessment/audit; a list of maintenance undertaken to date and any programmed maintenance (funded and unfunded) required to be undertaken; and risk management strategies developed for compliance obligations associated with the building.
- A catalogue, register and valuations available for the fixtures, fittings and furnishings contained within Martindale Hall and Coach House.
- Any valuations (independent or recently done by the Valuer-General) in relation to the buildings and land of the property.
- Income and expenditure statements in respect of the property for the past 10 years.



5

Other

PREFERRED CONTRACTUAL ARRANGEMENTS

The National Trust of South Australia seeks a six month exclusivity agreement to explore and negotiate the opportunities outlined in this unsolicited bid.

AGENCY POINTS OF CONTACT

N/A

PERIOD OF TIME FOR WHICH THE PROPOSAL IS VALID

6 months

PROPOSED DURATION OF THE ARRANGEMENT

N/A

This proposal is to be signed by a representative of the proponent authorised to represent and contractually bind the proponent.

Name
Dr Darren Peacock
Position
Chief Executive Officer
Signature
Date



Martindale Hall Estate activity zones

