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BELLBRIDGE BOATHOUSE BUSINESS CASE

FINAL REPORT

TOWONG SHIRE COUNCIL

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ACRONYMS

AAGR	Annual Average Growth Rates	NVS	National Visitor Survey
ABS	Australian Bureau of Statistics	P.A.	Per Annum
BCR	Benefit Cost Ratio	ROI	Return on Investment
GMW	Goulburn Murray Water	SA2	Statistical Area Level 2
IVS	International Visitor Survey	SQM	Square Metre
LGA	Local Government Area	TRA	Tourism Research Australia
NPV	Net Present Value	YE	Year Ending

GLOSSARY OF TERMS

Direct Impacts	Direct output or value of development or construction activity.
Employment	Employment data represents the number of people employed by businesses/organisations in each of the industry sectors in a defined region. Employment data presented in this report is destination of work data. No inference is made as to where people in a defined region reside.
Indirect Impacts	<p><u>Supply-Chain effects</u> – The increased output generated by servicing industry sectors in response to the direct change in output and demand.</p> <p><u>Consumption effects</u> – As output increases, so too does employment and wages and salaries paid to local employees. Part of this additional income to households is used for consumption in the local economy which leads to further increases in demand and output region.</p>
Input-Output Model	This method is based on the interdependencies and relationship between industry sectors and is widely used across the public and private sector to estimate the direct and flow on economic impacts of a project or activity to an economy (using industry multipliers).
Output	Represents the gross revenue generated by businesses/ organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.
Statistical Area Level 2	SA2s are medium-sized, general-purpose, geographical areas. Their purpose is to represent a community that interacts together socially and economically. Data from TRA and the ABS are available at an SA2 level, noting that the SA2 is the smallest area for the release of data.

EXECUTIVE SUMMARY

PROJECT BACKGROUND

This Business Case report examines the strategic benefits, as well as the economic, financial and social impacts of the Bellbridge Boathouse project.

The project involves the redevelopment of the existing Hume Boat Club (Boat Club) facility into the Bellbridge Boathouse (Boathouse).

The purpose of this report is to allow Council to make an informed decision of the cost benefit of the Bellbridge Boathouse project.

PROJECT DRIVERS AND PROBLEMS TO BE SOLVED

- Investment is required to unlock Lake Hume's full potential as one of Towong Shire's hero tourism destinations.
- There is opportunity to strengthen the Bellbridge visitor node through activating foreshore areas.
- Towong's Lake Hume tourism offerings are reliant on high water levels and require diversification to build resilience and better disperse economic benefit.
- There is a lack of community and recreation facilities in Bellbridge to accommodate current and future population growth.
- There is opportunity to leverage a large regional catchment in Albury Wodonga to attract residents and visitors.
- The existing club house is poor condition and is unsuitable for community and commercial uses.
- Works and development cannot conflict with Lake Hume's role as a major water reserve.
- There are no commercial offerings or high-quality amenities to attract community members or visitors to the foreshore area.
- The lack of community infrastructure and amenity impacts population retention, particularly for young families, contributing to an ageing population profile.
- Existing offerings and infrastructure only attract a niche visitor market that is generally low yielding.

- The excellent commercial potential of the site remains unrealised due to Towong Shire's low population and business base.

PROJECT OBJECTIVES

Council is pursuing this priority project to enhance boat club facilities and community infrastructure, as well as provide commercial opportunities for residents and visitors. The project objectives are to:

- Facilitate high quality food, beverage, retail and recreational offerings at the proposed Bellbridge Boathouse that become destination drivers for Bellbridge and the broader region;
- Provide hospitality and retail services that improve the liveability of Bellbridge and Towong Shire residents;
- Activate the site; both indoor and outdoor areas, day-to-night, and year-round but especially during the summer period;
- Provide amenity improvements to residents within Bellbridge and the broader region;
- Generate revenue streams to support long term viability of the Bellbridge Boathouse;
- Stimulate local consumption in Bellbridge, which will reduce expenditure leakages to Albury-Wodonga and generate flow-on economic benefits for Towong (inc. increases in economic output and job creation);
- Secure financially reliable and experienced service providers to conduct hospitality, retail and outdoor recreation business from the premises in a safe and sustainable manner; and
- Ensure ecologically sustainable land uses as well as maintaining the wellbeing of the community.

CONCEPT

The Bellbridge Boathouse will be a family friendly destination for the local community and residents of Albury Wodonga and Towong Shire to gather, socialise and dine.

This facility will be a bespoke building replacing the existing Hume Boat Club facility, featuring:

- **New Boat Club facilities** including a meeting room, internal storage space, kitchenette, private amenities and direct access to the foreshore;

- A **social room/function space** (approx. 100 pax seated) with bar, commercial kitchen, storage, internal toilets, amenities and views across Lake Hume;
- An independent **café space** (with separate commercial kitchen);
- Two additional **commercial/retail spaces**;
- **Carparking** and **landscaping** surrounding the facility; and
- Accessible **public toilets**.

PROJECT COST

Victorian State funding was successfully sourced to progress the project to an investment ready stage. Construction plans have been developed and costed by a Quantity Surveyor, with the Boathouse construction estimated at \$10 million.

PROJECT BENEFITS

- Improved visitor experience elevates the reputation and awareness of Bellbridge and Lake Hume as a tourism destination;
- Improved access to water-based and other active recreation opportunities;
- Improved community liveability, engagement and inclusivity benefits;
- Encouraging a greater dispersal of visitation to Bellbridge and Towong Shire;
- Activating Lake Hume and stimulating private investment;
- Increase in visitor spend and length of stay; and
- Providing local employment opportunities and flow-on economic benefit to local businesses.

FINANCIAL ANALYSIS

A financial analysis of the Boathouse demonstrates the potential financial viability of the facility as a revenue generating asset.

This assumes the following governance arrangement for the project:

- Goulburn Murray Water (GMW) is the land manager/site landlord;
- Council owns the Boathouse facility and leases the land from GMW as the head tenant/facility manager; and
- Council sub-leases dedicated spaces and land to the Boat Club and commercial operator/s for the café and retail areas.

Based on industry benchmarks and adopted assumptions (detailed throughout this report), it is estimated that the Boathouse could potentially generate operating surplus for Council from Year 2 onwards, increasing from **\$32,309** to **\$40,928** in Year 10¹.

This assumes Council receives lease revenue from the sub-lessees, and is obligated to pay lease payments to GMW, as well as facility operating costs.

T1. OPERATING FINANCIAL MODEL

	Year 2	Year 10
Total Revenue	\$145,671	\$184,532
Total Expenditure	\$113,362	\$143,603
Net Operating Surplus/(Deficit)	\$32,309	\$42,928

Source: Urban Enterprise, 2023

ECONOMIC IMPACT

The development and operation of the Boathouse is likely to have broader positive impacts on the regional economy and community. This includes:

- Short-term construction benefits from the initial capital investment, totalling \$20.7 million in additional output and 51 new jobs; and
- Ongoing benefits received by new visitors to the Boathouse (33,015), which will generate turnover (i.e. visitor spend) of \$1.2 million, supporting:
 - \$2.3 million in additional output p.a.; and
 - 14 new jobs p.a.

¹ Year 2 is used as the first full year when all revenue generating components are established. This is because event hire fees for the social room will be generated from Year 2 onwards as the venue becomes established and to account for the lag in booking events.

1. BACKGROUND TO THE BUSINESS CASE

1.1. PROJECT BACKGROUND

This Business Case report examines the strategic benefits, as well as the economic, financial and social impacts of the Bellbridge Boathouse project.

The project involves the redevelopment of the existing Hume Boat Club (Boat Club) facility into the Bellbridge Boathouse (Boathouse).

The purpose of this report is to allow Council to make an informed decision of the cost benefit of the Bellbridge Boathouse project.

1.2. PROJECT OBJECTIVES

Council is pursuing this priority project to enhance the boat club facilities and community infrastructure, as well as provide commercial opportunities for residents and visitors. The project objectives are to:

- Facilitate high quality food, beverage, retail and recreational offerings at the proposed Bellbridge Boathouse that become destination drivers for Bellbridge and the broader region;
- Provide hospitality and retail services that improve the liveability of Bellbridge and Towong Shire residents;
- Activate the site; both indoor and outdoor areas, day-to-night, and year-round but especially during the summer period;
- Provide amenity improvements to residents within Bellbridge and the broader region;
- Generate revenue streams to support long term viability of the Bellbridge Boathouse;
- Stimulate local consumption in Bellbridge, which will reduce expenditure leakages to Albury-Wodonga and generate flow-on economic benefits for Towong (inc. increases in economic output and job creation);
- Secure financially reliable and experienced service providers to conduct hospitality, retail and outdoor recreation business from the premises in a safe and sustainable manner; and
- Ensure ecologically sustainable land uses as well as maintaining the wellbeing of the community.

1.3. PURPOSE OF THE BUSINESS CASE

The primary purpose of this business case is to:

- Identify the existing visitor experience problems and strategic responses required;
- Articulate the key benefits that result if the problems are solved;
- Define and assess potential interventions and their components;
- Recommend a solution that includes an analysis of environmental and social impacts;
- Economic analysis of preferred option; and
- Allow Council to make an informed decision of the cost benefit of the Bellbridge Boathouse project.

This report has been prepared based on findings of the *Lake Hume Master Plan* and *Bellbridge Boathouse Governance and Financial Modelling Report*, which were informed by background research, site visits, stakeholder consultation and economic analysis.

1.4. ABOUT THE LAKE HUME BOAT CLUB

An overview of Bellbridge Boathouse location and surrounds is illustrated in Figure F1 (overleaf). This demonstrates its central location across the Lake Hume region, including its:

- Access to Lake Hume along the Berringa Peninsula, which has more consistent water levels year-round;
- Proximity to the adjacent Bellbridge township, as well as Bethanga (which is a further 10-minute drive inland); and
- Access to Albury Wodonga (less than a 20-minute drive) via the Bethanga Bridge.

With limited development in the region, as well as access to a broader resident and visitor catchment across Albury Wodonga and western portions of Towong Shire, there is opportunity for the Boathouse to service various markets and user groups.

The existing project study area covers approx. 2 hectares along the Lake Hume foreshore, directly adjacent to the Bellbridge township. Existing assets onsite include (illustrated in Figure F3):

- **Club house.** Currently leased by the Hume Boat Club (Boat Club), the facility has minimal amenity, consisting of a small hall, kitchen and outdoor barbecue area.
- **Boat ramp:** Owned by the Boat Club, this is exclusive for members use only.
- **Grassed outdoor areas:** Used by members to park vehicles and trailers.
- **Public toilets:** Open 24/7 and accessible to the public.
- **Sheltered picnic table.** accessible to the public.
- **Paved walking paths.** Linking to adjacent reserves along the Foreshore.

Governance and Management Structure

The project study area is freehold land owned by Goulburn Murray Water (GMW), on behalf of the Murray Darling Basin Authority. Currently, the site is leased annually to the Boat Club on a 12-month rolling contract for \$4,400 p.a. Maintenance of the club house and the boat ramp are the responsibility of the

Boat Club, which has held the site for over 15 years. GMW have expressed their support in protecting the Boat Club's interests and maintaining the lease for community use in the future.

The Boat Club is a social club, with a membership base of around 200², and is overseen by a committee that manages club operations, activities and strategic directions.

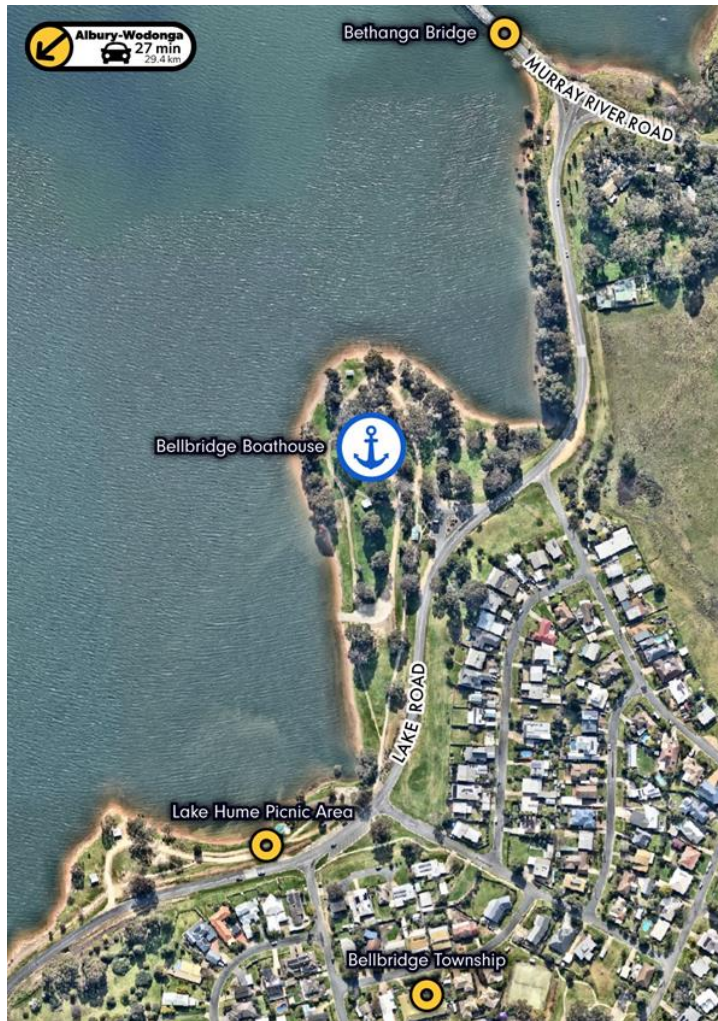
Hume Boat Club Operations and Activities

Activities currently undertaken in the club house and surrounding study area include:

- **Boating & water-based recreation (e.g. waterskiing, fishing, boat racing, sailing).** The exclusive access to the boat ramp for water-based recreation is the primary activity undertaken by members and the key driver for memberships.
- **Private functions.** Currently, the facility receives approx. 10 bookings p.a. for weddings, birthdays, funerals, etc, which can only be exclusively booked by members.
- **Community events & activities.** With no public community facilities available in Bellbridge, the club house site is the township's sole community asset. Both the club house and outdoor areas are utilised for various events and activities, including carols, dance/yoga classes, civic celebrations and Council fun days. The Boat Club does not currently receive a fee for community events on the site.
- **Boat Club committee meetings & events.** The club house is used several times a year for the Boat Club's internal activities including committee meetings, their AGM, fundraising and social events.
- **Passive recreation.** The sheltered picnic tables and grassed foreshore areas are open to the public and are used for passive recreation by visitors and locals.

² Members are required to pay an annual fee of \$140 p.a.

F1. BELLBRIDGE BOATHOUSE LOCATION & SURROUNDS



F2. PROJECT STUDY AREA AND SITE OVERVIEW



Map by Urban Enterprise, 2023

1.5. INVESTMENT LOGIC MAPPING

The overall rationale for the project is summarised in the **Investment Logic Map (ILM)** provided below. As outlined in the ILM, the Bellbridge Boathouse will support delivery of the following benefits:

- Deliver a balance of community and commercial uses that accommodate the needs of both locals and visitors;
- Deliver non-water-based tourism products and experiences that promote year-round activation;
- Diversify revenue streams to support long term viability of the club house; and
- Improve the reputation and awareness of Bellbridge as a tourism destination.

The project drivers, problems and solutions are described in more detail in subsequent sections of this report.

F3. BELLBRIDGE BOATHOUSE INVESTMENT LOGIC MAP



2. PROBLEM DEFINITION AND RESPONSE

2.1. UNDERSTANDING THE REGIONAL CONTEXT

Investment is required to unlock Lake Hume’s full potential as one of Towong Shire’s hero tourism destinations.

Lake Hume is one of Towong Shire’s most prominent nature-based assets. Currently, very little investment in the lake has occurred.

Consumer research conducted of a representative sample of over 2,000 Australians indicated a lack of awareness of Lake Hume from the broader Australian market. Additionally, the lake’s isolation from population centres impacts accessibility from key visitor markets (e.g. Melbourne, Sydney, Canberra). Low visitor market awareness of Lake Hume impacts the region’s ability to attract visitation.

Investment in infrastructure, product and experiences that establish Lake Hume as a hero destination in Towong Shire is needed to drive visitor demand and consumer awareness.

There is opportunity to strengthen the Bellbridge visitor node through activating foreshore areas.

Bellbridge holds a central location in the Lake Hume region and is one of two townships in Towong Shire directly located on the foreshore. This offers considerable potential for tourism and community recreation and leisure opportunity.

Increased investment in the Bellbridge foreshore is required to strengthen its role as Lake Hume’s key visitor access points.

Towong’s tourism offerings are reliant on high water levels and require diversification to build resilience and better disperse economic benefit.

Lake Hume’s water levels regularly fluctuate throughout the course of the year, and between years, as a result of varying rainfall and the need to provide water for downstream uses.

Community consultation highlighted that the low visual attractiveness of Lake Hume when there is no water negatively impacts upon residents’ quality of life. Moreover, given that much of the existing visitation to the lake is for boating and water-based activities, water-level fluctuations cause irregular visitation patterns.

There is a need for investment in a diverse range of tourism products and experiences, both on and off water, to attract consistent visitation to Lake Hume.

There is a lack of community and recreation facilities in Bellbridge to accommodate current and future population growth.

The Boathouse will be located in the Bellbridge township - a small residential settlement located on the Berringa Peninsula. The Bellbridge population sits at 393 residents (as of 2021). A residential development of approx. 206 new lots is currently planned in the *Our Bellbridge Masterplan and Strategy (adopted in 2015)*, which will potentially double the current population. However, there are currently no commercial retail premises to cater to the community (or visitors), including dining, basic groceries or food retail.

Community consultation also highlighted the urgent need for additional and improved community and recreation facilities, to achieve liveability outcomes and facilitate connections between community members.

There is opportunity to leverage a large regional catchment in Albury Wodonga to attract residents and visitors.

Bellbridge is in close proximity to the Albury Wodonga regional centre (approx. 20 minutes via Bethanga Bridge), providing excellent opportunity to leverage a diverse residential and visitor market.

The existing market size for the Bellbridge Boathouse (based on a 90 minutes catchment area), includes over 197,300 residents and 5.2 million visitors per annum. The region has experienced high population growth in recent and already attracts millions of visitors who come to holiday at one of Victoria’s most magnificent inland waterways.

The lack of community infrastructure and amenity impacts population retention, particularly for young families, contributing to an ageing population profile.

2.2. PROBLEM DEFINITION

The existing club house is poor condition and is unsuitable for community and commercial uses.

The existing club house is outdated, in poor condition and not fit-for purpose for the Boat Club or community, restricting membership as well as attracting community and private events.

Key issues include:

- Small building footprint and inflexible layout.
- Current kitchen does not meet regulation to cater for events.
- No heating or cooling.
- Leaking and long-term water damage to the ceiling and windows.
- No public toilets directly onsite.
- Limited parking.
- Poor accessibility to the building (i.e. lack of sealed paths to the club house).
- The clubhouse's overall construction is not designed for or durable enough for frequent, long-term use.

As there are no other public facilities available in Bellbridge, works are required to ensure the clubhouse is able to accommodate the needs of the community.

The Hume Boat Club's future is at risk as they do not have the funds for significant repairs or a new build.

The Hume Boat Club's do not have sufficient funds to address the significant repairs required to the club building. This puts the Boat Club's future at risk as the building continues to deteriorate and becomes unsafe for use in the future.

Works and development cannot conflict with Lake Hume's role as a major water reserve.

The primary role of Lake Hume is as a key water storage of the Murray Darling Basin System, with secondary roles of the lake including hydroelectricity power generation and flood mitigation.

From a management and legislative viewpoint, tourism and recreation uses of Lake Hume are not a priority, and only activities that do not interfere with the lake's primary functions will be permitted by governing bodies.

There are no commercial offerings or high-quality amenities to attract community members or visitors to the site.

The Bellbridge foreshore area is currently inactivated, impacting the experience for residents and visitors and constraining potential economic activity, as there are no opportunities for local consumption.

There are no commercial offerings (i.e. accommodation, food and beverage or retail establishments) in the existing club house to cater to locals, or that meet basic visitor expectations.

Further investment into diverse and high-quality tourism product and experiences are required to improve the Lake Hume visitor experience in these locations, thereby increasing visitation and yield.

Existing offerings and infrastructure only attract a niche visitor market that is generally low yielding.

Current visitors (mostly local users) of the site are predominantly characterised by the boating and fishing market. This market tends to caravan or camp and prefer to self-cater and are therefore low yielding and have limited engagement with paid experiences.

Investment in new product that has broader market appeal, particularly to families is needed to attract greater visitation and improve yield.

The excellent commercial potential of the site remains unrealised due to Towong Shire's low population and business base.

The Boat Club holds a prime location on Lake Hume foreshore (due to more reliable water levels) and is an ideal spot to attract visitors and events to generate economic activity.

However, its commercial opportunities are not being maximised. Whilst the significant Albury Wodonga market are less than 15 minutes away, Towong Shire's low population and business base creates difficulties in attracting business and tourism investment.

Public funding to implement key infrastructure and amenity improvements on the site is required to jumpstart activation and encourage private sector investment.

2.3. INTENDED PROJECT BENEFITS

The Bellbridge Boathouse project will resolve the visitor experience issues identified above and deliver a suite of qualitative and quantitative benefits to the region (with benefits explored further later in this report).

Improved visitor experience elevates the reputation and awareness of Bellbridge and Lake Hume as a tourism destination.

By creating an iconic facility that showcases Lake Hume and provides high-quality amenity (e.g. café and retail), the Boathouse will help enhance the status of the Berringa Peninsula area as a visitor destination. This will increase awareness of the area and help attract a range of visitor and resident markets from local, intrastate and interstate areas, particularly for visitors seeking high-quality product and experiences.

Improved access to water-based and other active recreation opportunities

The Boathouse, which will attract both residents and visitors across the region, will increase overall participation in water-based recreation across Lake Hume and the foreshore area (e.g. water sports, walking, sightseeing, cycling, etc.). This will encourage users to be more active and engage in outdoor activity. This will not only increase recreation options for visitor markets, but it will have a positive impact to the health and wellbeing of the community.

Community Liveability, Engagement and Inclusivity Benefits

Provision of quality community infrastructure will support liveability outcomes for residents, particularly across the Berringa Peninsula where there is a lack of facilities. The project will facilitate increases in social and community connection, by creating a hub of activity for residents, generating a positive impact to the health and wellbeing of the local community.

More specifically, the Boathouse will enhance liveability for residents through provision of community spaces, which can be used for a range of cultural, civic and business events. In addition, the provision of dining and retail options will improve local amenity.

Finally, the Boathouse will support the Boat Club members and provide an enhanced experience through new facilities that caters to its needs. This will have a positive impact through increased membership and an increase in community social and physical wellbeing.

Encouraging a greater dispersal of visitation to Bellbridge and Towong Shire

Visitation to the region is concentrated around Albury and Wodonga, given the level of infrastructure, accommodation and amenity. However, by providing a high-quality asset in Bellbridge, the facility will encourage a greater dispersal of visitation to Towong Shire. Achieving visitor dispersal will stimulate growth in the visitor economy via increased visitation and yield. This will create economic benefits for the Shire as it captures a greater share of expenditure.

Activating Lake Hume and stimulating investment

The activation of the Lake Hume area, via the Boathouse development, will promote business investment by attracting commercial operators to cater to visitors. As economic activity in the area increases, this could also potentially support flow-on investment opportunities (e.g. accommodation, hospitality, tours, etc.) and help activate the broader Bellbridge and peninsula region.

Increase in visitor spend and length of stay

Investing in an improved foreshore precinct in Bellbridge will assist the region in attracting a greater number of visitors. An increase in visitor expenditure of existing visitors will be received through additional food and beverage opportunities associated with the foreshore café, as well as purchasing local goods at the retail outlets. As visitors have reason to stay for longer periods in the region, accommodation providers will also benefit.

Providing local employment opportunities and flow-on economic benefit to local businesses

The project will create and support new jobs from a variety of sources, including construction, operation and maintenance of the facility.

Additionally, with increases in visitation to the region, there would be additional flow-on benefits for local tourism and hospitality businesses in the private sector (across the region). This would be realised through increases in visitor expenditure and increases in demand for visitor amenities, including retail, food and beverage.

2.4. ALIGNMENT OF BENEFITS TO STRATEGIC POLICY

Resolving the problems identified in Section 2.2 will help deliver a range of key local, state and federal policy initiatives, strategic directions and priorities that benefit the Victorian economy. Table T2 summarises the project alignment to relevant strategic documents which will support the project concept and development opportunities.

T2. PROJECT ALIGNMENT TO STRATEGIC POLICY

Key policies and themes	Relationship with Problems and Benefits
Federal / State	
Experience Victoria 2033	
<p>Experience Victoria 2033 is a Victorian State Government policy designed to shape the state's visitor economy over the next 10 years. The plan identifies five priority products:</p> <ul style="list-style-type: none"> Wellness. Arts and culture. First Peoples-led experiences. Food and drink. Nature. <p>Experience Victoria also identifies Lifestyle Leaders and High-Value Travellers as the key target market segments in the domestic and international markets respectively.</p>	<ul style="list-style-type: none"> The project aligns with several of these product priorities, including the promotion of nature-based experiences (through on-water activations), food and drink (through dining offerings) and wellness (through immersion in nature). The delivery of these experiences would also align with the Lifestyle and High-Value Traveller markets who both seek authentic local experiences and quality food and wine.
Regional	
Ovens Murray Regional Economic Development Strategy 2022	
<p>Strategic Direction 2: Strengthen and diversify the visitor economy through leveraging the region's nature and epicurean tourism industries.</p>	<p>The Bellbridge Boathouse will strengthen the visitor economy by providing infrastructure that supports nature-based experiences on the Lake Hume foreshore, as well as quality dining offerings.</p>
Goulburn-Murray Water Corporate Plan 2023-24	
<p>GMW aims to support strong and vibrant communities by facilitating recreational use on and around our lakes and reservoirs. This includes the facilitation of recreational use and events, including licensing recreational assets.</p>	<p>The Bellbridge Boathouse proposal aligns with this aim, which will support recreational use of Lake Hume and establishing recreational assets around the lake – all of which are components of the Boathouse project</p>
Goulburn-Murray Water Strategic Plan	
<p>The GMW Strategic Plan sets out its long-term goals and aspirations. The outcomes considered relevant to this project include:</p> <ul style="list-style-type: none"> Improve recreational access; Contribute to regional growth; Balance the organisation's asset strategy with customer service needs, affordability and ownership obligations; and <p>Know the region's strengths and attract investment</p>	<p>The Bellbridge Boathouse will support the recreational use of the region's system, while respecting its primary function as a source of reliable water.</p> <p>More broadly, the Boathouse will help to support visitor and resident utilisation of the lake, activate the foreshore area strengthen the region's reputation as a boating and water sports destination.</p>
Local	
Towong Shire Destination Management Plan 2021-25	
<p>The Bellbridge Boathouse is earmarked as a Priority Investment Project in the DMP:</p> <p>'There is opportunity for Bellbridge to attract a boathouse/waterfront commercial food premises on the Lake Hume foreshore. A commercial food premises with moorings for visitors arriving by boat would create a destination that would service the boating market and also residents from Albury Wodonga. A range of concept options could be suited to the location, including a café, restaurant or brewery.'</p>	<p>The development of a visitor destination facility was earmarked as a Priority Investment Project in the recently completed DMP: Based on a review of target markets, regional attributes and product gaps, the report identifies an "Opportunity for Bellbridge to attract a boathouse/waterfront commercial food premises on the Lake Hume foreshore."</p> <p>This was identified as potential to create a destination that would service the boating market and also residents from Albury Wodonga.</p>

Activating Lake Hume Masterplan 2022	
<p>The Bellbridge Boathouse Precinct Activation including On-Water Activations is a Short-Term Priority Projects in the Masterplan:</p> <p>'Redevelopment of the Lake Hume Boat Club and the broader precinct is the premium opportunity to enhance and activate the Bellbridge foreshore. The Boathouse redevelopment will include integrated club social rooms (function centre and community space), a bespoke café with raised decking overlooking Lake Hume, and two commercial premise spaces. To complement the boathouse precinct, there are a range of on-water activations that should be considered at Bellbridge e.g. Inflatable water park, Paddle sports hire hub, Designated swimming areas.'</p> <p>The Masterplan estimates that an additional 700-750 sqm of floorspace is supportable in Bellbridge, the provision would require a small-size supermarket or general store.</p>	<p>Building on the opportunity identified in the DMP, the Bellbridge Boathouse Precinct Activation was identified as a Short-Term Priority Project in the Activating Lake Hume Masterplan.</p> <p>More specifically, this included the "Redevelopment of the Lake Hume Boat Club and the broader precinct...to enhance and activate the Bellbridge foreshore." The Boathouse redevelopment was intended to include functions spaces, commercial dining offerings, as well as on-water activations (e.g. equipment hire).</p>
Towong Economic Development Strategy (EDS) 2021-25	
<p>The Bellbridge Boathouse Project is identified as a Transformative Project for the region. Direction is given for 'the delivery of a high-quality bistro restaurant on the banks of Lake Hume...for lakeside activation and delivery of a destination food experience.'</p>	<p>The proposed concept for the Bellbridge Boathouse will help support this identified project.</p>
Towong Shire Council Plan 2021 to 2025	
<p>The Towong Shire Council Plan focuses on six key areas - Asset Management, Community Wellbeing, Economic and Tourism Development, Land-Use, Environmental Sustainability, and Organisational Improvement. Key strategies relevant to the project include:</p>	<ul style="list-style-type: none"> • The Boathouse will support economic and tourism development by attracting visitors to the area and stimulating increases in visitor spend. • In addition, the providing of social community spaces and the potential to provide a local food retail offering will promote community engagement and support liveability outcomes for residents.
'Our Bellbridge' Masterplan and Strategy 2015	
<p>Action 3.2 Establish a 'New Bellbridge Village' Foreshore Hub:</p> <ul style="list-style-type: none"> • Small retail village and town centre facility. • Refurbished or newly built Boat Club facility. • Potential recreational facilities such as a skatepark / BMX / informal half court. • Formalised car park including long vehicle parking. • Remove and relocate toilet block. • Retention of existing boat club vehicle access. 	<p>The project proposal will deliver several of the masterplan actions and help establish a foreshore hub, including:</p> <ul style="list-style-type: none"> • Delivery of commercial offerings for the community (retail and café); • Support and maintain existing boat club vehicle access; and • Redevelop and improve the public realm and provide amenity, including public car parking and toilets.

3. OPTIONS ASSESSMENT

3.1. INVESTMENT OPTIONS

STRATEGIC RESPONSE & INTERVENTIONS

In order to effectively respond to the identified problems outlined above, the Boathouse project must:

- Deliver a balance of community and commercial uses that accommodate the needs of both locals and visitors;
- Deliver non-water-based tourism products and experiences that promote year-round activation;
- Diversify revenue streams to support long term viability of the club house; and
- Improve the reputation and awareness of Bellbridge as a tourism destination.

Potential interventions and solutions to respond and deliver the project objectives include:

- Upgrade the clubhouse;
- Facilitate food and beverage, retail and other commercial uses;
- Create accessible, flexible spaces for community/public use; and
- Undertake landscaping and beautify the buildings and outdoor foreshore areas.

Based on these potential interventions and project benefits, the following three options were identified and examined (to determine the preferred strategic response):

OPTION A: BUSINESS AS USUAL

The 'Business as Usual' option would see the club house and surrounding foreshore areas remain as they currently are. There would be limited additional ongoing investment or changes to operations. The site is likely to attract the same level of annual visitation as it currently achieves, with no opportunity for yield or increase in community benefit.

In addition, should the facility continue in its state of disrepair, it will no longer be compliant in the near

future, which will obligate the Boat Club to invest in its repair or redevelopment at a significant cost.

OPTION B: REFURBISHMENT AND FITOUT

Option B would include refurbishment and fit-out works to the existing building including ceiling repairs, minor kitchen upgrades, etc. These interventions would add value to the existing offering of the clubhouse as a events space but not result in a significant or material transformation of the site.

Option B is likely to result in increased use and yield (i.e. hire fees) of the site by the local community for public and private events but is unlikely to attract new visitation from outside the region. As such, there will be little to no increase in yield or job opportunities.

On a preliminary basis, this option assumes a relatively minor capital investment is injected into the repairs and upgrades to the building.

OPTION C: FULL REDEVELOPMENT

Option C would include a full redevelopment of the existing clubhouse and the surrounding foreshore areas. The redevelopment would deliver new commercial product and experiences including a café, commercial/retail spaces, function space with commercial kitchen and integrated community spaces. It would also include toilets, increased parking and general landscaping improvements.

Option C is likely to result in existing visitors to the region extending their length of stay and spending more in the region over and above Options A and B. It is also expected to result in new visitors visiting the region as a result of implementation.

On a preliminary basis, this option assumes a capital investment of approx. \$10 million is injected into the site³. This will support activation of the area by attracting private sector investment, helping to create a sustainable operating model for the new facility.

³ Please note all assumptions regarding capital budgets are high level and preliminary only and are relevant to product experience enhancements only

and do not factor in allowance for major capital works for supporting infrastructure which would increase the required investment.

3.2. EVALUATION CRITERIA

The identified options were assessed against the following evaluation criteria. For each criterion, there is an allocated response and corresponding score for each of the options, ranging from Low = 0 (does not meet criteria), Medium = 1 (partially meets criteria) to High = 2 (fully meets criteria). The assessment and scores are shown below, with the overall highest score determining the preferred option (with criteria weighted equally).

This assessment is qualitative and subjective; based on local knowledge, background research and analysis, stakeholder consultation and professional experience.

T3. MULTI-CRITERIA ASSESSMENT OF OPTIONS

Criteria	Option A Business as Usual	Option B Refurbishment and Fit out	Option C Full Redevelopment
Value-Add for Lake Hume Visitors Drives greater visitation though improving the visitor experience, encouraging visitors to engage in multiple experiences and extend their length of stay.	Low The building and foreshore areas will remain as they are - with no commercial offerings to attract visitors to stay and spend in the region.	Low Option B will provide no commercial offerings to attract visitors to stay and spend in the region.	High The full redevelopment will deliver a variety of recreational and commercial tourism product - forming a well-rounded visitor experience that will encourage visitors to stay and spend.
Community Benefits <ul style="list-style-type: none"> Improve access to community gathering spaces. Opportunity to provide commercial retail premises to cater to the community. 	Low The building and foreshore areas will remain as they are – primarily serving the Boat Club members. Limited use by the Bellbridge community for public events and private functions.	Medium Will improve the clubhouse accessibility and offering as a events space which will likely result in increased use and yield (i.e. hire fees) of the site by the local community.	High The delivery of a new Boathouse will substantially benefit locals, diversify the local economy, provide employment opportunities, and promote better health and social outcomes through provision of physical recreation infrastructure and integrated community spaces. Strong opportunity for new commercial spaces to deliver much needed dining, basic groceries or food retail for the community.
Local Economy Impacts Helps drive visitation and spend to support local businesses and public spaces.	Low Option A will not introduce any significant commercial opportunities to the precinct that will generate economic benefit for the local economy.	Low Option B will not introduce any significant commercial opportunities to the precinct that will generate economic benefit for the local economy. While Option B is likely to result in increased use and yield (i.e. hire fees) of the site for public and private events, it is unlikely to attract new visitation from outside the region.	High Option C will support a more diverse range of recreational and commercial activities including food and beverage, retail, that will stimulate economic activity and private investment into the region. This will also include attraction of new visitors, extended visitors length of stay and spend in the region – helping generate local job opportunities.

Criteria	Option A Business as Usual	Option B Refurbishment and Fit out	Option C Full Redevelopment
Environmental Impacts Minimises adverse impacts to Lake Hume and surrounding natural environment.	High The building and foreshore areas will remain as they are – with visitation remaining minimal. Therefore, environmental impacts will not change.	Medium Some risk of environmental impacts due to increased use as an events space. Can be managed.	Medium Some risk of environmental impacts due to increased footprint and introduction of commercial uses, as well as increased activation of foreshore areas. .
Land Access and Planning Assesses the planning risk of the project and the need for planning assessment to support construction.	High No action required.	High Additional planning or building permits will not be required for most internal refurbishments to the clubhouse.	Medium A new building, with increased footprint, commercial land uses
Total Score	4	4	8
Ranking	=2	=2	1

3.3. RECOMMENDED INVESTMENT OPTION

Based on the above assessment, **Option C: Full Redevelopment** is the recommended option, while Options A and B are equal second, demonstrating that a minor refurbishment will not provide sufficient benefits to justify even a minor capital investment.

4. RECOMMENDED SOLUTION

4.1. CONCEPT PLAN

The Bellbridge Boathouse will be a family friendly destination for the local community and residents of Albury Wodonga and Towong Shire to gather, socialise and dine.

This facility will be a bespoke building replacing the existing Hume Boat Club facility, featuring:

- **New Boat Club facilities** including a meeting room, internal storage space, kitchenette, private amenities and direct access to the foreshore;
- A **social room/function space** (approx. 100 pax seated) with bar, commercial kitchen, storage, internal toilets, amenities and views across Lake Hume;
- An independent **café space** (with separate commercial kitchen);
- Two additional **commercial/retail spaces**;
- **Carparking** and **landscaping** surrounding the facility; and
- Accessible **public toilets**.

Indicative floorplans and external designs are shown in Figure F5 and F6.

AREA SCHEDULE

Given the facility will cater to the Boat Club, residents and visitors to the region, accessibility is categorised as 'boat club', 'public' or 'mixed' spaces.

The initial designs have the facility across two levels, with exclusive boat club spaces on the lower level, while public and mixed-use spaces are on the upper level.

The proposed area schedule for each defined space is detailed in Table T4, based on initial concept designs and subject to confirmation. This demonstrates a total functional space of approx. 746 sqm.

T4. PROPOSED AREA SCHEDULE

Area	SQM
PUBLIC SPACES	
Café Space (inc. kitchen)	99
Commercial Retail Spaces	70
Public Toilets	27
Bin Storage	7
BOAT CLUB SPACES	
Meeting Room	77
Equipment Store	40
Other Store	33
Toilets	19
MIXED SPACES	
Social Room	246
Bar	20
Kitchen	27
Social Room Toilets	41
Social Room Store	40

Source: Four18 Architecture; Excludes machinery storage (40 sqm)

PROPOSED USES AND PROGRAMMING

Vital to the viability of the facility and achieving desired economic and financial benefits is the utilisation of the commercial spaces (outlined above). These spaces, which are designed to be leased to commercial operators, are envisaged to include the following:

Independent café space

Covering 99 sqm (including kitchen), the publicly accessible café space is expected to accommodate approx. 45 patrons for indoor seating, while the surrounding paved forecourt will provide further capacity for outdoor seating.

It is anticipated that the preferred commercial operator will utilise this space to provide a destination food and beverage offerings to the public (e.g. bistro, restaurant, cellar door, etc.) and/or food retail (e.g. hampers, local produce, etc.).

Social room events

The operator of the café space will also be responsible for the hire management and catering of functions in the social room, including community and private events (e.g. business lunches, weddings, etc.). Catering will be provided through use of a dedicated kitchen, as well as a bar to service guests.

It is expected that the social room will accommodate approx. 100 guests seated, or around 200 guests for standing/cocktail events. Therefore, this space will have capacity to support a range of event types and sizes.

Commercial retail spaces

The designs also provide for two separate commercial spaces (35 sqm each), that have the capability to be joined as a single space. These are intended for a range of commercial uses to serve residents and visitors, including (for example):

- Seasonal water-based equipment hire (e.g. Canoe, Kayak, or Paddleboat Hire);
- General store;
- Local produce/artisan goods;
- Local arts and crafts;
- Kiosk;
- Ice creamery; or
- Other food/retail service option to cater to locals, the Hume Boat Club, and/or other visitors to the site.

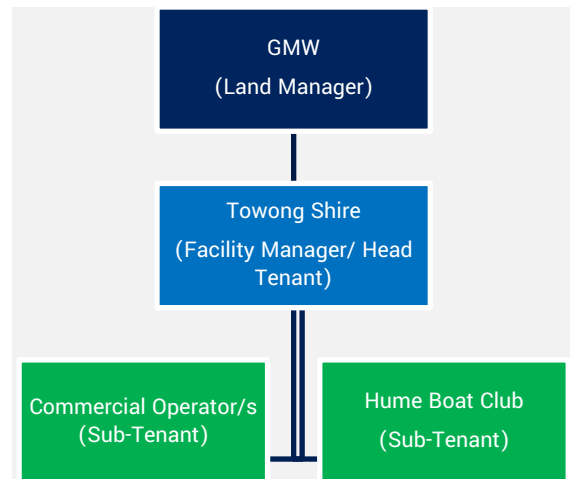
There is also the potential to combine these spaces with the café space to create an expanded food and beverage/food retail offering that is accessible to the public.

INDICATIVE GOVERNANCE STRUCTURE

The indicative governance structure is illustrated in Figure F4, which aligns with the roles and responsibilities of key stakeholders.

While the overall site management falls under the responsibility of GMW, it will be Council that is responsible for the operation of the Boathouse – including sub-leasing spaces to the Boat Club and commercial operator/s.

F4. PROPOSED GOVERNANCE STRUCTURE



Further information on the governance structure is found in the *Bellbridge Boathouse Governance and Financial Modelling Report*.

F5. BELLBRIDGE BOATHOUSE CONCEPT IMAGES



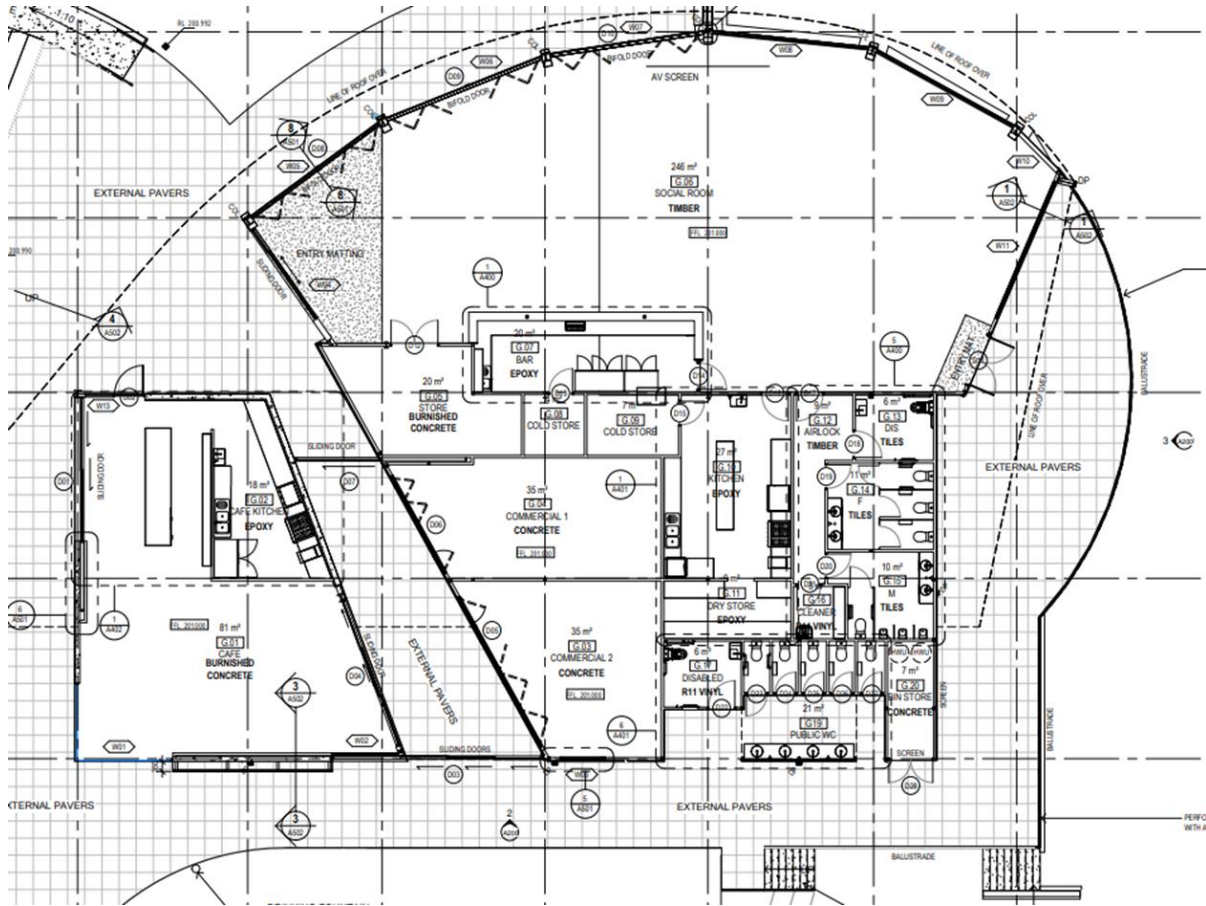
Photo Caption



View from

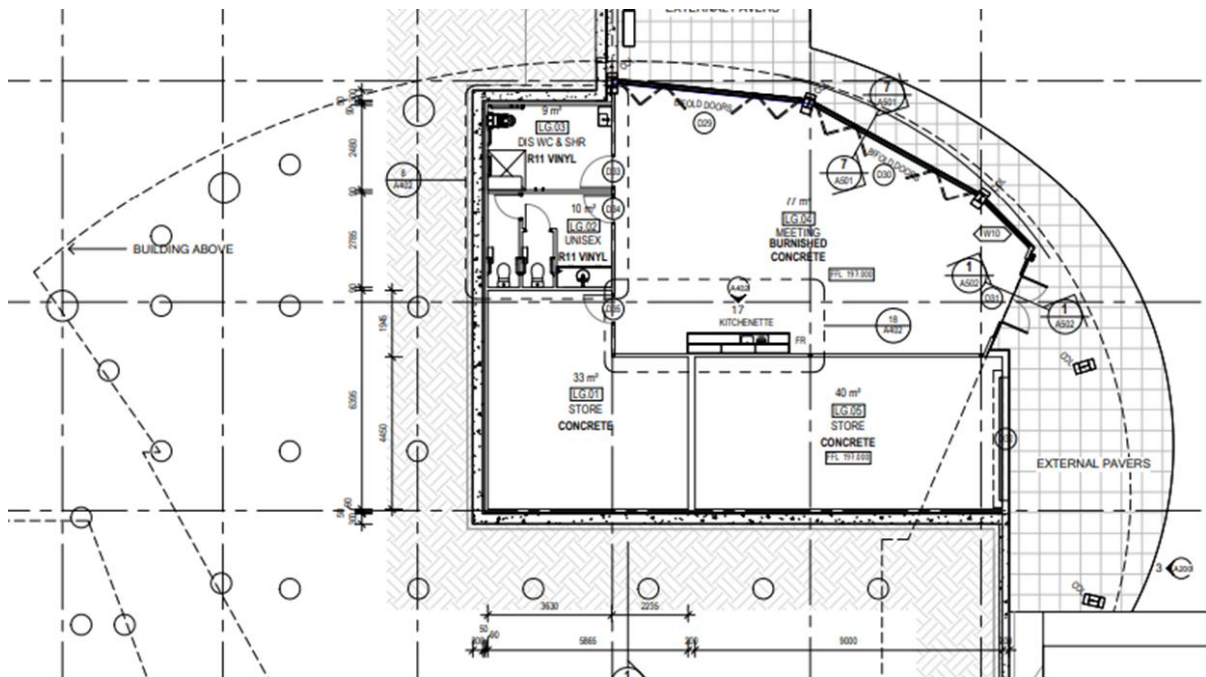
Source: Four18 Architecture

F6. BELLBRIDGE BOATHOUSE UPPER FLOORPLAN



Source: Four18 Architecture

F7. BELLBRIDGE BOATHOUSE LOWER FLOORPLAN



Source: Four18 Architecture

4.2. FINANCIAL ANALYSIS

The following provides a financial analysis for Bellbridge Boathouse, including the estimated operating financial model for Council (as the head tenant of the facility). This is based on an analysis of potential revenue and expenditure implications for Council, to determine the overall net result of operation.

The revenue and expenditure figures detailed below reflects Year 1 of operation (unless indicated otherwise), with indexation applied as relevant (which is demonstrated in the operating model). This information is based on the initial designs and concept overview, as well as industry comparators/benchmarks.

Please note: the information in this section is indicative only and subject to change following confirmation of commercial operator/s and finalisation of concept designs. Further information on the economic and financial impacts of the Boathouse is found in the Bellbridge Boathouse Governance and Financial Modelling Report.

4.2.1. EXPENDITURE ANALYSIS

The expenditure implications for Council includes the head lease arrangements with GMW, as well as ongoing operating costs as the facility manager.

LEASE PAYMENTS

Council lease payments to GMW is estimated at **\$10,920** in Year 1 (indexed by 3% annually), based on the following assumptions:

- The GMW ground lease is based on 6.5% of estimated land value, which reflects the mid-point of the percentage applied for community uses (5%) and commercial uses (8%) – as the Boathouse will support both types of uses; and
- The land valuation is estimated at \$168,000, based on the most recent site value determined by an independent assessor appointed by the Valuer-General.

OPERATING EXPENSES

As the Boathouse is a new build, ongoing operating expenses for the facility were estimated using benchmarks of comparable boat club and Council-owned buildings.⁴

This involved applying an average rate (per sqm) for general expenditure categories, as detailed in Table T5. In Year 1, ongoing operating costs is estimated at around **\$99,000**, which factors in maintenance and repairs, utilities, administration, insurance and depreciation expenses⁵. In addition, this figure equates to just over 1% of total capital costs, which is consistent with the general benchmarks of running costs for Council-owned facilities.

T5. FACILITY OPERATING EXPENSES

Item	Assumptions	\$
Maintenance	• \$20 per sqm	\$14,900
Utilities	• \$18 per sqm (exc. commercial spaces)	\$10,386
Admin and other expenses	• \$21 per sqm	\$15,666
Insurance	• \$10 per sqm	\$7,460
Depreciation	• \$68 per sqm	\$50,728
Total Operating Expenditure		\$99,140

Source: Urban Enterprise, 2023

⁴ Comparators used include: Gippsland Lakes Yacht Club, Point Lonsdale Surf Lifesaving Club, Portsea Surf Lifesaving Club and Bunbury Dolphin Discovery Centre. The benchmarks used are subject to confirmation as they will be influenced by the final design and building, while the location of the Boathouse may also impact these benchmarks.

⁵ Costs for utilities exclude the commercial spaces, as these costs will be borne by the commercial operator.

4.2.2. REVENUE ANALYSIS

The revenue opportunities for Council are detailed below, including for rental/hire fees the commercial spaces (i.e. café and retail space) and social room.

COMMERCIAL SPACES (CAFÉ AND RETAIL)

Based on the concept designs, the total commercial floorspace comprises 169 sqm (inc.99 sqm for the café space, as well as 70 sqm for two commercial retail spaces). As a preferred operator is yet to be identified, revenue is estimated for the entire commercial floorspace, based on average industry benchmarks for hospitality businesses in Regional Victoria.

As shown in the table below, using a benchmark of \$5,000 per sqm⁶, these spaces are estimated to generate annual turnover of **\$845,000**. Assuming an average spend of \$30 per person⁷, this could cater to an estimated **28,167 patrons**.

Using an average rental assumption of **10% of turnover⁸**, which reflects the scale of rent paid by operators to the head tenant, Council is estimated to receive rental revenue of **\$84,500** in Year 1 of operation.

T6. COMMERCIAL SPACE REVENUE

Commercial Turnover	
Area	169 sqm
Ave Revenue per sqm (p.a.)	\$5,000
Estimated turnover (p.a.)	\$845,000
Council Rental Revenue	
Rental assumption	10% of turnover
Council rental revenue (p.a.)	\$84,500

Source: Urban Enterprise, 2023

SOCIAL ROOM

The financial implications of the social room include the turnover received by the commercial operator responsible for catering, as well as the hire fees received by Council. However, given the facility will be newly established, combined with majority of event bookings being made months in advance (some around 12 months), **it is assumed that events will commence from Year 2 of operation** – with no revenue generated in Year 1. The assumptions and estimates are detailed in Table T7, which includes:

Catering turnover (received by commercial operator):

- Assumed capacity of 197 (with a seated capacity of 100), which factors in average space requirements for a 246 sqm area (1.25 sqm per person⁹);
- An average of 1 event per week – with an average occupancy rate of 40%¹⁰ - total event visitation is estimated at **4,093 p.a.**; and
- Assuming an average per person catering charge of \$80, based on regional benchmarks, total catering turnover is estimated at **\$327,475** in Year 2.

⁶ SGS Economics and Planning, 2020; Using mid-point for hospitality density benchmarks for regional cities in Victoria.

⁷ <https://hikersbay.com/travel-cost/australia/melbourne?lang=en#rest-prices> (price per person for a café style restaurant, price adjusted to account for regional location)

⁸ <https://www.australianleisureproperty.com/what-is-a-fair-restaurant-rent> (applies median rate); and *2021 Industry Benchmarking Report*, Restaurant and Catering Australia.

⁹ Average for seated and standing events (https://www.ehow.com/how_8066810_figure-out-capacity-events.html)

¹⁰ Averages 80 visitors per event – a conservative estimate for both sitting (max 100) and standing (max 200) events.

COUNCIL HIRE REVENUE:

- Based on an average of 52 events p.a., with an average hire fee of \$1,000 per event¹¹, Council hire revenue is estimated at **\$52,000** in Year 2.

T7. SOCIAL ROOM REVENUE

Catering Turnover	
Area	246 sqm
Capacity	197
Ave occupancy rate	40%
Ave number of events p.a.	52 (1 per week)
Estimated events visitation p.a.	2,400
Ave per person charge	\$80
Estimated event turnover p.a.	\$192,000
Council Hire Revenue	
Ave hire fee per event	\$1,000 per event
Council event revenue p.a.	\$52,000

Source: Urban Enterprise, 2023

BOAT CLUB LEASE

The proposed Boat Club lease payments are estimated at **\$6,443** in Year 1 (and indexed by 3% annually). This reflects 6.5% of estimated land value that the Boat Club will sub-lease, noting that:

- The estimated land value of the sub-leased area equates to 59% of total land value (or \$99,120); and
- Paying 6.5% of land value reflects the same proportional amount paid by Council.

This rate, which is a marginal increase on current lease payments, will be subject to annual indexation and review, per the indicative lease agreement.

4.2.3. OPERATING FINANCIAL MODEL

A financial model was prepared (over a 10-year operating period) demonstrating the financial implications for Council as the prospective head tenant. The financial model demonstrates the viability of this arrangement for Council, which factors in the estimated revenue that will be received to Council (based on assumed lease agreements to sub-tenants) as well as indicative operating costs.

The financial model, detailed in Table T8, demonstrates the following:

- Council operating revenue is estimated at **\$90,943** in Year 1, rising to \$145,671 in Year 2 when all revenue components are established, increasing to **\$186,508** in Year 10 (assuming commercial space turnover, hire fees and Boat Club lease revenue is indexed at 3% p.a.); and
- Council operating expenditure is estimated at **\$110,060** in Year 1, increasing to **\$143,603** in Year 10 (assuming ongoing operating costs and lease payments to GMW are indexed at 3% p.a.).

The Boathouse will subsequently generate an estimated ongoing operating surplus for Council from Year 2 onwards, increasing from \$32,309 to \$40,928 in Year 10..

¹¹ Based on average room hire rates for local comparators, including *Boat Shed Lake Hume* and *The Lincoln* (Albury-Wodonga).

T8. BELLBRIDGE BOATHOUSE FINANCIAL MODEL

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Revenue										
Commercial Space Rental Revenue	\$84,500	\$87,035	\$89,646	\$92,335	\$95,105	\$97,959	\$100,897	\$103,924	\$107,042	\$110,253
Social Room Hire Fees ¹²	-	\$52,000	\$53,560	\$55,167	\$56,822	\$58,526	\$60,282	\$62,091	\$63,953	\$65,872
Boat Club Lease	\$6,443	\$6,636	\$6,835	\$7,040	\$7,251	\$7,469	\$7,693	\$7,924	\$8,162	\$8,406
Total Revenue	\$90,943	\$145,671	\$150,041	\$154,542	\$159,179	\$163,954	\$168,873	\$173,939	\$179,157	\$184,532
Operating Expenditure										
GMW Lease Payments	\$10,920	\$11,248	\$11,585	\$11,933	\$12,291	\$12,659	\$13,039	\$13,430	\$13,833	\$14,248
Operating Costs	\$99,140	\$102,114	\$105,178	\$108,333	\$111,583	\$114,930	\$118,378	\$121,930	\$125,588	\$129,355
Total Expenditure	\$110,060	\$113,362	\$116,763	\$120,266	\$123,873	\$127,590	\$131,417	\$135,360	\$139,421	\$143,603
Net Operating Surplus/(Deficit)	(\$19,117)	\$32,309	\$33,279	\$34,277	\$35,305	\$36,364	\$37,455	\$38,579	\$39,736	\$40,928

Source: Various, applied by Urban Enterprise, 2023

Note: Unless indicated otherwise, it is assumed that all financial estimates are in current (2023) dollars. These figures are preliminary only and based on industry comparators/benchmarks. Detailed financial information will be prepared following confirmation of commercial operator/s and finalisation of concept designs.

The financial analysis indicates that, irrespective of the project's return on investment, the facility is not likely be a financial burden on Council. The small operating profit will enable the facility to be self-sustaining. In addition, based on the information detailed below, the project will also provide ongoing economic benefits to the local economy.

4.3. ECONOMIC EVALUATION

4.3.1. INDICATIVE PROJECT COST & TIMEFRAMES

Victorian State funding has been sourced to progress the project to an investment ready stage. Construction plans have been developed and costed by a Quantity Surveyor, with the Boathouse construction estimated at approx. \$10 million.

Construction is expected to take between 18 and 24 months.

4.3.2. ECONOMIC IMPACT ASSESSMENT

The following examines the economic impacts of the project, including the short-term construction phase, as well as the ongoing operational phase that will be realised once the Boathouse is complete and functional.

This assessment adopts the input-output method of analysis (I-O). The I-O method is based on the interdependencies and relationship between industry sectors and is widely used across the public and private sector to estimate the direct and flow on economic impacts of a project or activity to an economy.

The Productivity Commission of Australia states that "*input-output tables can be used to compute output, employment and income multipliers. These multipliers take account of one form of interdependence between industries – that relating to the supply and use of products. The numbers add up the direct and indirect impacts of a change in final output of a designated industry on economic activity and employment across all industries in an economy.*"

¹² Event bookings commence from Year 2, given the estimated lag in booking some events.

The economic impact area adopted for this assessment is the Hume Region. All figures in this section are indicative only and based on an adopted set of assumptions. Definitions of economic terms can be found in the glossary.

CONSTRUCTION IMPACT

The construction cost, estimated at **\$10 million**, is expected to generate total output of **\$20.7 million** and support **51 jobs** over the short-term construction phase.

T9. CONSTRUCTION PHASE IMPACT

	Direct Effect	Indirect Effect	Total Effect
Output (\$m)	\$10.0	\$10.7	\$20.7
Employment (jobs)	20	31	51

Source: Urban Enterprise, 2023

ONGOING OPERATING IMPACT

The ongoing economic benefits are derived from the overall turnover received by the commercial operator/s, which reflects the total spend are generated by visitors to the Boathouse (inc. regional residents and visitor markets).

This turnover flows through the economy via the supply chain (i.e. businesses servicing the operation of the facility) and increased consumption – as businesses generate more income and employees receive higher wages.

As detailed in the Financial Analysis (and shown in the table below), the Boathouse turnover in Year 2, when all revenue generating components are established (i.e. social room) is estimated at **\$1.2 million**, to be generated by approx. **33,000 visitors**, which includes the commercial spaces and social room activity. These annual estimates are expected to increase as the facility becomes more established, which will attract more visitor activity and increase spend.

T10. BELLBRIDGE BOATHOUSE VISITATION AND VISITOR SPEND

Area	Estimated Visitation (users)	Estimated Turnover (spend)
Commercial spaces	29,012	\$870,350
Social room	4,093	\$327,475
Total	33,105	\$1,197,825

Source: Urban Enterprise, 2023; Note: Estimates from Year 1 of operation have been used to calculate the ongoing economic impact; however, these are likely to increase as the facility becomes more established and market awareness grows.

As shown in Table T11, applying the turnover as additional visitor spend in the area is estimated to generate additional output of **\$2.3 million**, and support **14 jobs**, annually.

T11. ONGOING ECONOMIC IMPACTS

	Direct Effect	Indirect Effect	Total Effect
Output (\$m)	\$1.2	\$1.1	\$2.3
Employment (jobs)	10	4	14

Source: Urban Enterprise, 2023

Based on the above analysis, the project is likely to generate economic benefit to the region through additional visitation, expenditure and commercial activity.

4.4. RISK ASSESSMENT

As mentioned above, there will be some risks associated with the implementation of the governance framework. The following identifies the key risks to Council and some potential mitigation strategies.

T12. BELLBRIDGE BOATHOUSE PROJECT KEY RISKS

Risk Category	Description of Risk	Mitigation Strategies
Multiple tenancy agreements	The development of head-lease and sub-lease agreements may create inefficiencies and conflicts amongst tenants.	<ul style="list-style-type: none"> • Ensure all parties are aware of site constraints, permitted uses and obligations. • Create clear lines of accountability between tenants, facility manager and land manager.
Attracting commercial operators	Council has difficulty in attracting commercial operator/s to the facility.	<ul style="list-style-type: none"> • Enhance promotion of the facility as a prime destination. • Provide incentives for operators (e.g. rent relief).
Financial viability	Revenue received by Council does not offset maintenance costs, with Council required to subsidise operations.	<ul style="list-style-type: none"> • Review tenancy agreements and rental fees. • Consider additional revenue opportunities during peak periods (e.g. pop-ups).
Market Awareness	Lack of market awareness from residents and visitors impacts on customer volume and overall business activity.	<ul style="list-style-type: none"> • Increase promotion and marketing through local and regional channels. • Consider large-scale events to attract users and promote the Boathouse.

