



BELLBRIDGE BOATHOUSE
GOVERNANCE AND FINANCIAL
MODELLING

ACKNOWLEDGEMENT OF COUNTRY

Towong Shire Council acknowledges the First Nations Peoples as the traditional owners and custodians of the land.

We pay our respects to elders past, present and emerging and also acknowledge all Traditional Owners of Country on which we work.

ACKNOWLEDGEMENTS

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The Bellbridge Boathouse Governance and Financial Modelling Report was prepared by Urban Enterprise in collaboration with Towong Shire Council. Authors of this report are:

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ACRONYMS

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

GLOSSARY OF TERMS

Direct Impacts	Direct output or value of development or construction activity
Domestic Daytrip Visitors	Those who travel for a round trip distance of at least 50 kilometres, are away from home for at least four hours and do not spend a night away from home. Same day travel as part of overnight travel is excluded, as is routine travel such as commuting between work/school and home.

Domestic Overnight Visitors

Domestic overnight travel involves a stay away from home of at least one night, at a place at least 40 km from home. Only includes those trips where the respondent is 15 years and over and away from home for less than 12 months.

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

Supply-Chain effects – The increased output generated by servicing industry sectors in response to the direct change in output and demand.

Consumption effects – 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

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

OVERVIEW

Towong Shire Council (Council) engaged Urban Enterprise to support the redevelopment of the existing Hume Boat Club (Boat Club) facility into the *Bellbridge Boathouse (Boathouse)*.

The purpose of this report is to assist the redevelopment of the project to an 'investment ready' stage, through preparation of the following:

1. **Governance Framework** – develop a suitable future governance model for the operation of the building, and the associated agreements between parties.
2. **Financial Operating Model** – examine the financial implications and viability of the Boathouse under the recommended governance arrangements.

This report is being prepared concurrently with the architectural construction designs, which will influence operation of the Boathouse, and support the identification and attraction of preferred commercial operators. These designs, as well as the preferred commercial operator/s, are subject to confirmation following the outcomes of this report.

BELLBRIDGE BOATHOUSE

The Bellbridge Boathouse is envisaged to be a family friendly destination for the community and visitors, as well as a place where they can gather, socialise and dine. This will see the existing Hume Boat Club facility replaced with a bespoke building – at an estimated construction cost of **\$10 million** – featuring the following private and publicly accessible spaces:

- **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, amenities and views across Lake Hume;
- An independent **café space** (with separate commercial kitchen);
- Two additional **commercial/retail spaces**; and
- **Carparking** and **landscaping** surrounding the facility.

The facility, which is located in the Bellbridge township and overlooking Lake Hume, is designed to activate the lake and achieve economic, social and tourism benefits for the region. Key to the success of the facility and achieving desired success involves:

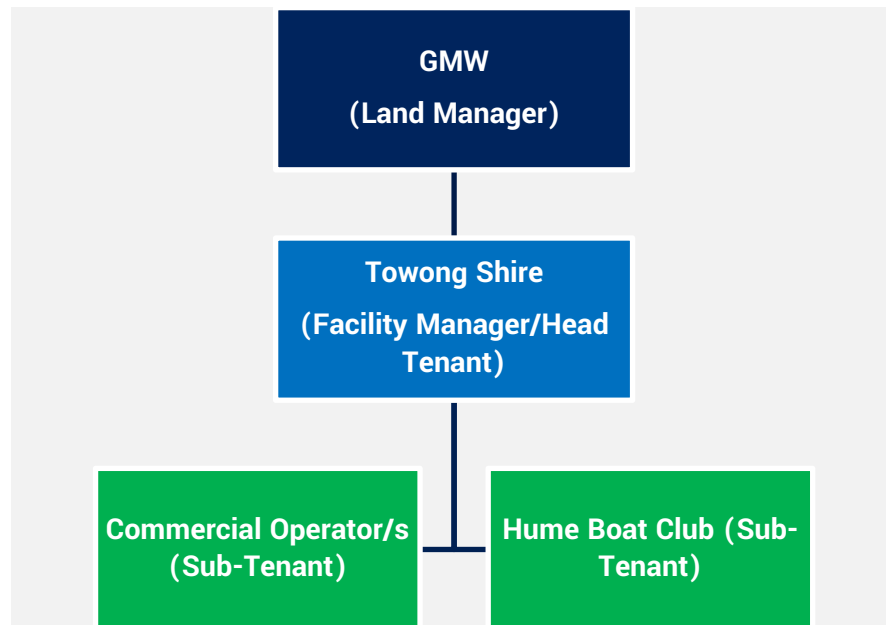
- Capitalising on the **location** along the Lake Hume foreshore and proximity to the regional cities of Albury Wodonga;
- Serving as a **multi-functional** asset that caters to a diverse range of resident and visitor markets, through provision of community facilities, commercial offerings and events spaces; and
- Providing a **family-friendly** experience, which merges community and commercial uses with recreation opportunities across the lake and foreshore area.

GOVERNANCE FRAMEWORK

The indicative governance structure is illustrated below, which involves:

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

F1. INDICATIVE GOVERNANCE STRUCTURE



Under this structure, Council is responsible for the management and maintenance of the facility, including the identification of preferred commercial operators.

However, it must adhere to GMW guidelines to maintain the public utility of the site and support historical uses (i.e. Boat Club).

PROJECT IMPACT ASSESSMENT

A financial and economic impact analysis was conducted for the development and operation of the Boathouse. The purpose of this is to estimate the financial implications for Council and determine the broader economic benefits to the region.

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 (33,105), 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.**

T1. ECONOMIC BENEFITS

Economic Impact – Construction Phase	
Output (\$m)	\$20.7m
Jobs	51 jobs
Economic Impact – Operational Phase	
Visitation p.a.	33,105
Visitor Spend p.a. (Turnover)	\$1.2m
Output p.a. (\$m p.a.)	\$2.3 m
Jobs p.a.	14 jobs

Source: Urban Enterprise, 2023; Note: Estimates from Year 2 of operation have been used to calculate the ongoing economic impact – as the event hire revenue will be generated from Year 2 onwards. to account for the lag in booking events during the first year and to allow the facility to become more established amongst consumers. However, these are likely to increase as the facility becomes more established and market awareness grows.

Financial Analysis

A financial analysis of the Boathouse was conducted over a 10-year period, which focused on the operating results for Council (as the head tenant). These results are shown in Table T2, which demonstrates:

- Council will receive revenue via lease agreements with the commercial operator/s (benchmarked as a proportion of turnover), event hire fees (to be received from Year 2 onwards as the facility becomes established and to account for the lag in booking events) and boat club lease payments; and
- Council will also be obligated for ongoing expenses to GMW (lease payments), as well as operating costs for the facility (e.g. maintenance, utilities, etc.).

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 10.

T2. OPERATING FINANCIAL MODEL

	Assumptions	Year 2	Year 10
Operating Revenue			
Commercial Space Rental Revenue	• 10% of turnover (indexed ¹)	\$87,035	\$110,253
Social Room Hire Fees	• \$1,000 per event hire fee (indexed)	\$52,000	\$65,872
Boat Club Lease	• 6.5% of sub-leased land value (estimated at \$99,120)	\$6,636	\$8,406
Total Revenue		\$145,671	\$184,532
Operating Expenditure			
GMW Lease Payments	• 6.5% of land value (estimated at \$168,000)	\$11,248	\$14,248
Operating Costs	• Benchmarked cost per sqm (indexed)	\$102,114	\$129,355
Total Expenditure		\$113,362	\$143,603
Net Operating Surplus/(Deficit)		\$32,309	\$40,928

Source: Urban Enterprise, 2023

¹ Indexed rate adopted is 3% p.a.

This demonstrates the potential financial viability of the Boathouse as a revenue generating asset. However, the prospective of receive an ongoing surplus is subject to final lease agreements with identified commercial lessees, turnover generated by the facility, as well as confirmation of operating cost requirements.

PART A BACKGROUND & CONTEXT

1. INTRODUCTION

1.1. ENGAGEMENT & SCOPE

Council engaged Urban Enterprise to support the redevelopment of the existing Hume Boat Club facility into the *Bellbridge Boathouse (Boathouse)*.

The facility, which is located on the foreshore at Bellbridge overlooking Lake Hume, is designed to activate the lake and achieve economic, social and tourism benefits for the region. This project was identified as a key priority in *Lake Hume Masterplan*, completed in 2022.

The purpose of this report is to assist the redevelopment of the project to an 'investment ready' stage, through preparation of the following:

1. **Governance Framework** – develop a suitable future governance model for the operation of the building, and the associated agreements between parties.
2. **Financial Operating Model** – examine the financial implications and viability of the Boathouse under the recommended governance arrangements.

This analysis is supported by contextual research and recommendations that explores the feasibility of the Boathouse and examines how it can be sustained into the future.

This report is being prepared concurrently with the architectural construction designs, which will influence operation of the Boathouse, and support the identification and attraction of preferred commercial operators. These designs, as well as the preferred commercial operator/s, are subject to confirmation following the outcomes of this report.

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

1.2. BACKGROUND

1.2.1. HUME BOAT CLUB

Site Overview

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 F2):

- **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 watercraft;
- **Public toilets:** Open 24/7 and accessible to the public;
- **Sheltered picnic table.** accessible to the public; and
- **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.

F2. PROJECT STUDY AREA AND SITE OVERVIEW



Map by Urban Enterprise, 2023

Hume Boat Club Operations and Activities

The following provides an overview of the current activities undertaken in the club house and surrounding study area.

- **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.

Key Issues

The Bellbridge Boathouse project seeks to address the following key issues:

- The existing club house is outdated and not fit-for purpose for the Boat Club or community, restricting membership as well as attracting community and private events;
- The amenity is poor and/or outdated – the current kitchen does not meet regulation to cater for events, there is no heating or cooling, or even public toilets onsite;
- There are no commercial offerings in the existing club house to cater to the Bellbridge community, or attract visitors;

- Commercial opportunities are not being maximised – given it is the prime location on Lake Hume (due to more reliable water levels), it is an ideal spot to attract visitors and events to generate economic activity; and
- The area is currently inactivated and uninviting for residents and visitors, restricting utilisation of the lake and foreshore area.

1.3. REPORT STRUCTURE

This report was developed using the following approach:

Part A: Background and Context	<ul style="list-style-type: none"> • Situation analysis for the Boat Club and current club house facility. • Overview of the project and proposed concept.
Part B: Research and Analysis	<ul style="list-style-type: none"> • A needs assessment to establish the strategic and market drivers for the Boathouse. • Case study analysis of comparable facilities. • Strategic considerations to inform future development and concept opportunities.
Part C: Project Impact Assessment	<ul style="list-style-type: none"> • Recommend governance framework. • Financial and economic analysis of the facility.

2. THE BELLBRIDGE BOATHOUSE PROJECT

2.1. OVERVIEW

This section provides an overview of the proposed project, including the objectives, concept and proposed uses. This information is based on the initial designs and preliminary information provided by Council, with designs and concepts to be confirmed prior to construction (and subject to identification of commercial tenants).

2.2. 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.

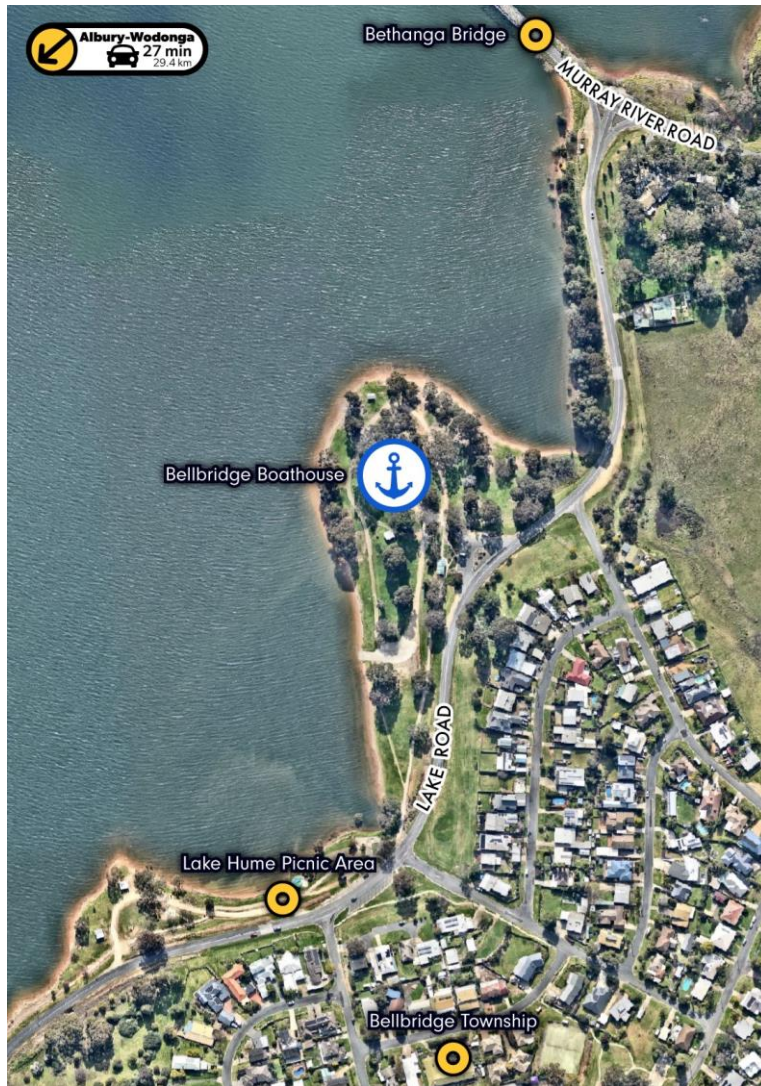
2.3. SUBJECT SITE

An overview of Bellbridge Boathouse location and surrounds is illustrated in Figure F3. 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 (explored in Section 3).

F3. BELLBRIDGE BOATHOUSE LOCATION AND SURROUNDS



Map by Urban Enterprise, 2023.

2.4. PROJECT PROPOSAL

The key features, amenity and spaces of the Boathouse, designed to transform the facility into an iconic attraction, are detailed below.

2.4.1. FEATURES

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:

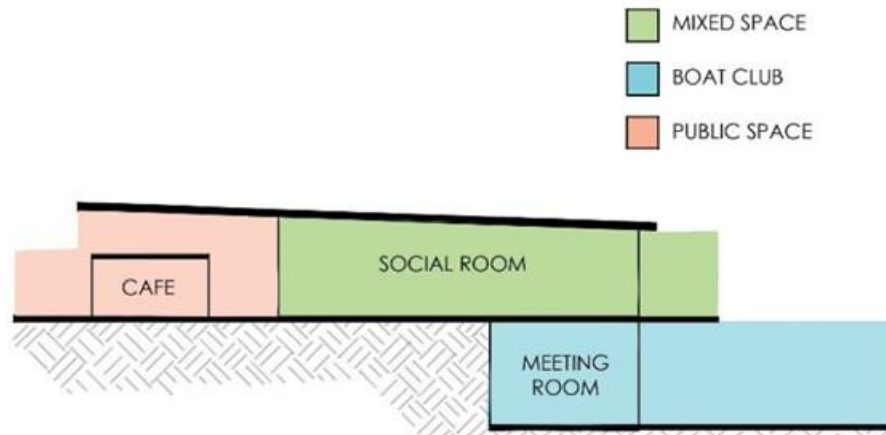
- **New Boat Club facilities** including a meeting room, internal storage space, kitchenette, private amenities and direct access to the foreshore;
- A **social room/function space** (approx. 100 pax seated) with bar, commercial kitchen, storage, internal toilets, amenities and views across Lake Hume;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

2.4.2. 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 (refer Figure F4).

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.

F4. BELLBRIDGE BOATHOUSE ACCESSIBILITY



Source: Four18 Architecture. Note: The *café* represents all commercial spaces that are publicly accessible.

The proposed area schedule for each defined space is detailed in Table T3, based on initial concept designs and subject to confirmation. This demonstrates a total functional space of approx. 746 sqm.

T3. 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)

Indicative floorplans and external designs can be found in Appendix A.

2.4.3. COMMERCIAL OPERATIONS

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.

2.4.4. COSTS AND TIMELINES

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 **\$10 million**.

Upon funding being sourced, the construction is expected to take between 18 and 24 months.

PART B RESEARCH & ANALYSIS

3. NEEDS ASSESSMENT

3.1. OVERVIEW

The needs assessment establishes the strategic and market drivers for the Bellbridge Boathouse, helping to establish the 'need' for the facility. This involves:

- Establishing the strategic alignment of the project with local, regional and state policies;
- Identifying the relevant attributes of the surrounding region to support the viability of the Boathouse;
- Demand analysis to determine the target markets (inc. potential market size) and identify how the facility can meet the needs of various user groups; and
- Supply analysis of comparable products in the region to identify potential competitors in the market and how the Boathouse could be positioned to fill product gaps and attract users.

3.2. KEY FINDINGS

- **The Bellbridge Boathouse project aligns with local, regional and state policy, specifically to activate Lake Hume foreshore and generate economic activity in the area.**
- **There is currently a lack of community facilities and commercial offerings in the region, as well as a lack of tourism product along Lake Hume. Therefore, investment in the boathouse will cater to resident and visitor needs.**
- **The facility is well positioned to draw from the large market of regional cities Albury and Wodonga (as well as Tallangatta) – totalling 109,500 residents and 2.3 million annual visitors.**

3.3. STRATEGIC ALIGNMENT

Table T4 summarises the project alignment to relevant strategic documents which will support the project concept and development opportunities. Local and regional policy identifies the Bellbridge Boathouse as an investment priority for Towong Shire and the Hume region. The core opportunities arising from the Boathouse includes:

- Deliver a year-round destination dining experience for Lake Hume visitors;
- Supply critical retail and commercial floorspace to service the growing regional population and visitor base; and
- Provide meeting spaces for community groups and residents, improving the liveability and social capital of the Bellbridge township (and surrounding area).

3.3.1. KEY DOCUMENTS

Towong Shire Destination Management Plan (DMP) 2021-25

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.*" This was identified as potential to create a destination that would service the boating market and also residents from Albury Wodonga.

Activating Lake Hume Masterplan 2022

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. 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).

3.3.2. OTHER DOCUMENTS

A summary of other relevant strategies and policies that support the Boathouse development are outlined below, including the alignment to stated project objectives.

T4. SUMMARY OF OTHER STRATEGIC DOCUMENTS

Strategic Document	Relevant Strategic Directions & Actions	Project Alignment
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>	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.
Goulburn-Murray Water Corporate Plan 2023-24	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.	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
Goulburn-Murray Water Strategic Plan 2017	<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 Know the region's strengths and attract investment 	<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 Economic Development Strategy (EDS) 2021 to 2025	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.'	The proposed concept for the Bellbridge Boathouse will help support this identified project.
Towong Shire Council Plan 2021 to 2025	<p>The Towong Shire Council Plan focuses on six key areas - <i>Asset Management, Community Wellbeing, Economic and Tourism Development, Land-Use, Environmental Sustainability, and Organisational Improvement</i>. Key strategies relevant to the project include:</p> <ul style="list-style-type: none"> Strengthen the capacity of existing and new businesses to thrive; and Expand tourism offerings, promotion and experiences across the Shire. 	<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.

Strategic Document	Relevant Strategic Directions & Actions	Project Alignment
<p>'Our Bellbridge' Masterplan and Strategy 2015</p>	<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.

Source: Various, compiled by Urban Enterprise 2023

3.4. REGIONAL CONTEXT

3.4.1. TOWONG SHIRE

Towong Shire, located in north-east Victoria, has an abundance of natural assets to support resident amenity and visitation, including national parks and inland waterbodies. One of these primary assets is Lake Hume, which requires further investment to help activate the product and drive economic benefit to the Shire. Currently, there are very few products and experiences available on the Lake Hume foreshore, particularly along the Berringa Peninsula.

3.4.2. BELLBRIDGE AND LAKE HUME

The Boathouse will be located in the Bellbridge township, which is situated in the Lake Hume region of Towong Shire (inc. key townships of Tallangatta, Bellbridge, Bethanga and Granya³).

Bellbridge is a small residential settlement located on the Berringa Peninsula. The steep topography of the town provides panoramic views of Lake Hume and ensures that water levels in the lake are more consistent year-round. The Bellbridge population sits at 393 residents (as of 2021), with further residential development of approx. 206 new lots planned, 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.

The town 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.

³ An identified sub-region as part of the Towong Destination Management Plan

3.4.3. PROJECT CATCHMENT AREA

The Bellbridge Boathouse has the potential to draw from a large residential and visitor catchment, leveraging its prime location on the Lake Hume foreshore and proximity to the Albury Wodonga regional cities.

As Bellbridge has a very small local population catchment, key to the success of the Boathouse will be to leverage the regional visitor and resident markets.

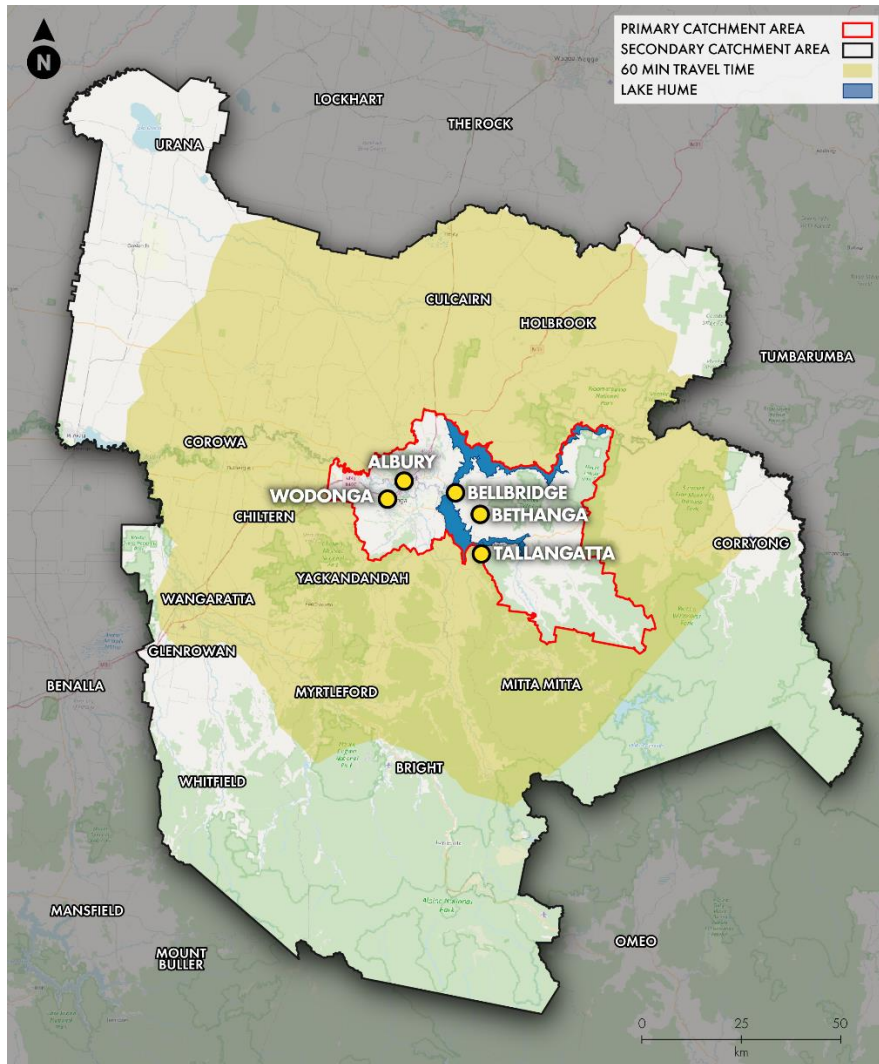
As such, a catchment area has been established for this project, which is used to inform the market and impact assessments. This includes:

- **Primary Catchment Area:** Encompasses the key towns within a 30-minute drive of the site, including Albury Wodonga and the Lake Hume region of Towong Shire, (including Tallangatta).
- **Secondary Catchment Area:** This covers the broader SA2 areas that are within a 60-minute drive of the Boathouse site, including key townships such as Beechworth, Rutherglen, Yackandandah and Chiltern⁴. Markets within the secondary catchment will have access to the facility. are also likely to use the Precinct – although less often – than the primary catchment.

These areas and key towns are illustrated in Figure F5

⁴ Includes the following SA2s: Towong, Yackandandah, Bright-Mount Beauty, Myrtleford, Beechworth, Wangaratta, Wangaratta Surrounds, Chiltern-Indigo Valley, Rutherglen, Corowa, Corowa Surrounds.

F5. BELLBRIDGE BOATHOUSE CATCHMENT AREAS



Map by Urban Enterprise, 2023.

3.5. MARKET DEMAND ANALYSIS

The market potential for the Bellbridge Boathouse, having regard to the regional population and visitor market for the catchment area, is detailed below.

As shown in Table T5, it is estimated that there is a total market size of around **197,000 residents** and **5.2 million visitors** that the Boathouse could potentially draw on. This includes a local primary catchment size of **109,500 residents** and **2.3 million visitors**.

Each of these markets is forecast to grow over the next ten years, driven by residential growth across Albury Wodonga and overall growth in domestic regional tourism.

Whilst the Boathouse is not expected to drive visitation in its own right, it has the potential to capture a proportion of visitation from across the region, particularly:

- Visitors to the nearby regional cities of Albury Wodonga; and
- Residents of key towns such as Albury Wodonga, Tallangatta and smaller townships across the peninsula.

T5. MARKET SIZE AND GROWTH POTENTIAL

	Residential Market	Visitor Market
Primary Catchment		
2023	109,500	2,331,900
2033	125,000	5,844,200
Secondary Catchment		
2023	87,200	2,885,500
2033	89,500	7,231,600
Total		
2023	197,300	5,215,400
2033	214,479	13,075,80

Source: DELWP 2023, Planning NSW 2022, TRA Tourism Forecasts, 2023. Note: To avoid double counting, data for the secondary catchment area excludes the primary catchment area residents.

Based on the aim of Boathouse to be a 'family-friendly' destination, a more detailed analysis of the regional family market demonstrates the following target market potential that could be attracted to the facility:

- Residential family market totalling **71,500**, including a primary market of 41,500 and a secondary market of 30,000⁵; and
- Visitor family market totalling **1 million**, including a primary market of 438k and secondary market of 599k.

These figures help to verify the potential utilisation rates (and market impacts), which will inform the overall project assessment (inc. visitation and revenue) detailed later in this report.

3.6. SUPPLY ANALYSIS

A supply analysis was undertaken to identify the potential market gaps that the Bellbridge Boathouse could meet for residents and visitors, particularly with the provision of commercial dining and retail offerings.

Figure F6 provides an audit of comparable product within a 30-minute drive of the site, focusing on the supply of businesses that could potentially compete with the Boathouse offerings (based on the indicative concept), including:

- **Destination food and beverage** (e.g. restaurants, cafes, cellar doors, breweries, distilleries, quality bistros);
- **Local producers** (e.g. providores, delis, artisan goods);
- **Boutique retail** (e.g. arts and crafts, homewares); and
- **Event/function venues** (e.g. weddings, parties, conferences, community events).

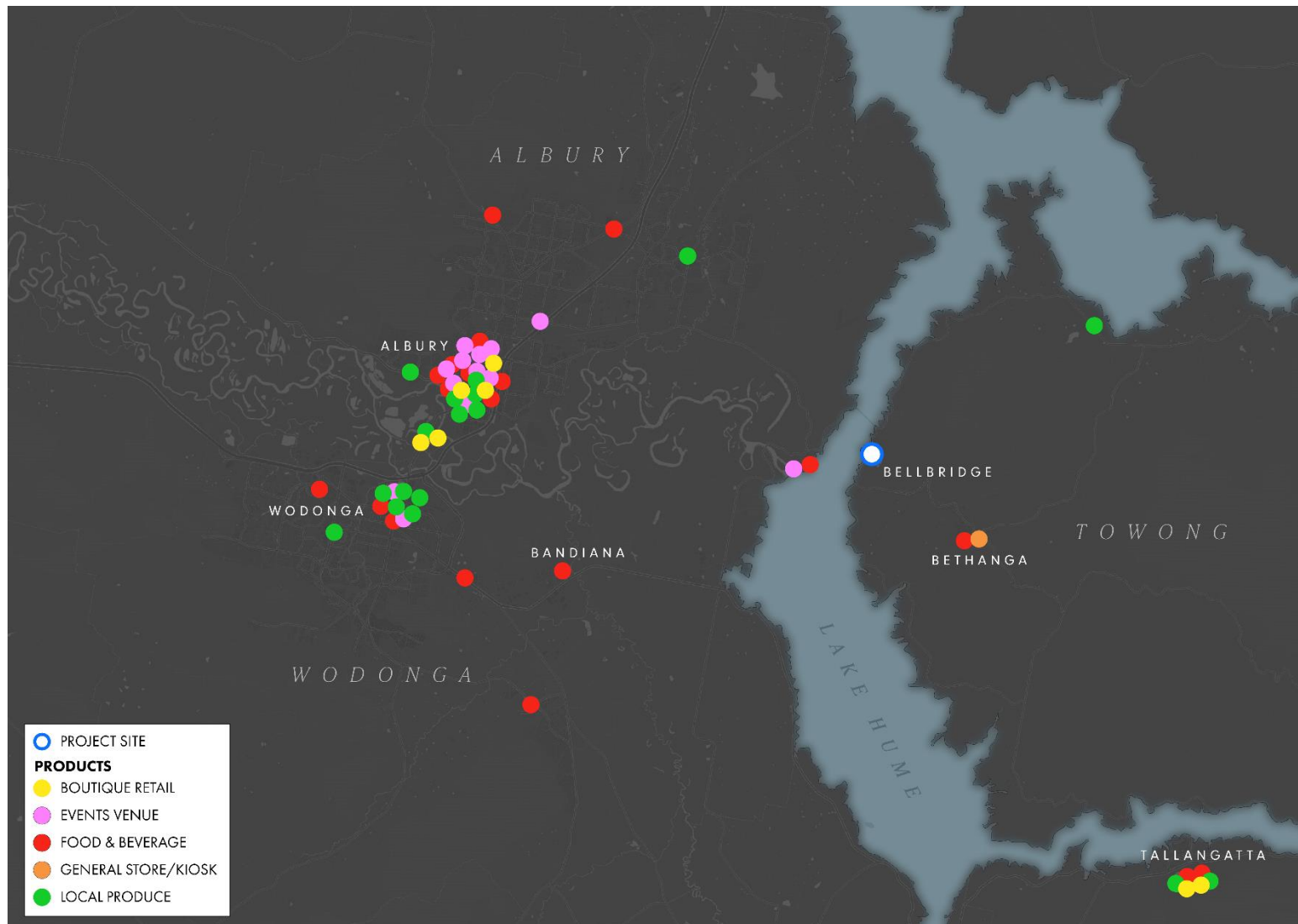
This also included a review of all commercial offerings in the immediate surrounds of Bellbridge, to identify the scale of competition. The detailed list of all product is shown in Appendix B.

Key points to note from this analysis include:

- Almost all product is clustered in the regional cities of Albury and Wodonga, catering to the large population and resident base;
- Conversely, there is minimal dining and retail offerings in the local Bellbridge area, with no commercial operators catering to the community (with the closest premises located in Bethanga). This would, therefore, enhance local amenity by providing a multi-use community and visitor facility;
- There is a lack of product directly located on the Lake Hume foreshore, with only Lake Hume resort on the western side of the peninsula providing a restaurant and function space. Having an additional facility on the foreshore, which has access to Lake Hume, will help support activation of this asset; and
- Having a facility spread away from the cluster of businesses in Albury Wodonga could promote resident and visitor dispersal to the Lake Hume/Towong region.

⁵ ABS Census Data, based on average household size of 2.5 persons per household.

F6. COMPARABLE PRODUCT AUDIT



Map by Urban Enterprise, 2023; Note: this is not an exhaustive audit of all relevant product.

4. CASE STUDY ANALYSIS

4.1. OVERVIEW

This section identifies and examines relevant case studies of boat club facilities that are comparable to the proposed project concept. The purpose of this assessment is to identify the common features and success factors that could be used to inform the operation of the Bellbridge Boathouse, including use of spaces, amenity and governance models. The following case studies were included in the analysis (explored in greater detail below)⁶:

- The Pavilion;
- Wynard Yacht Club; and
- Frankston Yacht Club.

4.2. KEY FINDINGS

- **Comparable boat/yacht club facilities are typically multi-functional, catering to the club, community and visitors to the area.**
- **This includes a mix of private spaces (usually reserved for boat club members) and publicly accessible commercial spaces, including café/restaurant, retail and event facilities.**
- **Council, which owns or leases the assets, are not involved in the ongoing operation of dedicated spaces – these are outsourced to the boat club and commercial operators via specific leases. It is then the responsibility of the third-party to manage its space, which is overseen by Council.**
- **The provision of commercial fit-out is key to attracting commercial lessees, as it reduces the financial risk for operators.**

⁶ These case studies were included in the analysis based on a combination of Council ownership/public access, existing uses and waterfront location.

4.3. CASE STUDIES

THE PAVILION (WARRNAMBOOL)



Warrnambool's foreshore pavilion opened to the public in 2010. In addition to redeveloping the ageing yachting facilities, the pavilion project incorporated new community meetings rooms, a commercial hospitality tenancy, a visitor information centre, public toilets and changing rooms, a coast guard observation tower, and storage sheds.

The project formed part of the redevelopment of the Warrnambool Breakwater precinct and was delivered by Warrnambool City Council at a cost of \$3.2m. Since its opening, the multi-use facility serves important roles and functions to the community and visitors. The restaurant is commercially tenanted by Pavilion Café and Bar, which is open throughout the day and available for private functions in the evening. The yacht club and coast guard have maintained a presence within the building, and the precinct hosts a number of sailing, music and community events, including the 'Coastal Jam' music festival held in the summer months.

As the site is Crown Land, Council has a 21-year Crown Land lease for the facility. The tenancies within the pavilion are all managed by Council, which is the Committee of Management for the foreshore area.

The operation of the facility is typically cost-neutral for Council, however, building repairs requires Council resourcing.

WYNYARD YACHT CLUB (TASMANIA)



The Wynyard Yacht Club, situated on the north-western coast of Tasmania, was completed in 2022. The building was delivered at a cost of \$3.9m, co-funded by the Tasmanian State Government and Waratah Wynyard Council.

In addition to housing the yacht club, the building was designed to serve a range of community uses. It features boat storage areas, administrative offices, a café, and multipurpose events space. Council currently leases the café space to Big hArt, a non-profit organisation which runs youth traineeships across a range of industries. The organisation uses the space to run hospitality training courses and other community and social events.

The building is used year-round by the Wynyard Yacht Club, Tasmanian Canoe Club, Marine Rescue and other groups. However, the lease for the yachting facilities, as well as the events space, lies with the Wynyard Yacht Club (with Council as the landlord). The events space can be hired by non-club members, with all bookings managed by the yacht club.

FRANKSTON YACHT CLUB



The Frankston Yacht Club is a multipurpose, beachside facility situated on the Frankston foreshore. The facility was constructed in 2016 at a cost of \$11 million, delivered as part of the Council foreshore redevelopment plan.

The Foreshore Reserve precinct is designated as Crown Land, with Council leasing the site from Government. Council is responsible for the overall management of the building, with individual tenants leasing and operating within their designated spaces (as sub-tenants).

The yacht club assumes responsibility for the yachting facilities and event venue, while two separate commercial restaurant spaces are intended for operation by commercial lessees.

It should be noted, however, that Council did not initially invest in internal fit-out for the commercial spaces, resulting in challenges in attracting operators. Council subsequently invested in internal fit-out and have released an EOI for businesses.

Due to the lack of commercial operator, the facility has been operating at a loss as there has been no commercial lease revenue for Council to-date.

4.4. CASE STUDY SUMMARY

Detailed information for each case study is provided in the table below, including an overview of facility uses, supporting amenity, as well as governance and operating models.

T6. CASE STUDY SUMMARY

	The Pavilion	Wynard Yacht Club	Frankston Yacht Club
Location	Warrnambool, Victoria	Wynard, Tasmania	Frankston, Victoria
Facility Uses and Activities	<ul style="list-style-type: none"> • Yacht racing regattas, training, and events • Boat storage • Meeting rooms • Dining and private functions • Information Centre • Coast guard and yacht club offices • Public outdoor events 	<ul style="list-style-type: none"> • Yacht racing regattas, training, and events • Boat storage • Administrative offices • Multipurpose events space • Café / commercial kitchen 	<ul style="list-style-type: none"> • Yacht racing regattas, training, and events • Boat storage • Yacht club offices • A ground floor café • An upper floor restaurant / events space
Supporting Infrastructure and Amenity	<ul style="list-style-type: none"> • Toilets and change rooms • Parking • Rest areas • Outdoor seating 	<ul style="list-style-type: none"> • Public toilets and changes rooms • Parking • Forms part of the waterfront precinct 	<ul style="list-style-type: none"> • Public toilets and changes rooms • Parking • Outdoor seating • Forms part of the waterfront precinct
Governance and Operating Model	<ul style="list-style-type: none"> • The Pavilion is located on Crown Land which Council leases from DEECA via a 21-year lease • The coast guard, yacht club and restaurant operator all sub-lease their respective facilities from Council. 	<ul style="list-style-type: none"> • Building owned by Council, with facilities leased to: <ul style="list-style-type: none"> ○ The Yacht club (offices, boat storage and events space) ○ Big hArt, a non-profit organisation which leases the café/commercial kitchen to run hospitality training course 	<ul style="list-style-type: none"> • The yacht club is located on Crown Land (land leased by Council from Government) • Council leases facilities to the yacht club and two commercial operators.
Development Costs	<ul style="list-style-type: none"> • \$3.2m (2010) 	<ul style="list-style-type: none"> • \$3.9m (2022) 	<ul style="list-style-type: none"> • \$11m (2016)
Financial Analysis/Outcomes	<ul style="list-style-type: none"> • Operates at break-even (cost neutral for Council). • Council is responsible for major repair and maintenance activities, which impacts cost neutrality when investment is required. 	<ul style="list-style-type: none"> • N.p. 	<ul style="list-style-type: none"> • Council objective is to operate the facility at break-even once a commercial operator is onboarded. • Currently operates at a loss for Council due to absence of commercial operator.

Source: Various, compiled by Urban Enterprise, 2023

5. STRATEGIC CONSIDERATIONS

5.1. OVERVIEW

The following details the project's strategic considerations, including relevant issues and opportunities, to inform the successful development and operation of the Bellbridge Boathouse. This draws on a combination of stakeholder consultation, case studies, background research and market analysis.

5.2. KEY CONSIDERATIONS

Site Location and Lake Hume Activation

- There is a risk that the small population in the immediate surrounds (i.e. within walking distance) may limit overall utilisation. As a result, it is essential that the Boathouse leverages its proximity to Albury Wodonga, including its resident and visitor base, to attract users.
- As one of only two townships that are accessible to the Lake Hume foreshore, the Boathouse can capitalise on its natural surrounds and water access to develop into a unique destination.
- Therefore, the Boathouse should be established as a focal point for the Lake Hume foreshore area, as this is a unique point of difference for the region.
- It should be noted that water levels regularly fluctuate as part of the Hume Dam's annual cycle of filling and drawdown, which could impact overall visitation to the area. Therefore, the provision of commercial tenants that are not heavily reliant on favourable water levels, and can assist in driving year-round visitation to Bellbridge, is imperative.

Multi-Functional Asset

- It is critical that the facility promotes a diversity of uses that caters to a range of target markets, including the Boat Club, residents and visitors to the region.

- In doing so, the Boathouse should operate with the Boat Club as the anchor tenant, provide community facilities and maximise its commercial potential via dining/retail offerings, as well as events. This should also include equipment hire to promote water-based recreation and capitalise on site access to Lake Hume.
- However, all facility uses must ensure they do not conflict with the lake's public utility and support historical use of the site by the Boat Club. This includes maintaining the Boat Club's exclusive access to the boat ramp, and preventing uses that could be detrimental to the natural environment.

A 'Family-Friendly' destination

- Given the synergies with Lake Hume, which will support on-water accessibility and utilisation, the Boathouse should be positioned as a family friendly destination.
- The Boathouse should be attracting families through provision of specialised dining and retail, as well as supporting water-based recreation. This will provide a range of daytime experiences that is suited to the family market, and could support increased dwell time (and spend) along the foreshore area.

Night-time economy

- Beyond the daytime opportunities, there is also scope for the Boathouse to support evening and night-time activities.
- A destination food and beverage offering should provide evening dining options at peak periods (i.e. weekends, holidays), which would cater to a different market from the daytime (e.g. adult couples) and drive additional spend.
- In addition, the provision of private, commercial and community events (e.g. weddings, functions, etc.) will also support night-time activity and create for revenue opportunities for the facility and spend for the region.

These considerations should help inform the future operation of the facility as well as the identification of preferred operator/s.

PART C PROJECT IMPACT ASSESSMENT

6. GOVERNANCE FRAMEWORK

6.1. OVERVIEW

This section establishes the recommended governance structure for the Bellbridge Boathouse, which takes into account the recommended concept, project objectives, as well as relevant stakeholders and user groups.

Please note the information and recommendations included in this section is subject to further investigation by Council and relevant stakeholders.

6.2. KEY FINDINGS

The governance structure is informed by the current status of land ownership, as well as historical uses of the site as a club house. Based on consultation and review of case studies, the most effective structure involves:

- **GMW as the site landlord, leasing the facility and land parcel to Council as head tenant; and**
- **Council managing the sub-leases, including the Boat Club (facility spaces and land), as well as commercial operator/s for the café, retail and social room.**

F7. INDICATIVE GOVERNANCE STRUCTURE



Under this structure, Council is responsible for the management and maintenance of the facility, including the identification of preferred commercial operators. However, it must adhere to GMW guidelines to maintain the public utility of the site and support historical uses (i.e. Boat Club). As head tenant, Council also absorbs the financial risks in terms of ongoing operating costs for the Boathouse.

6.3. ROLES AND RESPONSIBILITIES

An overview of the relevant governing stakeholders, as well as identified roles and responsibilities, are outlined below. This is used to inform the successful management and operation of the facility, including the community, recreation and tourism components.

As shown in Table T7, the key stakeholders included in the governance structure includes:

- Land manager (GMW);
- Facility manager and head tenant (Council);
- Lake Hume Boat Club; and
- Commercial operator/s.

The potential roles and responsibilities of each stakeholder, as well as desired outcomes from the Boathouse development, are outlined in the table below (based on stakeholder consultation).

As GMW is the governing body for the site, it will be essential that the proposed uses for the Boathouse aligns with their strategic objectives and aims, including supporting a vibrant Bellbridge community, as well as promoting water-based recreation whilst maintaining water security.

Future governance arrangements should maintain transparency with GMW to avoid potential conflicts.

T7. KEY STAKEHOLDERS AND RESPONSIBILITIES

Stakeholder	Overview (inc. Roles and Responsibilities)	Desired Outcomes and Conditions
Land Manager		
Goulburn Murray Water	<ul style="list-style-type: none"> As land manager, GMW is the site landlord for the land parcel, including the Boathouse facility. Oversee the head lease arrangement with the lead tenant, including lease costs, duration and conditions. 	<ul style="list-style-type: none"> Support historical use of the facility as a club house. Maintain the role of the facility as a community asset and publicly accessible area (excluding the boat ramp) – promoting recreation on and around Lake Hume. Supporting a strong and vibrant local community.
Facility Manager		
Towong Shire Council	<ul style="list-style-type: none"> Council (or a Council-led CoM) will be the head tenant for the Boathouse and facility manager – which provides overall responsibility for the facility operations. Head tenant responsibilities outlined in a head lease agreement with the land manager. Pays rental fees to land manager and receives rental income from sub-tenants. Responsibilities include: <ul style="list-style-type: none"> Manage sub-tenancies, including commercial operator/s and the Boat Club; Facility operating costs (e.g. building and grounds maintenance, functions and meeting spaces, utilities, etc.); Capital funding for facility development, including insurance, design and kitchen fit-out; Manage and operate the function space (i.e. bookings); and Maintain immediate surrounds of the facility (i.e. landscaped area, carpark). Provide marketing and promotion support (through existing communication channels) to help activate the Boathouse and attract operators and visitors. 	<ul style="list-style-type: none"> Improve amenity to stimulate population growth. Activate small business development in the tourism sector. Attract local and regional visitors to the site and generate local consumption. Generate sufficient revenue to offset ongoing costs.
Boat Club		
Hume Boat Club	<ul style="list-style-type: none"> A sub-tenant via sub-lease agreement with the facility manager. Responsible for the management of Boat Club facilities including the meeting room, internal storage space, kitchenette and private amenities. Manage the land area for exclusive Boat Club use, including relevant foreshore area and boat ramp access. Market and promote the facility to attract events and other users. 	<ul style="list-style-type: none"> Maintain exclusive use of the boat ramp. Grow club membership through improving membership benefits. Delivery of club events and activities. Generate income through the leasing of the club rooms for events and community activities/meetings.
Commercial Operator/s (TBC)		
Commercial Operator/s (e.g. café, retail, equipment hire, etc.)	<ul style="list-style-type: none"> Providing commercial services per the sub-lease agreement (or licensing agreement), reporting directly to the head tenant/facility manager. Responsible for commercial operations, including staff, price points and offerings (subject to meeting planning requirements). Responsible for function management and catering. Provide marketing and promotion to attract customers. 	<ul style="list-style-type: none"> Leverage on existing visitor market and under-served residents to generate income. Service community members and visitors as required.

Source: Compiled by Urban Enterprise, 2023

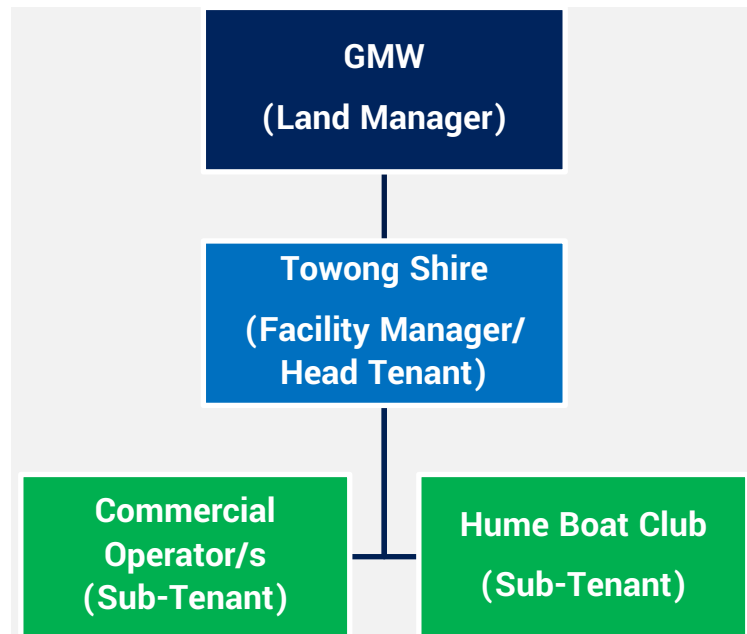
6.4. INDICATIVE GOVERNANCE STRUCTURE

6.4.1. SUMMARY

The indicative governance structure is illustrated in Figure F8, which aligns with the roles and responsibilities of key stakeholders outlined above.

While the overall site management falls under the responsibility of GMW, it will be Council that is responsible for the operation of the Boathouse.

F8. INDICATIVE GOVERNANCE STRUCTURE



6.4.2. MEASURES OF SUCCESS

A successful and effective governance structure for the facility, which involves multiple stakeholders/tenants, should demonstrate the following attributes:

- **Clear governance and accountability.**
- **Alignment to project objectives.**
- **Access to funding sources** (the ability to attract funding from alternative sources, including the public and private sector).
- **Financial sustainability.**
- **Community and business engagement.**
- **Market attraction** (inc. visitors and residents to generate yield).
- **Risk mitigation** (i.e. reduced risk to operators, Council and GMW).

6.5. INDICATIVE LEASE AGREEMENTS

The following provides indicative recommendations for the lease arrangements to be implemented in the governance structure. These are based on the case study research, historical operation of the site, as well as the project objectives and identified success measures outlined above.

This includes recommendations for the following lease agreements:

- Head Lease Agreement (between GMW and Council);
- Commercial sub-lease agreement (between Council and commercial operators); and
- Community sub-lease agreement (between Council and the Boat Club).

Also based on alignment to state government and local leasing policies

Note: The following provides indicative recommendations only, which is subject to change and negotiation between relevant parties. This information is based on our understanding of the project, stakeholder objectives, as well as relevant State Government and Local Government leasing policies.

6.5.1. HEAD LEASE AGREEMENT

The indicative head lease agreement between GMW and Council is detailed in Table T8. Key points to note include:

- GMW (as landlord) remains land manager.
- Council owns the Boathouse asset and is the head tenant, paying a base rental rate to GMW on an annual basis.
- Council is obliged to support the exclusivity of Boat Club spaces for the Boat Club, including access to the boat ramp.
- For mixed and public use areas, Council has the ability to sub-lease to commercial operator/s that will support the community and attract visitors to the area.
- All uses of the facility must align with GMW objectives.

⁷ Based on advice from GMW.

T8. INDICATIVE HEAD LEASE AGREEMENT

	Terms and Conditions
Parties	<ul style="list-style-type: none"> • GMW (landlord) • Towong Shire Council (head tenant)
Term	<ul style="list-style-type: none"> • Minimum 15-year commitment with options (5+5+5)⁷
Base Rental	<ul style="list-style-type: none"> • Based on a set percentage of land value (6.5%), subject to indexation⁸. • Payable monthly in advance. • Rent is subject to review every five years, with base rental rates tied to changes in land value.
Uses (use of premises)	<ul style="list-style-type: none"> • Council (as the facility owner and manager) has exclusive care and control of the Boathouse. • The head lease is for the whole study area (i.e. land parcel), inclusive of the building and forecourt area. • Council reserves the right to sub-lease spaces for the Boat Club, as well as commercial operator/s, providing it does not conflict with the head lease. • The head lease should stipulate that the Boathouse must support the historical use of the facility by the Boat Club, as well as a combination of new community and commercial use to support residents and visitors to the area.
Provisions/ Conditions	<ul style="list-style-type: none"> • For both community and commercial sub-lease agreements, Council recognises the need to achieve the best community outcome and/or best financial return for the asset. • The head lease is subject to review every five years of the term (unless negotiated otherwise). • Any major structural changes to the building or surrounding area requires the approval of GMW. • Council as the facility manager is responsible for ongoing management and maintenance of the building, including receipt of revenue as well as payment of utilities, operating costs, cleaning and repairs.

Source: Various, compiled by Urban Enterprise, 2023

⁸ 6.5% reflects the mid-point of the percentage applied for community uses (5%) and commercial uses (8%), recognising that the facility will provide a combination of uses.

6.5.2. SUB LEASE AGREEMENTS

The indicative commercial and community sub-lease agreements are detailed below, noting the following:

- Council as the facility manager and head tenant will be the responsible point of contact for all commercial operators and the Boat Club;
- Sub-leases should be subject to periodic review to allow for rental increases and provide tenants with option to continue with the lease term (or exit the agreement if the lessee is unsuccessful);
- The Boat Club should be allowed to undertake all activities unimpeded by the commercial and community uses, and any decisions made by Council and the commercial operator/s should factor in the impact on the Boat Club; and
- While there should be no restrictions for Boathouse users accessing the foreshore on foot, vehicle access and use of the boat ramp will be solely for the exclusive use of Boat Club members.

T9. INDICATIVE SUB-LEASE AGREEMENTS

	Commercial Lease	Community Lease (Boat Club)
Parties	<ul style="list-style-type: none"> • Towong Shire Council (head tenant/facility manager) • Commercial operator (sub-lessee) – note: a separate commercial sub-lease will be required for each commercial operator. 	<ul style="list-style-type: none"> • Towong Shire Council (head tenant/facility manager) • Hume Boat Club (sub-lessee)
Term	<ul style="list-style-type: none"> • A maximum lease term of 10 years (5+5) for new commercial operators that do not hold any previous tenure agreements with Council. • A maximum lease term of 20 years (5+5+5+5) for commercial operators that have held previous tenure agreements with Council.⁹ 	<ul style="list-style-type: none"> • Minimum 15-year commitment with options (5+5+5)¹⁰
Base Rental	<ul style="list-style-type: none"> • Rental amount to be negotiated per month plus GST (payable monthly in advance). • Base rental is subject to indexation following each option period (i.e. every five years of the lease term). 	<ul style="list-style-type: none"> • Based on a set percentage of sub-leased land value (6.5% - same as Council), subject to indexation and payable monthly in advance. • Rent is subject to review every five years, with base rental amounts tied to changes in sub-leased land value. • Council is required to coordinate and pay for expenses associated with land valuations (required for periodic lease reviews).

⁹ For the commercial lease term, there is an option for the tenant to renew after every 5 years up to the maximum lease term

¹⁰ Boat Club lease term should align with the head lease agreement.

	Commercial Lease	Community Lease (Boat Club)
Uses (use of premises)	<ul style="list-style-type: none"> The lease will provide for exclusive use of one or more of the following: café space and two additional commercial spaces. The lessee of the café space will also be responsible for the hire management and catering of functions proposed in the social room. The café space and commercial spaces will be used for various activities that caters to the community and visitors, including: In-person dining, take-away meals, sale of consumer goods, water-based equipment hire, etc. 	<ul style="list-style-type: none"> Exclusive use of boat club spaces outlined in the concept design, for club activities, meetings and boat storage. Maintain water access and exclusive use of the boat ramp, with provisions for watercraft parking, and maintain the land across the foreshore and boat ramp that is part of the sub-lease. The Boat Club will have first right of access each calendar year to hire social room space for larger functions (for up to 10 events p.a.).
Provisions/ Conditions	<ul style="list-style-type: none"> The sub- lease is subject to review after each option period (i.e. every five years of the term) unless negotiated otherwise. Lessee is responsible for securing all consents, permits and approvals required for the operation of the café. The lessee must also pay for all charges associated with the operation of the business from the premises including cleaning and repairs of the premises and equipment, and removal of rubbish in the vicinity of the premises. Council reserves the right to approve the operation of mobile/pop-up operators to operate across the site during peak periods (inc. summer months, public holidays and during events). Council has the right to approve the activation of events and festivals at the venue (outdoor and within the social room) without consultation. Council is required to notify lessees of any events and activities (approved by Council) within 14 days of the activity taking place. 	<ul style="list-style-type: none"> The sub-lease is subject to review every five years of the term (unless negotiated otherwise). The Boat Club is responsible for providing membership details to Council annually following their Annual General Meeting. The Boat Club must allow for unimpeded access to the public use commercial spaces for community and visitors.

Source: Various, compiled by Urban Enterprise, 2023

6.5.3. PROPOSED LEASE AREAS

Figure F9 illustrates the indicative lease areas for the study area. Key points to note include:

- The head lease between GMW and Council will include the entire land parcel (approx. 2.2 ha) – including the Boathouse – of which Council will be the head tenant;
- Council will be solely responsible for the management and maintenance of the Boathouse (excluding dedicated Boat Club spaces) and surrounding landscaped area (approx. 0.9 ha or 41% of total area); and
- The Boat Club will sub-lease its dedicated spaces within the facility, as well as the remaining land across the foreshore and boat ramp area (approx. 1.3 ha or 59% of total area).

The terms of the indicative lease agreements outlined above should refer to these lease areas.

F9. PROPOSED LEASE AREAS



Source: Towong Shire Council, compiled by Urban Enterprise, 2023

6.5.4. IMPLEMENTATION CONSIDERATIONS

The implementation of this could be delivered through the following staged approach:

- **Stage 1: Developing a head lease agreement between the land manager and facility manager.** Consideration should be given to acceptable uses for the Boathouse, length of agreement, obligations of relevant parties and lease fees.
- **Stage 2: Developing a sub-lease agreement between the facility manager and boat club.** As a primary user of the facility, the agreement should consider the exclusive uses for the boat club, lease fees, duration and other obligations.
- **Stage 3: Developing sub-lease agreements between facility manager and preferred commercial operator/s.** This should consider rental fees, including fee incentives/subsidies as required to attract operators, as well as confirming the facility operations (e.g. opening hours), exclusive and shared uses, as well as financial obligations (e.g. investing in fit-out upgrades).

6.5.5. MANAGING RISK

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.

T10. RISK MITIGATION

Risk	Description	Mitigation Strategy
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.

7. FINANCIAL ANALYSIS

7.1. OVERVIEW

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 in sections 7.2 and 7.3 reflect 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.

7.2. KEY FINDINGS

An analysis of revenue and expenditure estimates for the Boathouse demonstrated the following financial implications for Council (over a 10-year period):

- **Revenue will be generated via:**
 - **Lease agreements with the commercial operator/s of the café and retail spaces (benchmarked as a proportion of turnover, per industry standards);**
 - **Event hire fees for the social room (to be generated from Year 2 onwards as the venue becomes established and to account for the lag in booking events); and**
 - **Boat club lease payments.**
- **Expenditure will include:**
 - **Lease payments to GMW (as the site landlord); and**
 - **Ongoing operating costs (inc. maintenance, utilities, etc.)**
- **Based on industry benchmarks and assumptions, it is estimated that the Boathouse could potentially generate an operating surplus for Council from Year 2 onwards, increasing from \$32,309 to \$40,928 in Year 10.**

T11. 10-YEAR OPERATING FINANCIAL MODEL

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

The potential to receive revenue is dependent on the final lease agreements with commercial lessees, as well as the overall turnover. If revenue estimates decrease, any financial 'gap' would need to be subsidised by Council.

7.3. 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 Council.

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.¹¹

This involved applying an average rate (per sqm) for general expenditure categories, as detailed in Table T12. In Year 1, ongoing operating costs is estimated at around **\$99,000**, which factors in maintenance and repairs, utilities, administration, insurance and depreciation expenses¹². In addition, this figure equates to just over 1% of total capital costs, which is a general benchmark of running costs for Council-owned facilities.

¹¹ 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.

¹² Costs for utilities exclude the commercial spaces, as these costs will be borne by the commercial operator.

T12. 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

7.4. 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.

7.4.1. 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 sqm¹³, these spaces are estimated to generate annual turnover of **\$845,000**. Assuming an average spend of \$30 per person¹⁴, this could cater to an estimated **28,167 patrons**.

¹³ SGS Economics and Planning, 2020; Using mid-point for hospitality density benchmarks for regional cities in Victoria.

¹⁴ <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)

Using an average rental assumption of **10% of turnover**¹⁵, 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.

T13. 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

7.4.2. 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 for events. 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 T14, 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 person¹⁶);
- An average of 1 event per week – with an average occupancy rate of 40%¹⁷ - 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.

¹⁵ <https://www.australianleisureproperty.com/what-is-a-fair-restaurant-rent> (applies median rate); and *2021 Industry Benchmarking Report*, Restaurant and Catering Australia.

¹⁶ Average for seated and standing events (https://www.ehow.com/how_8066810_figure-out-capacity-events.html)

Council hire revenue:

- Based on an average of 52 events p.a., with an average hire fee of \$1,000 per event¹⁸, Council hire revenue is estimated at **\$52,000** in Year 2.

T14. 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

7.4.3. 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, based on Figure F9, 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.

¹⁷ Averages 80 visitors per event – a conservative estimate for both sitting (max 100) and standing (max 200) events.

¹⁸ Based on average room hire rates for local comparators, including *Boat Shed Lake Hume* and *The Lincoln* (Albury-Wodonga).

7.5. 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 T15, demonstrates the following (The detailed financial model and adopted assumptions can be found in Appendix C):

- 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.

T15. BELLBRIDGE BOATHOUSE FINANCIAL MODEL (COUNCIL)

	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 ¹⁹	-	\$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 (2022) 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.

¹⁹ Event bookings commence from Year 2, given the estimated lag in booking some events.

7.6. FINANCIAL MODEL IMPLICATIONS

- As a preferred commercial operator (and facility uses) are yet to be identified, the financial analysis is an estimate only, based on a set of adopted assumptions.
- The assumptions are based on the attraction of an experienced and successful commercial operator, which will deliver high-quality dining and retail options. However, it is important to note the revenue estimates (and ongoing surplus generated by the Boathouse) could be impacted by several factors, including:
 - Commercial operator/s generating less turnover and paying a lower average rental rate;
 - Council offering below-market rental rates to attract a commercial lessee²⁰;
 - Offering discounted social room hire fees to attract events; and
 - Growth in operating costs attributed to the final designs and increases in labour and cost of materials.
- The estimated operating profit is, therefore, **subject to confirmation** following the finalisation of the designs, as well as lease agreements (to establish the rental revenue received by Council).
- Should the facility operate at a loss, particularly during the initial years of operation, the financial 'gap' would likely be met through **Council subsidies** (rather than the Boat Club or commercial lessees). However, this could be offset by increased donations (i.e. sponsorship and fundraising) from the community and private sector.
- However, if there are any shortfalls in revenue, these are likely to be offset through **other project benefits**, including broader economic and social benefits, which are explored in the following section.

²⁰ Current average commercial rental rates for Albury Wodonga is estimated at \$340/sqm.

8. ECONOMIC IMPACT ASSESSMENT

8.1. OVERVIEW

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.*"

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.

8.2. KEY FINDINGS

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.**

The project will also deliver several qualitative benefits, including:

- **Supporting the region's growth as a visitor destination;**
- **Improved access to water-based recreation opportunities;**
- **Community liveability, engagement and inclusivity benefits;**
- **Encouraging a greater dispersal of visitation across the region; and**
- **Activating Lake Hume and stimulating private investment.**

8.3. ECONOMIC IMPACTS

8.3.1. 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.

T16. 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

8.3.2. 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.

T17. 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 T18, 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.

T18. 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.

8.4. SOCIAL AND COMMUNITY IMPACTS

The Bellbridge Boathouse will, importantly, deliver social and community benefits to Bellbridge and the broader primary catchment area. The following describes these benefits.

Supporting the Region's Growth as a Visitor Destination

By creating an iconic facility that showcases Lake Hume and the foreshore area, 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 including local, intrastate and interstate areas, particularly for visitors seeking high-quality product and experiences.

Improved Access To Water-Based Recreation Opportunities

The Boathouse, which will attract both residents and visitors across the region, will increase overall participation in water-based recreation across the Lake Hume and 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. This will support social and community connections and generate 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 could have a positive impact through increased membership and overall social activities.

Encouraging a Greater Dispersal of Visitation Across the Region

Visitation to the region is concentrated around the Regional cities of Albury and Wodonga, given the prevalence of infrastructure, accommodation and visitor amenity. However, by providing a high-quality asset in Bellbridge, the facility could encourage a greater dispersal of visitation to Towong Shire. Achieving visitor dispersal could 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 visitor expenditure.

Activating Lake Hume and Stimulating Private Investment

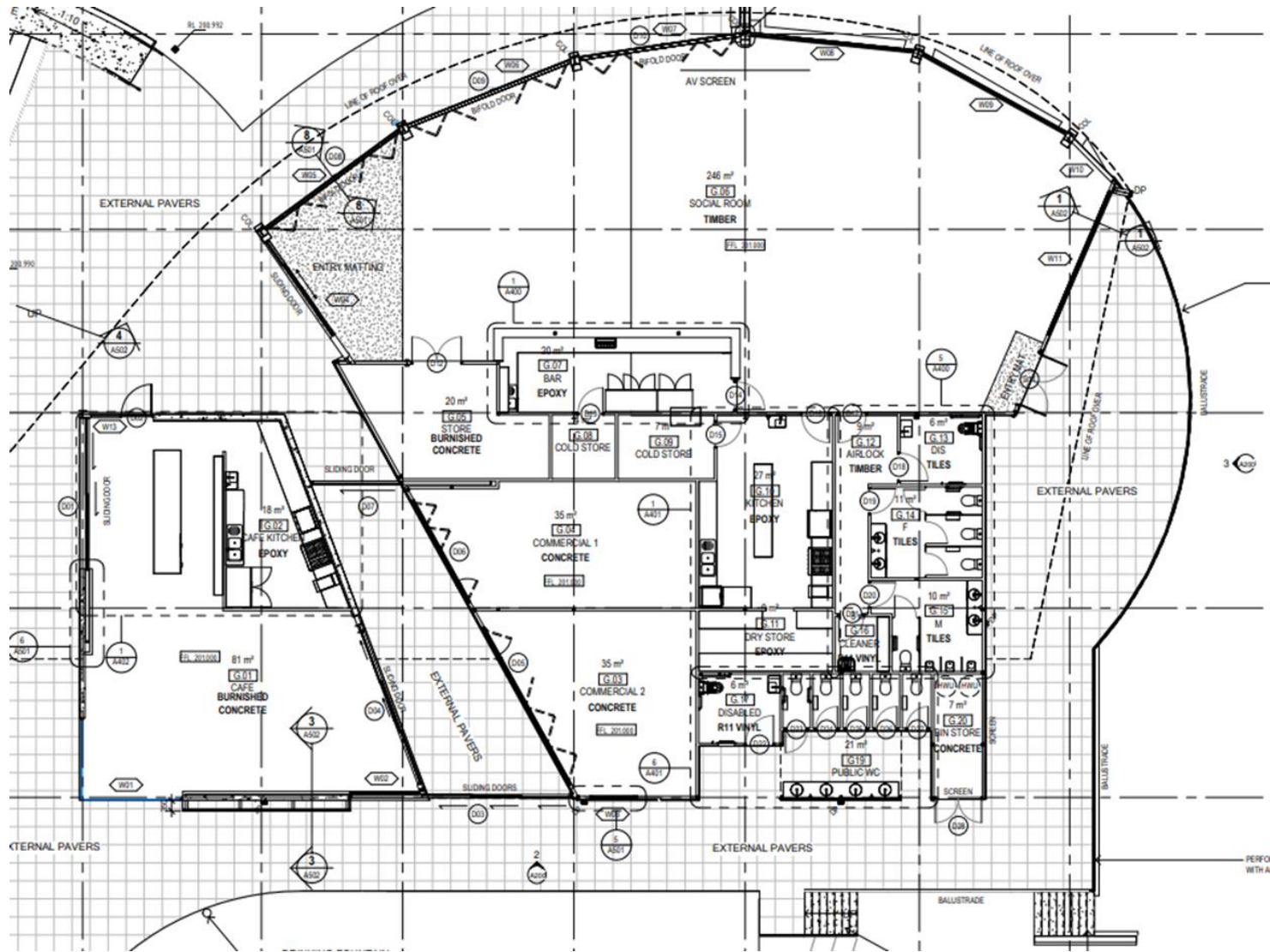
The activation of the Lake Hume area, via the Boathouse development, will promote business investment by attracting commercial operators to cater to visitors. As economic activity in the area increases, this could also potentially support flow-on investment opportunities (e.g. accommodation, hospitality,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

The revitalisation of this area, facilitated by business investment and increased visitation, could also help encourage a longer length of stay for visitors and promote increased spend.

APPENDICES

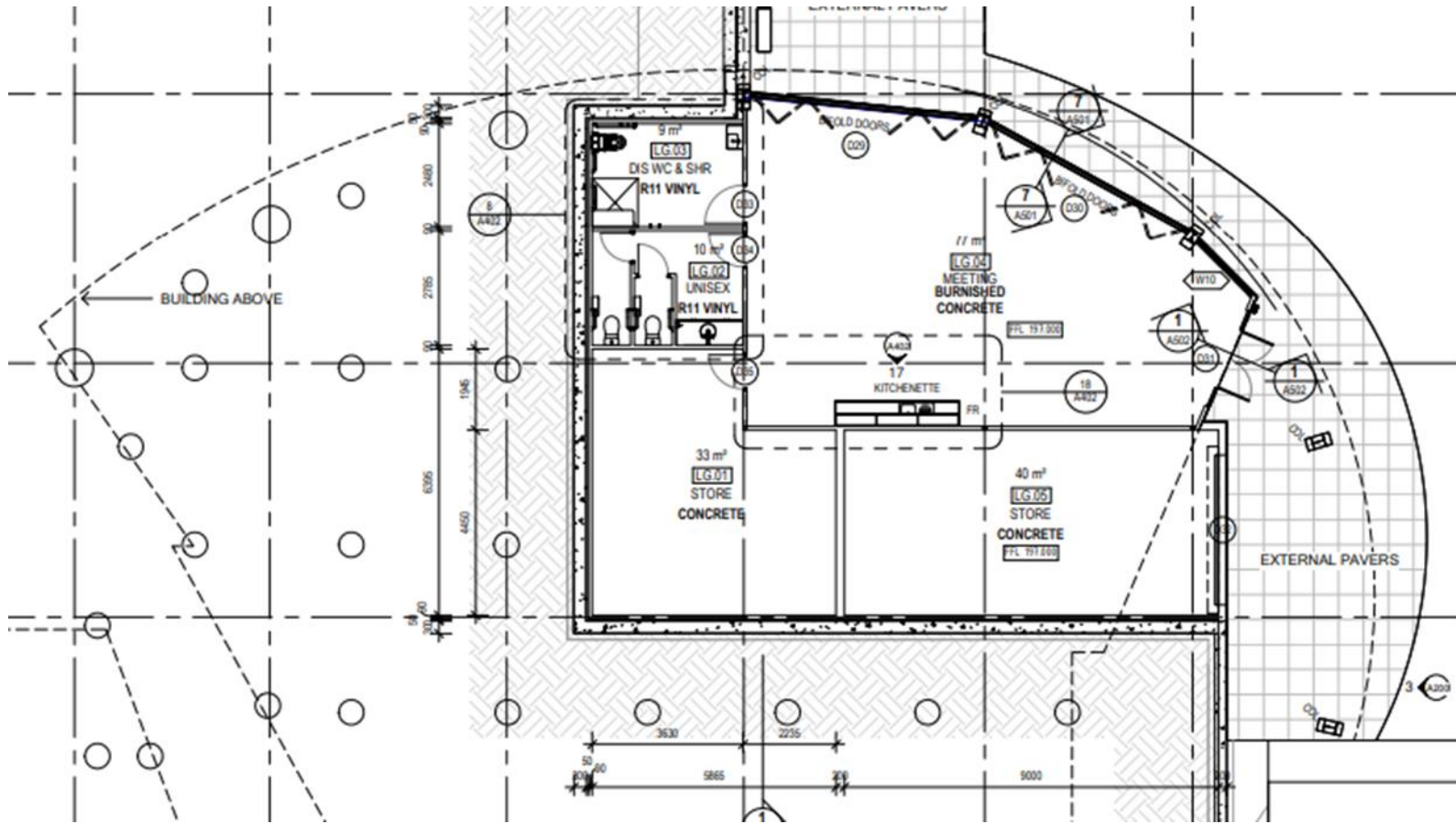
APPENDIX A INDICATIVE DESIGNS AND FLOORPLANS

F10. BELLBRIDGE BOATHOUSE UPPER FLOORPLAN



Source: Four18 Architecture

F11. BELLBRIDGE BOATHOUSE LOWER FLOORPLAN



Source: Four18 Architecture

F12. BELLBRIDGE BOATHOUSE CONCEPT IMAGES (EXTERNAL)



Source: Four18 Architecture

APPENDIX B COMPARABLE PRODUCT AUDIT

Business Name	Address
Food and Beverage	
Webster Estate	419A Lake Rd, Bethanga VIC 3691
Bethanga Hotel	2 Bethanga Bay Rd, Bethanga VIC 3691
FIKA Tallangatta	85 Towong St, Tallangatta VIC 3700
Green Galah Tallangatta	53 Towong St, Tallangatta VIC 3700
Union Hotel Tangam	54 Kiewa E Rd, Tangambalanga VIC 3691
The Cheeky Bean	Freeman Cr, Baranduda VIC 3691
Schmidt's Strawberry Winery	932 Osbornes Flat Rd, Allans Flat VIC 3691
Piccolo Pod	2 Riverside Blvd, Killara VIC 3691
Boomerang Hotel	312-316 Wagga Rd, Lavington NSW 2641
Pinchos Catering & Andiamo Street Kitchen	34 Elgin Blvd, Wodonga VIC 3690
Cheeky Peak Brewery	Unit 1/67 Wigg St, Wodonga VIC 3690
Lake Hume Resort	1 Ray Welsh Dr, Lake Hume Village NSW 2640
The Goods Shed	1/71 Church St, Wodonga VIC 3690
The Blazing Stump Hotel	4315 Anzac Parade, Wodonga VIC 3690
Edwards Tavern	1 Moorefield Park Dr, West Wodonga VIC 3690
Two Fingers Bar	464 Smollett St, Albury NSW 2640
Albury Brewhouse	618 Dean St, Albury NSW 2640
Astor Hotel Motel Albury	641 Young St, Albury NSW 2640
Commercial Club Albury	618 Dean St, Albury NSW 2640
The Bended Elbow	480 Dean St, Albury NSW 2640
Brady's Railway Hotel	450 Smollett St, Albury NSW 2640
Beer DeLuxe Albury	491 Kiewa St, Albury NSW 2640
Holbrook Hotel	144 Albury St, Holbrook NSW 2644
The Northside Hotel	303 Urana Rd, Lavington NSW 2641
Local Produce	
Posie Farm	490 Murray River Rd, Talgarno VIC 3691
Tallangatta Bakery	39 Towong St, Tallangatta VIC 3700
Tallangatta Take Away	59 Towong St, Tallangatta VIC 3700
O'Neills Butchery	43 Kiewa E Rd, Tangambalanga VIC 3691
That Little Plan	Cnr of Liverpool Ln and Stanley St
Albury Wodonga Farmers Market	40 Lincoln Causeway, Wodonga VIC 3690
Platform 9 Coffee Roasters	1/315 Townsend St, Albury NSW 2640
Zo'i espresso Coffee Roasters	444 Dean St, Albury NSW 2640
The Essential Ingredient	473A Dean St, Albury NSW 2640
Bushells on Tenth Ye Olde Lolly Shoppe	227 Tenth St, Mildura VIC 3500
Henri's Wodonga Bakery	57 Hovell St, Wodonga VIC 3690

Business Name	Address
Valentines	55 Elgin Blvd, Wodonga VIC 3690
Bakers Delight Birallee	Birallee Shopping Centre FF1, Melrose Dr, Wodonga VIC 3690
Pie Face Wodonga West	3 Melrose Dr, West Wodonga VIC 3690
Miss Naked Cakes	19 South St, Wodonga VIC 3690
Albury Riverside Bakery	406-412 Wodonga Pl, South Albury NSW 2640
Nord Bakery	499 Ebden St, South Albury NSW 2640
Beechworth Bakery Albury	Myer Centrepoint Swift Street &, David St, Albury NSW 2640
Arnold's Fruit Market	6 Osburn St, Wodonga VIC 3690
Henri's Wodonga Bakery	57 Hovell St, Wodonga VIC 3690
Truly Free Bakehouse	4/919 Mate St, Albury NSW 2641
Thurgoona Bakery	Thurgoona Plaza, 10 Shuter Ave, Thurgoona NSW 2640
Frankies Albury	836 Padman Dr, West Albury NSW 2640
Boutique Retail	
The Potted Cumquat	51 Towong St, Tallangatta VIC 3700
Good Golly Miss Molly Lolly & Giftware Shop	15 Akuna Ave, Tallangatta VIC 3700
GIGS Art Gallery & Studios	Lincoln Causeway, Wodonga VIC 3690
Albury Wodonga Woodcrafters Inc. Cottage Gallery	48/54 Lincoln Causeway, Unit 4, Gateway Island, Victoria, 3691
Wrenwood Gallery & Farm Shop	Dameeli, 3091 Riverina Hwy, Bungowannah NSW 2640
MAMA store in Murray Art Museum Albury (MAMA)	546 Dean St, Albury NSW 2640
Art Partners Australia	488 David St, Albury NSW 2640
Kitabisa Gallery	588 Dean St, Albury NSW 2640
General Store	
Bethanga General Store	2 Bridge St, Bethanga VIC 3691
Event Venue	
Annie's Retreat - Wedding Venue	31 Nichol Rd, Allans Flat VIC 3691
Albury Entertainment Centre	525 Swift St, Albury NSW 2640
Autra Atura	648 Dean Street, Albury NSW
Best Western Plus Hovell Tree Inn	614 Hovell St, Albury NSW 2640
Albury Racing Club	46 Fallon Street, Albury NSW
Mantra Albury Hotel	524 Smollett Street, Albury NSW
Commercial Club Albury	618 Dean St, Albury NSW 2640
Mecure Albury	579 Olive Street, Albury NSW
SS&A Albury	570 – 580 Olive St, Albury NSW
The Albury Club	519 Kiewa Street, Albury NSW
The Cube Wodonga	118 Hovell Street, Wodonga VIC
The Goods Shed	1/71 Church Street, Wodonga VIC
Albury Library Museum	540 Kiewa Street, Albury NSW
Lake Hume Resort	1 Ray Welsh Dr, Lake Hume Village NSW 2640

APPENDIX C FINANCIAL ANALYSIS DETAIL AND ASSUMPTIONS

T19. FINANCIAL OPERATING MODEL (10-YEAR PERIOD)

Operating Revenue	Source	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Commercial Space Rental Revenue	See Assumptions		\$84,500	\$87,035	\$89,646	\$92,335	\$95,105	\$97,959	\$100,897	\$103,924	\$107,042	\$110,253
Social Room Hire Fees	See Assumptions		\$52,000	\$53,560	\$55,167	\$56,822	\$58,526	\$60,282	\$62,091	\$63,953	\$65,872	\$67,848
Boat Club Lease	See Assumptions		\$6,443	\$6,636	\$6,835	\$7,040	\$7,251	\$7,469	\$7,693	\$7,924	\$8,162	\$8,406
Total Revenue			\$142,943	\$147,231	\$151,648	\$156,197	\$160,883	\$165,710	\$170,681	\$175,802	\$181,076	\$186,508
Operating Expenditure	Source	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GMW Lease Payments	See Assumptions		\$10,920	\$11,248	\$11,585	\$11,933	\$12,291	\$12,659	\$13,039	\$13,430	\$13,833	\$14,248
Operating Costs	See Assumptions		\$99,140	\$102,114	\$105,178	\$108,333	\$111,583	\$114,930	\$118,378	\$121,930	\$125,588	\$129,355
Total Operating Expenditure			\$110,060	\$113,362	\$116,763	\$120,266	\$123,873	\$127,590	\$131,417	\$135,360	\$139,421	\$143,603
Capital Expenditure	Source	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Construction	Council	\$10,000,000										
Total Capital Expenditure		\$10,000,000										
Total Expenditure		\$10,000,000	\$110,060	\$113,362	\$116,763	\$120,266	\$123,873	\$127,590	\$131,417	\$135,360	\$139,421	\$143,603
Net Operating Surplus/(Deficit)			\$32,883	\$33,869	\$34,885	\$35,932	\$37,010	\$38,120	\$39,264	\$40,442	\$41,655	\$42,905

T20. FINANCIAL OPERATING MODEL (ASSUMPTIONS)

ASSUMPTIONS												
Inflation		3.0%										
COMMERCIAL SPACE												
Café/Retail Revenue	Source	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Café+Commercial Spaces	169 sqm											
Revenue per SQM	\$5,000 per sqm		\$5,000 per sqm	\$5,150 per sqm	\$5,305 per sqm	\$5,464 per sqm	\$5,628 per sqm	\$5,796 per sqm	\$5,970 per sqm	\$6,149 per sqm	\$6,334 per sqm	\$6,524 per sqm
Total Café/Bar Revenue			\$845,000	\$870,350	\$896,461	\$923,354	\$951,055	\$979,587	\$1,008,974	\$1,039,243	\$1,070,421	\$1,102,533
Lease assumption	10% of turnover		\$84,500	\$87,035	\$89,646	\$92,335	\$95,105	\$97,959	\$100,897	\$103,924	\$107,042	\$110,253
Average spend per patron	\$30											
Total patrons p.a.			28,167	29,012	29,882	30,778	31,702	32,653	33,632	34,641	35,681	36,751
SOCIAL ROOM												
Event Demand		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Size	246 sqm											
Space requirements (pp)	1.25 sqm											
Capacity	197											
No. of Events												
Events per annum (2/month)			52	52	52	52	52	52	52	52	52	52
Ave occupancy rate (80 per event)	40%											
Total Events Visitation			4,093	4,093	4,093	4,093	4,093	4,093	4,093	4,093	4,093	4,093
Event Visitor Spend		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Ave per person charge (inc. catering)	\$80 per head		\$80	\$82	\$85	\$87	\$90	\$93	\$96	\$98	\$101	\$104
Total Events Revenue			\$327,475	\$337,299	\$347,418	\$357,841	\$368,576	\$379,634	\$391,023	\$402,753	\$414,836	\$427,281
Hire fee	\$1,000 per event		\$1,000 per event	\$1,030 per event	\$1,061 per event	\$1,093 per event	\$1,126 per event	\$1,159 per event	\$1,194 per event	\$1,230 per event	\$1,267 per event	\$1,305 per event
Hire revenue			\$52,000	\$53,560	\$55,167	\$56,822	\$58,526	\$60,282	\$62,091	\$63,953	\$65,872	\$67,848
GMW LEASE PAYMENTS												
Lease Fees		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Land Valuation	\$168,000											
Average lease (% of land value)	6.5%											
GMW Lease			\$10,920	\$11,248	\$11,585	\$11,933	\$12,291	\$12,659	\$13,039	\$13,430	\$13,833	\$14,248
BOAT CLUB LEASE REVENUE												
Lease Fees		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Proportion of land area	59%											
Value of land area	\$99,120											
Average lease (% of land value)	6.5%											
GMW Lease			\$6,443	\$6,636	\$6,835	\$7,040	\$7,251	\$7,469	\$7,693	\$7,924	\$8,162	\$8,406
ONGOING OPERATING FACILITY COSTS												
Operating Costs		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Maintenance	\$20 per sqm		\$14,900	\$15,347	\$15,807	\$16,282	\$16,770	\$17,273	\$17,791	\$18,325	\$18,875	\$19,441
Utilities	\$18 per sqm		\$10,386	\$10,698	\$11,019	\$11,349	\$11,690	\$12,040	\$12,401	\$12,773	\$13,157	\$13,551
Admin and other expenses	\$21 per sqm		\$15,666	\$16,136	\$16,620	\$17,119	\$17,632	\$18,161	\$18,706	\$19,267	\$19,845	\$20,441
Insurance	\$10 per sqm		\$7,460	\$7,684	\$7,914	\$8,152	\$8,396	\$8,648	\$8,908	\$9,175	\$9,450	\$9,734
Depreciation	\$68 per sqm		\$50,728	\$52,250	\$53,817	\$55,432	\$57,095	\$58,808	\$60,572	\$62,389	\$64,261	\$66,189
Total			\$99,140	\$102,114	\$105,178	\$108,333	\$111,583	\$114,930	\$118,378	\$121,930	\$125,588	\$129,355



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