

Muswellbrook Shire Council

**EXTRAORDINARY COUNCIL
MEETING**

BUSINESS PAPER

26 APRIL 2022



EXTRA ORDINARY COUNCIL MEETING, 26 APRIL 2022

MUSWELLBROOK SHIRE COUNCIL

P.O Box 122
MUSWELLBROOK
20 April, 2022

Councillors,

You are hereby requested to attend the Extra Ordinary Council Meeting to be held in the LOXTON ROOM, Administration Centre, Campbells Corner, 60-82 Bridge Street, Muswellbrook on **26 April, 2022** commencing at 6:00pm.

Fiona Plesman
GENERAL MANAGER

Order of Business

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MUSWELLBROOK SHIRE COUNCIL

AGENDA

1 ACKNOWLEDGEMENT OF COUNTRY

2 CIVIC PRAYER

3 APOLOGIES AND LEAVE OF ABSENCE

4 DISCLOSURE OF ANY PECUNIARY AND NON-PECUNIARY INTEREST

Section 451 of the Local Government Act requires that if a councillor or member of a council or committee has a pecuniary interest in any matter before the council or committee, he/she must disclose the nature of the interest to the meeting as soon as practicable and must not be present at, or in sight of, the meeting, when the matter is being discussed, considered or voted on.

A pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of financial gain or loss (see sections 442 and 443 of the Local Government Act).

A non-pecuniary interest can arise as a result of a private or personal interest which does not involve a financial gain or loss to the councillor or staff member (eg friendship, membership of an association, or involvement or interest in an activity). A councillor must disclose the nature of the interest to the meeting as soon as practicable.

Council's Model Code of Conduct now recognises two forms of non-pecuniary conflict of interests:

- Significant
- Less than significant

A Councillor must make an assessment of the circumstances and determine if the conflict is significant.

If a Councillor determines that a non-pecuniary conflict of interests is less than significant and does not require further action, they must provide an explanation of why it is considered that the conflict does not require further action in the circumstances.

If the Councillor has disclosed the existence of a significant non-pecuniary conflict of interests at a meeting they must not be present at, or in sight of, the meeting, when the matter is being discussed, considered or voted on.

5 PUBLIC PARTICIPATION

6 ENVIRONMENTAL SERVICES

6.1 DA 2021-158 - CHANGE OF USE - HEALTH CARE SERVICE -

Responsible Officer:	Sharon Pope - Executive Manager - Environment and Planning
Author:	Alisa Evans - Projects Planner
Community Plan Issue:	<i>Support initiatives which reduce the community's impact on the environment</i>
Community Plan Goal:	<i>Require all development proposals to avoid and mitigate against potential environmental impacts and facilitate improved environmental outcomes where possible.</i>
Community Plan Strategy:	<i>Require all development proposals to avoid and mitigate against potential environmental impacts and facilitate improved environmental outcomes where possible.</i>
Attachments:	A. DA 2021-158 Section 4.15 Development Assessment Report B. DA 2021-158 Proposed Plans C. DA 2021-158 Recommended Conditions of Consent

PURPOSE

An application was lodged on 21 December 2021 seeking consent for Change of Use to Health Service Facility at 79 Brook Street Muswellbrook (Lot 19 DP 701287).

DA 2021-158 is being reported to Council for determination as the proposed development does not meet the minimum off-street car parking requirements of the Muswellbrook Development Control Plan 2009.

RECOMMENDATION

Council grant development consent to Development Application 2021-158 for the change of use of the building located at 79 Brook Street, Muswellbrook (Lot 19 DP 701287) to a health service facility, subject the conditions in Attachment C.

Moved: _____ **Seconded:** _____

<input type="checkbox"/> Cr A. Barry	<input type="checkbox"/> Cr M. Bowditch	<input type="checkbox"/> Cr D. Douglas
<input type="checkbox"/> Cr J. Drayton	<input type="checkbox"/> Cr L. Dunn	<input type="checkbox"/> Cr J. Lecky
<input type="checkbox"/> Cr R. Mahajan	<input type="checkbox"/> Cr D. Marshall	<input type="checkbox"/> Cr G. McNeill
<input type="checkbox"/> Cr S. Reynolds	<input type="checkbox"/> Cr R. Scholes	<input type="checkbox"/> Cr B. Woodruff

DESCRIPTION OF THE PROPOSED DEVELOPMENT

The application is seeking consent for a Change of Use to a Health Service Facility, new pedestrian access and car parking (see Attachment B). The site is currently occupied by a dwelling house, is zoned R1 General Residential and is situated within Muswellbrook Residential Heritage Conservation Area under Muswellbrook Local Environmental Plan 2009 (MLEP 2009).

ASSESSMENT SUMMARY

Council Officers have assessed the development application under the relevant heads of consideration under Section 4.15 of the Environmental Planning and Assessment Act 1979. A copy of the Section 4.15 Assessment is provided in Attachment A. The proposed development application complies with relevant requirements of the MLEP 2009.

Key findings of the section 4.15 assessment include:

- The proposed development was considered against provision of MLEP 2009 and is permitted.
- The proposed development was considered against the provisions of relevant State Environmental Planning Policies (SEPP's) and there are no provisions which would prohibit the proposed development.
- The proposed development does not comply with the requirements of the Muswellbrook Development Control Plan 2009 (MDCP 2009) related to the provision of off-street car parking. A total of three (3) off-street car parking spaces were required while two (2) spaces can be provided once the width requirements of an accessible space are accounted for. When considering this non-compliance Council Officers have had regard to the related MDCP 2009 objectives and formed a view that the proposed development may be supported if the applicant improves the footpath connectivity between the site and Sowerby Street where there is on-street car parking. This would be achieved through the construction of a 2m wide concrete footpath. Conditions related to the design and construction of this footpath have been included in the recommended conditions of consent.
- The proposed development is compatible with the remaining requirements of the MDCP 2009.
- It is considered that the proposed development was unlikely to have any significant adverse environmental impacts.

COMMUNITY CONSULTATION

The development proposal was notified from 4 January to 18 January 2022. No submissions were received.

OPTIONS

The Council may:

- A) Grant development consent to the proposed development subject to the recommended conditions of consent – this is the recommended option;
- B) Grant development consent to the proposed development subject to different conditions of consent; or
- C) Refuse development consent to the proposed development and nominate reasons for refusal.

LEGAL IMPLICATIONS

Where the applicant is dissatisfied with the determination of the development application, they have an opportunity under the provisions of the Environmental Planning and Assessment Act 1979 to appeal that determination at the Land and Environment Court.

CONCLUSION

DA 2021-158 has been reported to Council for determination as the development proposal is noncompliant with MDCP 2009. Staff recommend a condition requiring the installation of a section of concrete footpath along a portion on Sowerby Street to improve access to on-street parking as an alternative.

DEVELOPMENT ASSESSMENT REPORT**Attached:** Site Plan**REPORT TO THE GENERAL MANAGER**

ADDRESS:	LOT: 19 DP: 701287 79 Brook Street MUSWELLBROOK
APPLICATION No:	2021-158
PROPOSAL:	Change of Use to Health Services Facility- Health consulting rooms
OWNER:	Mr R M Haynes & Ms S Marich
APPLICANT:	Ms L Wilson 17 Russell Street QUIRINDI NSW 2333
AUTHOR:	Ms A J Evans
DATE LODGED:	09/12/2021
AMENDED:	-
ADD. INFO REC'D:	-
DATE OF REPORT:	8 April 2022

SUMMARY

ISSUES:	Carparking
SUBMISSIONS:	0
RECOMMENDATION:	Approval subject to conditions

1.0 DESCRIPTION OF PROPOSAL

The proposal seeks approval for a change of use from a dwelling house to health service facility - health consulting rooms at 79 Brook Street Muswellbrook (Lot 19 DP 701287). The site is zoned R1 General Residential and is within Muswellbrook Residential Heritage Conservation Area under Muswellbrook Local Environmental Plan 2009 (MLEP 2009).

The existing dwelling house will have access ramps and doors installed to facilitate accessible entry to the premise. Minor demolition and tree removal will be required to accommodate the new works.

The existing garage will be utilised by the practitioner and new parking will be constructed at the rear through removal of the existing retaining wall and construction of a driveway from Sowerby Street.



Figure 1:Site aerial 79 Brook Street, Muswellbrook

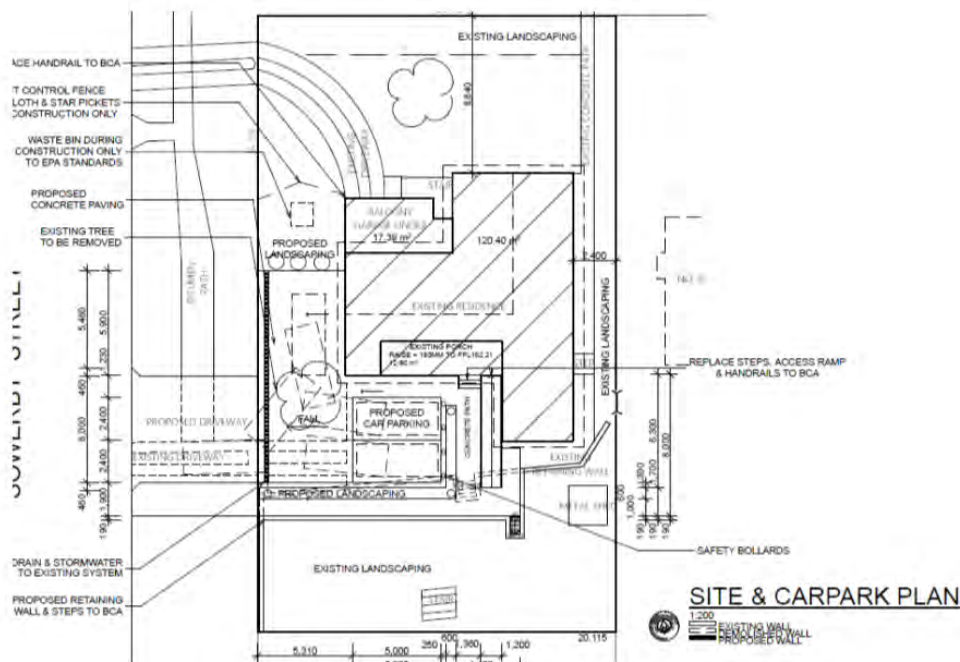


Figure 2 Proposed site and carpark

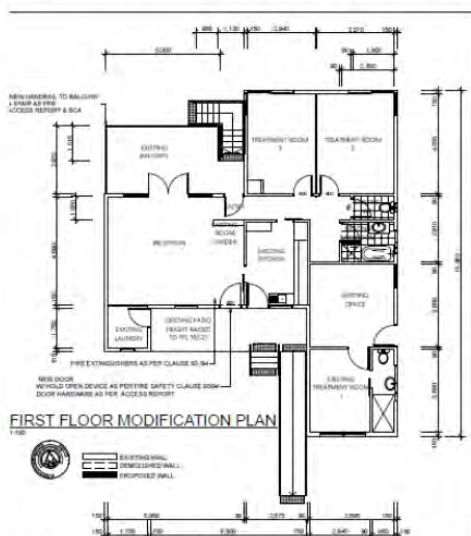


Figure 3 Floor Plan for proposed Health consulting rooms

1.2 Internal Referrals

The application was referred to Council's Building Section and Community Infrastructure. Both have recommended standard conditions of development consent should the application be approved.

1.3 External Referrals

Not required

2.0 ASSESSMENT

Section 4.15 Matters for Consideration

Section 4.15(1)(a)(i) The provisions of any Environmental Planning Instrument (EPI)

The following EPIs, DCPs, Codes and Policies are relevant to this Application:

1. Muswellbrook Local Environmental Plan 2009 (MLEP 2009)

Land Use Zone and Permitted Land Use

The development site is zoned R1 General Residential pursuant to MLEP 2009. The proposal is best defined as *health consulting rooms*, which is permitted with consent in the subject Zone.

Objectives of the R1 General Residential Zone

- To provide for the housing needs of the community.
- To provide for a variety of housing types and densities.
- To enable other land uses that provide facilities or services to meet the day to day needs of residents.
- To enable sensitive infill development of other housing types.
- To allow people to carry out a reasonable range of activities from their homes, where such activities do not adversely affect the living environment of neighbours.
- To promote the principles of ecological sustainable development including energy and water efficient subdivision and housing design.
- To minimise the impact of non-residential uses and ensure these are in character and compatible with surrounding development.
- To ensure that development is carried out in a way that is compatible with the flood risk of the area.

The development proposal achieves the objectives of the Zone.

Relevant Clauses applicable under the Muswellbrook Local Environmental Plan 2009

Part 1 Preliminary	
1.1 Name of Plan	Muswellbrook Local Environmental Plan 2009
1.1AA Commencement	The MLEP 2009 was gazette 17 April 2009.
1.6 Consent authority	The consent authority for this development is Muswellbrook Shire Council.
Part 2 Permitted or prohibited development	
2.2 Zoning of land to which Plan applies	See above
2.3 Zone objectives and Land Use Table	See above
2.5 Additional permitted uses for particular land	NA
2.6 Subdivision—consent requirements	NA
Part 4 Principal development standards	
4.3 Height of buildings	MLEP 2009 specifies a maximum building height of 8 m in relation to the land. The proposal does not involve building works over 4m.
4.4 Floor space ratio	1:2
4.5 Calculation of floor space ratio and site area	complies
4.6 Exceptions to development standards	N/A
Part 5 Miscellaneous provisions	
5.9AA Trees or vegetation not prescribed by development control plan	NA
5.10 Heritage conservation	While the works are located within the Muswellbrook Residential Heritage Conservation Area the works are at the rear and are not impacting the overall heritage

	significance of the area or any adjoining heritage items.
5.11 Bush fire hazard reduction	NA
Part 7 Additional local provisions	
7.1 Terrestrial biodiversity	NA
7.6 Earthworks	The site will have a cut at the rear to accommodate car parking. The retaining wall is with the property boundaries and does not impact adjoining land.

2. State Environmental Planning Policy

The proposed development has been considered against relevant State Environmental Planning Policies. Council Officers are satisfied that the proposal is consistent with requirements of these environmental planning instruments.

Section 4.15(1)(a)(ii) the provisions of any draft EPI.

There are no draft EPIs relevant to the subject Application.

Section 4.15(1)(a)(iii) the provisions of any development control plan

Section 3 – Site Analysis

It is considered that the documentation provided with the Development Application satisfies the provisions of Section 3 of the Muswellbrook DCP.

Section 6 – Residential Development

The proposed works are minor and are at the rear of the property and do not impact the current built form or the adjoining properties.

Section 14 – Outdoor Signage

It is noted that no signage is proposed as part of the application. If any future signage will be require separate approval if it is not compliant with State Environmental Planning Policy Exempt and Complying Codes 2008.

Section 15 – Heritage Conservation

The site is within the Muswellbrook Residential Heritage Conservation Area under MLEP 2009. The proposed works do not significantly alter the existing dwelling. The installation of the driveway and parking area is the most notable change to the streetscape along Sowerby Street. The works are consider to comply with the relevant sections of this chapter of the DCP.

Section 16 – Car Parking and Access

The requirements of Section 16 of the Muswellbrook Development Control Plan related to the provision of off-street carparking for health consulting rooms are as follows have been included in the table below and considered in relation to the proposed development.

Land use	Land Use Requirement	Required	Provided
Health Consulting Room	1 space per practitioner, PLUS 1 space per employee, PLUS 2 spaces for patients of each practitioner.	3	2 (one at rear for patients and the existing garage)

a are required to service the development, while two would be provided under the proposed plans once the parking width requirements for an accessible parking space are accounted for.

While an accessible parking space is required, the Disability Access Report submitted with the application advises that the space does not need to be signposted.

Below is an extract from 'Disability Access Report, 79 Brook Street, Muswellbrook' prepared by Access Solutions NSW Pty Ltd.

Accessible Car Parking

There are less than 5 parking spaces and BCA D3.5 (d) states that a space for people with disability, "need not be identified with signage where there is a total of not more than 5 carparking spaces so as to restrict the use of the car parking space only for people with a disability."

The BCA requirement was reviewed by Council's Building Surveyor to confirm that the space must be constructed as per the accessible standard (AS).

The inclusion of a parking space that conforms with the accessible parking width requirements would use space that could otherwise be used to provide a third car parking space and causes the development to be non-compliant with the DCP off-street car parking requirement. The applicant's SoEE notes to the availability of on-street car parking in the vicinity of the development site, in particular in Sowerby Street.

In line with advice from Council's engineers, the Assessing Officer has formed a view that the proposed development may be considered to be compatible with the DCP objectives and supported where connectivity improvements are made between the site and on-street parking. It is recommended that a condition be imposed requiring.

The upgrade/construction of a 2m wide concrete footpath within the Sowerby Street Road Reserve for the frontage of the development site.

Section 94A Contributions Plan 2009

No developer contribution will apply to the proposed development should the Application be approved as the proposed works are valued under \$100,000.

Section 4.15(1)(a)(iiia) the provisions of any planning agreement

There are no planning agreements relevant to the subject Application.

Section 4.15(1)(a)(iv) the provisions of the regulations

The Environmental Planning and Assessment Regulation 2022 applies to the development and the development complies.

Section 4.15(1)(a)(v) the provisions of any coastal zone management plan

This item is not relevant to the subject Application.

Section 4.15(1)(b) the likely impacts of that development

Through the assessment of the development application Council Officers considered the likely impacts of the proposed development. These impacts are broadly commented on under previous headings of this report.

Council Officers are satisfied that the development is unlikely to have any significant adverse environmental impact that may substantiate the refusal of the proposed development.

Section 4.15(1)(c) the suitability of the site for the development

It is considered that the development is compatible with surrounding land uses and site characteristics, subject to consent conditions.

Section 4.15(1)(d) any submissions made

The application was notified for a period of fourteen days from *4 January 2022* to *18 January 2022*.

NO submissions were received during the notification period:

Section 4.15(1)(e) the public interest.

It is considered that the proposal is not contrary to the public interest.

3.0 CONCLUSION

The application has been assessed in accordance with legislation. It is recommended the application be approved subject to conditions of consent.

Signed by:

Alisa Evans
Project Planner

Date:

18 April 2022

Drainage area is 0.1m² max. Slope gradient 1:2 max.
Slope length 100m max.
Slope length 100m max.
Slope length 100m max.
Slope length 100m max.

2.1m Rectangular Drain

100mm High Wall

100mm High Wall

100mm High Wall

100mm High Wall

1. TITLE & NOTES

2. SITE & CAR PARK PLAN

3. GROUND & FIRST FLOOR PLAN

4. ELEVATIONS

5. DETAILS

6. APPENDIX A - ACCESS REPORT

7. APPENDIX B - SoEE

8. APPENDIX C - SIVINART HOLISTIC LIVING CLINIC NOTES

Organic Home Designs

organicohomedesigns@gmail.com

0425 300 228

PROJECT: SIVINART HOLISTIC LIVING

PROPOSED THERAPEUTIC MASSAGE CLINIC

CLINIC 10/29/2021

70 BROOKS STREET

MUSWELLBROOK 2133

DATE: 27/11/2021

SCALE: 1:200, 1:100 & 1:50 @ A3

COORDINATE: 2106

PAGE NO: 1 / 5

NOTES

- ALL WORKMANSHIP AND MATERIALS SHALL COMPLY WITH ALL RELEVANT CODES, ORDINANCES, AUSTRALIAN STANDARDS, MANUFACTURERS INSTRUCTIONS AND COUNCIL REQUIREMENTS.
- CHECK ALL DIMENSIONS AND LEVELS ON-SITE PRIOR TO CONSTRUCTION COMMENCING OR ORDERING MATERIALS.
- FIGURED DIMENSIONS SHALL BE TAKEN IN PREFERENCE TO SCALED DRAWINGS. CONTACT THE DESIGNER REGARDING ANY DISCREPANCIES.
- ALL LEVELS ARE TO BE CONFIRMED AND CONSTRUCTION SET OUT BY A REGISTERED SURVEYOR.

THE ACCESS REPORT REQUIREMENTS ARE TO BE ADHERED TO WITH THIS PLAN

1. TITLE & NOTES

2. SITE & CAR PARK PLAN

3. GROUND & FIRST FLOOR PLAN

4. ELEVATIONS

5. DETAILS

6. APPENDIX A - ACCESS REPORT

7. APPENDIX B - SoEE

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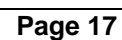
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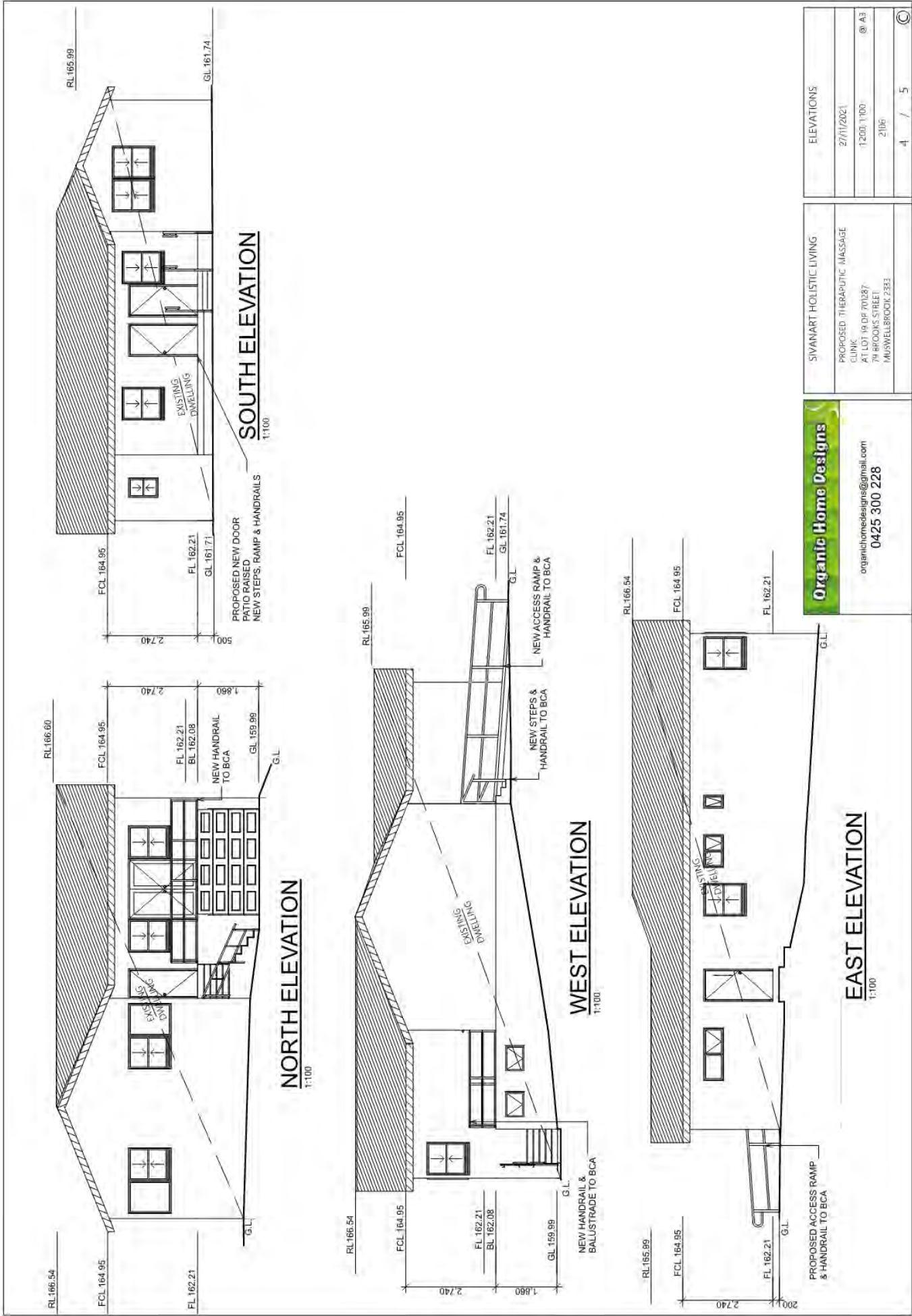
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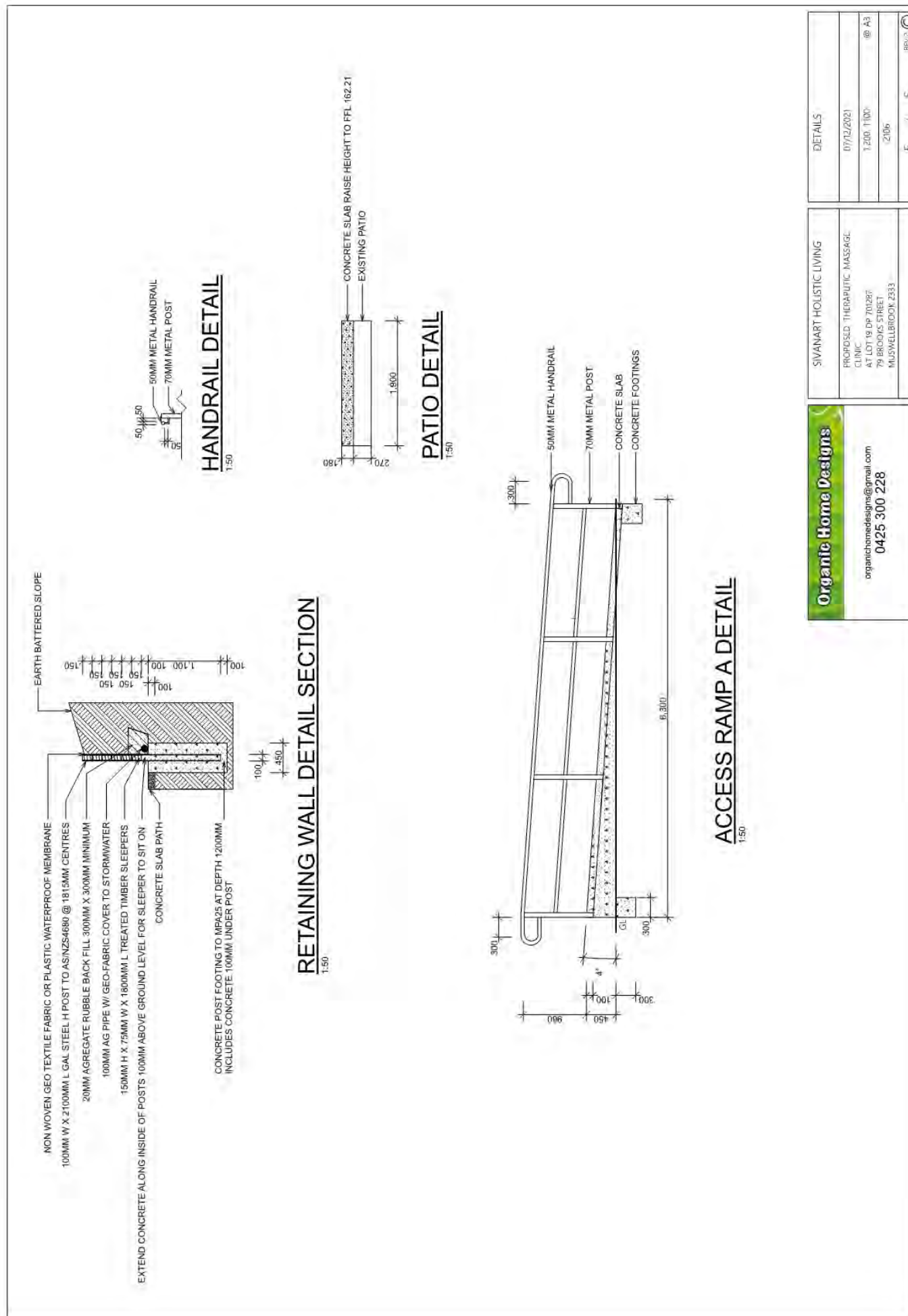
Attachment B

Page 15









IDENTIFICATION OF APPROVED PLANS

1. Approved Plans and Supporting Documents

The development being carried out in accordance with the development application and the drawings referenced below, and endorsed with Council's approval stamp, except where amended by the following conditions.

Drawing No.	Revision No.	Page No.	Drawn by.	Dated.
2106	-	1 to 5	Organic Home Design	21/11/2021

2. Health Consulting Rooms

No more than one (1) health practitioner is permitted to operate from the premises, unless otherwise approved by Council in writing.

The employment of additional health consulting professionals would require the provision of additional car parking in accordance with the Muswellbrook Development Control Plan 2009.

OPERATIONAL CONDITIONS IMPOSED UNDER THE ENVIRONMENTAL PLANNING AND ASSESSMENT ACT AND REGULATIONS AND OTHER RELEVANT LEGISLATION

3. Building Code of Australia

All building work must be carried out in accordance with the provisions of the Building Code of Australia.

ANCILLARY MATTERS TO BE COMPLETED PRIOR TO THE ISSUE OF THE CONSTRUCTION CERTIFICATE

4. Construction Certificate Requirement

No works shall commence on site until such time as a Construction Certificate has been issued for either part or all of the works. If a certificate is issued for part of the works it must cover the works being undertaken onsite.

5. Footpath Construction Requirement

Prior to the issue of a Construction Certificate the person acting with this consent is to submit to Council for approval a design for the construction of a 2m wide concrete footpath within the Sowerby Street Road Reserve from the Sowerby Street/Brook Street intersection for the frontage of the development site.

The footpath design should be prepared to by a suitably qualified civil engineer and is to comply with the provisions of Council's Policy F/10 Footpath Kerb and Guttering.

For more information regarding Council's footpath and design requirements it is recommended that you contact Council's Manager Roads Drainage and Technical Services on 6549 3700.

6. Section 138 Permit

Prior to the issue of a Construction Certificate, or the carrying out of works within the road reserve related to the footpath construction, the person acting with this consent is to obtain a Section 138 permit from Council for all works within the road reserve.

For more information related to the Section 138 permit application please contact Council Community Infrastructure Officers on 65493700 or visit Council's website.

7. Off Street Car Parking

A total two 2 off-street car-parking spaces, together with access driveways, shall be constructed, paved, line marked and signposted in accordance with the approved development plans, appropriate Australian Standards and industry best practice as appropriate. The plans shall also nominate the allocation of parking spaces for specific purposes as required by conditions of this consent. Detailed plans for the construction of these areas in accordance with this requirement shall be submitted to the Certifying Authority for approval with the Construction Certificate.

CONDITIONS THAT MUST BE ADDRESSED PRIOR TO COMMENCEMENT

8. Sediment and Erosion Control

Adequate measures for erosion and sediment control shall be provided prior to commencing construction works. As a minimum, control techniques are to be in accordance with 'The Blue Book' published by Landcom provisions on Erosion and Sediment Control, or a suitable effective alternative method.

All required sedimentation control techniques are to be properly installed prior to the commencement of any site works and maintained in a functional and effective condition throughout the carrying out the development.

9. Site Sign

A sign must be erected in a prominent position on any work site on which work involved in the erection or demolition of a building is being carried out:

- (a) stating that unauthorised entry to the work site is prohibited;
- (b) showing the name of the principal contractor (or person in charge of the work site), and a telephone number at which that person may be contacted at any time for business purposes and outside working hours; and
- (c) showing the name, address and telephone number of the Principal Certifying Authority for the work.

Any such sign must be maintained while building work or demolition work is being carried out but must be removed when the work has been completed.

This condition does not apply to building works being carried out inside an existing building.

10. Damage to Public Infrastructure

The applicant shall bear the cost of all restoration works to Council property damaged during the course of this development. The applicant shall submit in writing and/or photographic record, of any existing damage to Council property before commencement of work.

Note: This documentation will be used to resolve any dispute over damage to infrastructure. If no documentation is received prior to commencement of work it will be assumed that the infrastructure was undamaged and the applicant will be required to restore all damaged infrastructure at their expense.

11. Site Facilities

- (a) If the development involves building work or demolition work, the work site must be fully enclosed by a temporary security fence (or hoarding) before work commences.
- (b) A minimum width of 1.2m must be provided between the work site and the edge of the roadway so as to facilitate the safe movement of pedestrians.
- (c) Any such hoarding or fence is to be removed when the work has been completed.
- (d) A garbage receptacle fitted with a tight-fitting lid for the reception of all food scraps and papers from the work site must be provided prior to building work commencing and must be maintained and serviced for the duration of the work.
- (e) Toilet facilities must be provided on the work site at the rate of one toilet for every 20 persons or part of 20 persons employed at the work site.
- (f) Each toilet provided must:
 - be a standard flushing toilet, connected to a public sewer, or
 - if connection to a public sewer is not available, to an on-site effluent disposal system approved by the council, or
 - an approved temporary chemical closet.
- (g) The provision of toilet facilities must be completed before any other work is commenced.
- (h) A person having the benefit of this certificate who causes an excavation that extends below the level of the base of the footings of a building on an adjoining allotment of land must at their own expense and where necessary:
 - protect and support the building from damage, and
 - If necessary, underpin and support the building in accordance with the details prepared by a professional engineer.
- (i) A person having the benefit of this certificate who causes the excavation must, at least 7 days before commencing this work, give notice of intention to do so to the owner of the adjoining allotment of land and provide particulars of the proposed work.
- (j) Erosion and sediment controls must be provided in accordance with the details shown on the approved plans, prior to the disturbance of any soil on the work site.

12. Materials

In accordance with the provisions of the Muswellbrook Development Control Plan the external cladding of the building shall be constructed from non-reflective cladding. Zincalume or reflective white sheet metal cladding is not be used without the prior written approval from Council.

13. Vehicle Entry

Prior to commencing construction of the driveway/vehicle crossing/layback, within the road reserve, a permit for the work must be obtained from Council, under Section 138 of the Roads Act 1993.

Note: The driveway area to be in accordance with Council's standard drawings for cross-overs and driveway construction

14. Section 68 Local Government Act Approval

Prior to the commencement of any works the applicant is to obtain a Section 68 Local Government Act approval for all water supply, sewer and stormwater drainage works.

CONDITIONS THAT MUST BE COMPLIED WITH DURING DEMOLITION AND BUILDING WORK**15. Construction Hours**

- (a) Subject to this clause, building construction is to be carried out during the following hours:
 - i. between Monday to Friday (inclusive)—7.00am to 6.00pm
 - ii. on a Saturday—8.00am to 1.00pm
- (b) Building construction must not be carried out on a Sunday or a public holidays.
- (c) Demolition works and excavation works must only be carried out between Monday to Friday (inclusive) between 8.00am and 5.00pm.
- (d) The builder and excavator must display, on-site, their 24 hour contact telephone numbers, which are to be clearly visible and legible from any public place adjoining the site.

16. Prohibition on Use of Pavements

Building materials and equipment must be stored wholly within the work site unless prior written approval has been obtained from Council. Equipment must not be operated on the footpath or roadway unless prior written approval has been obtained from council.

17. Excavation/Demolition

- (a) All excavations and backfilling associated with the erection or demolition of a building must be executed safely and in accordance with appropriate professional standards.

- (b) All excavations associated with the erection or demolition of a building must be properly guarded and protected to prevent them from being dangerous to life or property.
- (c) Demolition work must be undertaken in accordance with the provisions of AS2601- Demolition of Structures.
- (d) The builder is to ensure that persons working on the site comply with the Safe Authority's requirements.

18. Erosion and Sediment Controls

The approved Sediment & Erosion controls shall be reinstated daily prior to workers leaving the site if modified at any time. Any sediment that escapes from the site shall be cleaned, collected and disposed of to Council's waste management facility or the sediment shall be returned to the site on a daily basis.

19. Site Waste Minimisation

Throughout the carrying out of building works the person acting with this consent shall take reasonable steps to minimise waste from the carrying-out of the development in accordance with the following objectives of Chapter 24 Waste Minimisation and Management of Council's Development Control Plan.

- Optimise adaptive reuse opportunities of existing building/structures
- Maximise reuse and recycling of materials
- Minimise waste generation
- Ensure appropriate storage and collection of waste
- Minimise environmental impacts associated with waste management
- Avoid illegal dumping
- Promote improved project management.

CONDITIONS WHICH MUST BE COMPLIED WITH PRIOR TO THE ISSUE OF THE OCCUPATION CERTIFICATE

20. Occupation

The building is not to be used or occupied until a final inspection has been carried out and an occupation certificate has been obtained from the Principal Certifying Authority.

21. Off-street Carparking

Prior to the issue of an Occupation Certificate, off-street car-parking spaces, together with access driveways, shall be constructed, paved, line marked and signposted in accordance with the approved development plans.

22. Footpath

Prior to the issue of an Occupation Certificate, a 2m wide concrete footpath is to be constructed within the Sowerby Street road reserve for the full frontage of the site.

Note: the works are to be approved under Section 138 of the Roads Act 1993.

23. Clause 93 Considerations

Under clause 93 of the Environmental Planning & Assessment Regulation, the following fire safety/Building Code of Australia (BCA) works are to be undertaken with the construction certificate works and are to be completed prior to the issue of the Occupation Certificate:

1. The existing exit door that does not swing in the direction of egress are to be provided with hold open device which allow the door to be held in the open position in an emergency in accordance with D2.20 of the BCA.
2. The door furniture of the required exit of the building is to be modified so that it is readily openable without a key by a single hand downward action or pushing action on a single device located between 900 mm and 1100 mm above the floor level in accordance with D2.21 of the BCA.
3. Portable fire extinguishers are to be provided throughout the health consultancy in accordance with AS 2444 and E1.6 of the BCA.

23. Fit-out to be in accordance with relevant legislation and standards

The premises, including the premise fit out, installation of all equipment, fixtures and fittings, must comply with the requirements of The Public Health Act, the NSW Health.

24. Registration with Council

Prior to commencement of trade the business is to be registered with Council's Environmental Health Section.

The person acting with this consent is to provide Council's Environmental Health Officer of an itemised list of activities being undertaken on the premises.

25. Final inspection by Council's Environmental Health Officer required

A satisfactory final inspection is to be undertaken of the premises by Council's Environmental Health Officer. Council's Environmental Health Officer is to be given a minimum seventy-two (72) hours' notice to inspect the premises.

CONDITIONS THAT MUST BE COMPLIED WITH AT ALL TIMES

26. Stormwater Disposal

All stormwater from the development including all hard surfaces and overflows from any rainwater tanks is to be collected and disposed of via a connection to the stormwater system or a new stormwater line which conveys water to Sowerby Street.

Note: Prior to the carrying out of stormwater works the person carrying out those works must obtain the approval of Council for the works under Section 68 of the Local Government Act.

27. Traffic Movements

At all times traffic movements to and from the site shall occur in a forward direction.

28. Hours of Operation –

The business may be open for business only between the following hours:-

Monday to Sunday 8:00am to 8:00pm

Upon expiry of the permitted hours, all business operations shall immediately cease, no person shall be permitted entry and all customers on the premises shall be required to leave within the following half hour.

29. Hygiene

The premises must be always kept in a clean and hygienic condition.

REASON FOR IMPOSITION OF CONDITIONS:

The reason for the imposition of the following conditions is to ensure, to Council's satisfaction, the objects of the *Environmental Planning and Assessment Act 1979* (as amended) are achieved:

- (a) To encourage:
 - (i) The proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forest, minerals, water, cities, towns, and villages for the purpose of promoting the social and economic welfare of the community and a better environment;
 - (ii) The promotion and co-ordination of the orderly and economic use of development of land;
 - (iii) The protection, provision, and co-ordination of communication and utility services;
 - (iv) The provision of land for public purposes;
 - (v) The provision and co-ordination of community services and facilities;
 - (vi) The protection of the environment, including the protection and conservation of native animals and plants including threatened species, populations, and ecological communities and their habitats;
 - (vii) Ecologically Sustainable Development; and
 - (viii) The provision and maintenance of affordable housing.
- (b) To promote the sharing of the responsibility for environmental planning between the different levels of government in the State.
- (c) To provide increased opportunity for public involvement and participation in environmental planning and assessment.

ADVICE:

- Where indicated by specific reference in a condition above, approval is also granted for Section 68 of the Local Government Act 1993 to carry out sewer drainage, water supply work and stormwater drainage.
- You are advised that changes to the external configuration of the building, changes to the site layout, density and unit configuration or internal changes to the proposed building or any changes to the proposed operation of a use **MAY** require the submission of a modification under Section 96 of the Environmental Planning & Assessment Act, 1979. Any such changes may need to be the subject of a separate Development Application.

Please bear this in mind before preparing documentation in support of a Construction Certificate application. Council staff would be pleased to assist in identifying such changes which may require the submission of a modification of a Development Application under Section 4.55 of the Environmental Planning & Assessment Act.

- This document is a development consent only and does not authorise construction or subdivision works to commence. Prior to commencing any building, subdivision or associated construction works, the following provisions of the Environmental Planning and Assessment Act 1979 (the 'Act') are to be complied with:
 - (i) A Construction Certificate is to be obtained in accordance with Section 6.7 of the Act.
 - (ii) A Principal Certifying Authority is to be appointed and Council is to be notified of the appointment in accordance with Section 6.6(1) of the Act.
 - (iii) Council is to be notified at least two (2) days before the intention to commence building works, in accordance with Section 6.6(2) of the Act.
- The applicant may apply to the Council or an Accredited Certifier for the issuing of a Construction Certificate and to be the Principal Certifying Authority to monitor compliance with the approval and issue necessary documentary evidence or certificate/s.
- Failure to comply with any of the above requirements is an offence under the provisions of the Act and may result in enforcement action being taken by Council if these requirements are not complied with.

RIGHT OF APPEAL:

Sections 8.2, 8.3, 8.4, 8.5 of the Environmental Planning and Assessment Act 1979 provide that the applicant may request the Council to review the determination. The request must be made in writing (or on the review application form) within six (6) months *after receipt of this Notice of Determination*, together with payment of the appropriate fees. It is recommended that the applicant discuss any request for a review of the determination with Council Officers before lodging such a request.

If you are dissatisfied with this decision, Section 8.7, 8.10 of the Environmental Planning and Assessment Act, 1979 give you the right to appeal to the Land and Environment Court within six (6) months after the date on which you receive this notice.

7 COMMUNITY INFRASTRUCTURE

7.1 PUBLIC EXHIBITION - MUSWELLBROOK SHIRE COUNCIL RESOURCING STRATEGY

Attachments:	A. DRAFT 2022-2032 Strategic Asset Management Plan B. DRAFT 2022-2026 Workforce Management Plan C. DRAFT 2022-2032 Long Term Financial Plan
Responsible Officer:	Fiona Plesman - General Manager
Author:	Peter Chambers - Chief Engineer Michelle Cleary - HR Co-Ordinator Josh Hogan - Financial Controller
Community Plan Issue:	<i>Our community's infrastructure is planned well, is safe and reliable and provides required levels of service</i>
Community Plan Goal:	<i>Maintain and continually improve asset management.</i>
Community Plan Strategy:	<i>Co-ordinate and facilitate implementation of the Asset Management Improvement Strategy.</i>

PURPOSE

To seek Council's endorsement for the public exhibition of the Muswellbrook Shire Council Resourcing Strategy comprising the *DRAFT 2022-2032 Long-term Financial Plan*, *DRAFT 2022-2032 Strategic Asset Management Plan* and *DRAFT 2022-2026 Workforce Management Plan*.

OFFICER'S RECOMMENDATION

Council endorses the revised Muswellbrook Shire Council Resourcing Strategy (DRAFT 2022-2032 Long-term Financial Plan, DRAFT 2022-2032 Strategic Asset Management Plan and DRAFT 2022-2026 Workforce Management Plan) for public exhibition from 27 April 2022 to 24 May 2022.

Moved: _____ **Seconded:** _____

BACKGROUND

Council's *DRAFT 2022-2032 Long-term Financial Plan*, *DRAFT 2022-2032 Strategic Asset Management Plan* and *DRAFT 2022-2026 Workforce Management Plan* (Muswellbrook Shire Council Resourcing Strategy), attached under separate cover, have been reviewed in alignment with the *DRAFT 2022-2032 Muswellbrook Shire Community Strategic Plan* and in consultation with Council's senior executive team.

Council's Integrated Planning and Reporting documents, including the Muswellbrook Shire Council Resourcing Strategy require public exhibition of at least 28 days to allow sufficient time for community engagement and for Council to consider any feedback received prior to their adoption.

CONSULTATION

General Manager;

Deputy General Manager;

Manager Corporate Services and Chief Financial Officer;

Manager Works, Property and Building Services;

Asset Management Engineer;
Financial Controller;
Asset and Financial Accountant;
Human Resources Coordinator.

REPORT

The revised Muswellbrook Shire Council Resourcing Strategy articulates how Council will allocate resources to deliver the objectives under its responsibility as identified in the *2022-2032 Community Strategic Plan*, including provisions for long-term financial planning, workforce management planning and asset management planning.

The DRAFT *2022-2032 Long-term Financial Plan* is a 10-year rolling plan to inform decision-making and demonstrate how Council's commitments to the realisation of the Community's vision and goals will be resourced and funded.

The DRAFT *2022-2032 Strategic Asset Management Plan* is a 10-year rolling plan outlining the key activities, requirements and planning objectives to ensure sustainable, effective and auditable asset management practice.

The DRAFT *2022-2026 Workforce Management Plan* is a 4-year document that shapes the capacity and capability of the workforce to achieve Council's strategic goals and objectives.

OPTIONS

Council may determine to:

1. endorse the revised Muswellbrook Shire Council Resourcing Strategy for public exhibition, or
2. propose amendments to the DRAFT *2022-2032 Long-term Financial Plan*, DRAFT *2022-2032 Strategic Asset Management Plan* and/or DRAFT *2022-2026 Workforce Management Plan* prior to public exhibition.

CONCLUSION

It is recommended that Council endorses the revised Muswellbrook Shire Council Resourcing Strategy for public exhibition.

SOCIAL IMPLICATIONS

The Strategic Asset Management Plan (SAMP) provides the framework from which each discrete Asset Management Plan is developed to provide renewal, maintenance and capital investment plans to ensure Council's assets meet the required life, function and expectations of the community within Council's budget. Review of the SAMP facilitates long term planning to prioritise key objectives to meet the Asset Management Policy that considers the requirements and desires of the community.

Investment in maintenance, renewal and new assets to meet the developing and ongoing needs of the community is determined by strategic long-term planning informed by condition assessments, valuations and resourcing. The ability to attract additional funding grants to provide additional community infrastructure requires plans such as the SAMP to demonstrate effective management of Council's infrastructure assets.

FINANCIAL IMPLICATIONS

The Strategic Asset Management Plan (SAMP) outlines the requirements for ongoing replacement, renewal and maintenance of existing and future constructed and inherited Council assets, and forms the basis of Asset Management Plans for each class of assets. The SAMP is consistent with Council's Long-Term Financial Plan.

POLICY IMPLICATIONS

The Strategic Asset Management Plan is referenced in Council's Asset Management Policy (Policy no. A40-1).

STATUTORY IMPLICATIONS

Pursuant to section 335 of the NSW *Local Government Act, 1993* the general manager is to prepare, in consultation with the mayor and the governing body, the council's Resourcing Strategy.

Pursuant to section 403 of the NSW *Local Government Act, 1993* a council must have a long-term Resourcing Strategy for the provision of the resources required to perform its functions.

LEGAL IMPLICATIONS

Nil known.

OPERATIONAL PLAN IMPLICATIONS

The 2022-2023 Operational Plan will be developed in alignment with the goals and strategies outlined in the endorsed *2022-2032 Muswellbrook Shire Community Strategic Plan*, the adopted *2022-2026 Muswellbrook Shire Delivery Program* and the adopted *Muswellbrook Shire Council Resourcing Strategy*.

RISK MANAGEMENT IMPLICATIONS

The Resourcing Strategy provides the framework for the identification and management of financial, asset management and human resources risks which may effect the realisation of Council's objectives.

STRATEGIC ASSET MANAGEMENT PLAN



Document Control

Authorisation Details:

Authorised by:	Council
Minute No:	
Date:	16 March 2022
Review timeframe:	12 Months
Department:	Asset Management
Document Owner:	Chief Engineer

Details History:

Version No.	Date changed	Modified by	Amendments made
1	13 June 2017	Dilip	Document Prepared
2	16 March 2022	Peter Chambers	Document Revised, clarifications made, strategy and data updated

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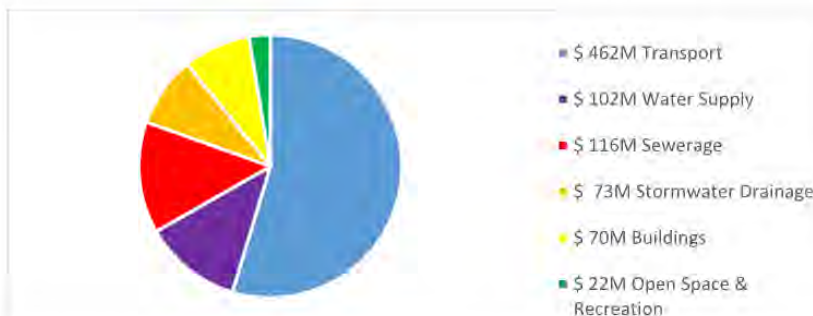
1. Executive Summary

The Strategic Asset Management Plan (SAMP) is one of three plans covering each major resource type (finance, people and assets) considered under Council's Resourcing Strategy.

The SAMP establishes a framework for Council to achieve the objectives of its Asset Management Policy to provide the best possible value from activities related to the management of infrastructure assets and to continually improve Council's asset management practices.

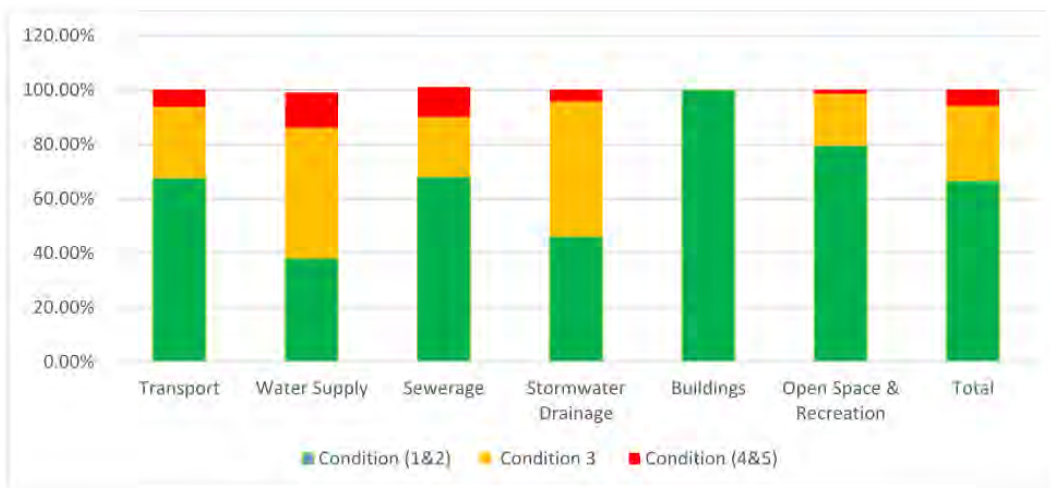
The way assets are managed is critical to Council's financial sustainability. Many key inputs to the *Fit for the Future infrastructure* ratios, used to benchmark performance, are defined by the asset condition and the expenditure on asset renewal and maintenance.

Council's infrastructure assets have a replacement value of approximately \$845M. The chart below shows the value (\$M) of each of the six major asset classes.



This does not include investment properties, plant and equipment, or land.

The chart below shows the condition of assets in each class. While transport and building assets are in generally good condition, a significant proportion of water and sewerage assets are near the end of, or have exceeded, their useful life. Confidence level for most of these items is medium to high, however more investigation is necessary to be more confident with stormwater asset condition.



In order to sustainably maintain an increasing portfolio of assets delivered by development or Council projects in a condition to meet the requirements of the community, Council's approved

budgets should be sustained to enable satisfactory asset management outcomes, for example, proactive rural road table drain maintenance can prevent significant structural damage over time that may require more expensive heavy patching or reconstruction works.

The SAMP provides a systematic approach to managing assets, based on the principles of ISO 55000: Asset Management, that strategically considers the life cycle of Council assets to achieve the best value for money outcomes over the ten year SAMP period. The SAMP aligns its activities with the objectives of the Community Strategic Plan and provides consistency with the Long Term Financial Plan to enable forward planning of capital and renewal programs to ensure that assets are fit for purpose, verified by regular asset condition audits, and establishes a framework for continual asset management improvement.

As part of meeting its regulatory requirements, Council undertakes regular condition assessments for a proportion of each asset type to collect and monitor data relating to infrastructure, and regularly undertakes valuations of assets to meet auditing requirements. Council also undertakes annually a Special Schedule 7 valuation of identified classes of assets.

Regular condition inspections of critical infrastructure, such as bridges and road assets, are carried out to identify any strategic maintenance and renewal requirements in order to maximise serviceable asset life and to minimise risks and disruptions to Council and the community.

As a component of ongoing improvements to asset management, Council has recently completed a review of the Road Asset Management Plan in order to program and deliver investment, maintenance and renewal of its road assets projected for the next 10 year period. Similarly, following the completion of its Water and Wastewater Revaluation in 2021-2022, this asset class and stormwater drainage will form the key focus for Council's subsequent Asset Management Plans. All Asset Management Plans are informed by agreed Levels of Service determined through regular engagement with the local community and complementary technical assessments.

On completion of each significant revaluation, the Asset Management Register and geographic information system (GIS) are updated to deliver ongoing improvements to Council's data and asset management tools.

2. How Council Provides the Best Possible Value for Money

In order to deliver effective and sustainable outcomes in asset management (AM), it is important that asset management documentation should be free of unnecessary complexity in order to facilitate understanding and implementation of its objectives. Council's Asset Management Policy focuses on Council *providing the best possible value from activities related to its infrastructure assets*.

Council's discrete asset management plans, the four year Delivery Plan and annual Operational Plan detail the practical priorities and associated resourcing required to achieve the objectives of the Strategic Asset Management Plan.

The Strategic Asset Management Plan describes the application of the AM system based on the principles in ISO 55000. The AM Steering Committee is the primary means by which the organisation monitors and reviews the implementation and improvement of the AM system.

3. Technical Analysis, Planning and Management of Infrastructure

Council's AM Steering Committee manages and monitors the implementation and improvement of Council's AM system.

Council's discrete Asset Management Plans specify the activities, resources and timescales required to achieve Council's AM objectives as provided in the Delivery Plan and Operational Plan.

3.1 Categories of Technical Analysis, Planning and Management

Council undertakes a process of data sourcing and management, condition assessments, analysis and ongoing review of processes and systems to inform the objectives of the Asset Management Plans.

Documentation to support the Asset Management Plans incorporate hierarchies of asset classes, including technical analysis, planning and management systems as detailed below. These are regularly reviewed to ensure the objectives of the Strategic Asset Management Plan are achieved.

- *Asset registers* are the building blocks for the AM system, identifying all assets, including component parts, as well as location, quantities, materials, condition, age, remaining service life and other attributes.
- *Asset hierarchies* are a means of prioritising resources and the effort required to appropriately maintain assets, for example, differentiating between very busy roads and those serving only a few properties).
- *Asset condition assessments* use a variety of methods from visual inspections of buildings to automated laser/video assessments of roads to assess the condition of assets and their remaining functional service life.
- *Needs analysis and strategies* identify both the needs of the community and the performance that is required from infrastructure assets to meet the agreed level of service, usually expressed in terms of quality or condition, functionality and capacity. Needs analysis considers the deterioration of assets, growth in demand, and changes in community needs and expectations.
- *Performance modelling* predicts expected deterioration in the performance of assets over time.

- *Asset valuations* consider both the 'fair value' of an asset, that is, what it would be worth to sell on the open market, as required by accounting standards, and the expected service life of the asset. This information, coupled with asset condition information, enables Council to determine the current fair value of its assets and annual depreciation, that is, how much of an asset's value is being consumed each year.
- *Capital works programs* identify the priorities for future works based on the Operational Plan, Asset Management Plans and consideration of recent condition assessments, and draw on a range of asset data, including the asset hierarchy. Justification for the works is identified, prioritised and detailed, including an estimated cost for undertaking the works.
- *Operations and Maintenance Management Plans/Systems* are the means by which Council ensures complex assets, such as water treatment plants, are performing satisfactorily, that they are being managed sustainably, including asset renewal and replacement as required, and that risks are appropriately managed.
- *Procedural Documents* are the means by which Council controls critical processes in the AM system, such as the design and management of projects, the methodology for the collection and storage of data, and ongoing assessment methodologies related to the performance of Council's infrastructure.

4. Aligning Infrastructure and Financial Planning

Council's assets are strategically managed to ensure Council's financial sustainability.

It is important to ensure the Strategic Asset Management Plan aligns with the Long Term Financial Plan (LTFP) and Council's annual approved budgets. Two key areas are discussed below.

4.1 Asset Valuation and Depreciation

The valuation of assets is carried out on the basis of 'fair value', that is, what an asset is worth on the open market. Asset condition describes how far the asset has progressed through its useful life, that is, how much of the asset value has been consumed. The cost of asset depreciation (consumption) is calculated based on the value consumed each year as the asset deteriorates, that is, the asset value divided by its service life.

Asset value estimates undergo periodic review to ensure robust asset management principles are followed and that currency of information is maintained.

4.2 10 Year Expenditure Projections

Council forecasts its revenues and expenditure over 10 years through the Long Term Financial Plan (LTFP). It is important that financial estimates contained within Council's Asset Management Plans are consistent with those contained in the LTFP.

4.3 Asset Maintenance Shortfall and Renewal Backlog

The NSW Government's *Local Government Code of Accounting Practice and Financial Reporting (the "Code")* defines the method of calculating infrastructure performance measures that must be reported in Special Schedule 7 (SS7) of Council's annual financial statements. Special Schedule 7 contains important *Fit for the Future* benchmarks.

Required maintenance is defined as funding 'sufficient to ensure assets don't fail prematurely and can be kept in a functional state for community use'.

Council's approach has been to base required maintenance estimates either on:

- Current maintenance methodologies, including regular inspections and condition assessments of Council assets, for example, roads and drainage systems, parks and reserves; or

- Benchmark figures, where available, such as data from panel contracts, quotations and tendered projects as well as comparison of data from similar local Councils and application of relevant geographical distance factors and characteristics.

Ongoing review of data from inspections, condition assessment tracking and renewal estimates from recent projects ensure a higher level of confidence of expected future renewal planning expenditure and related interventive maintenance.

In terms of renewal **backlog**, the *Code* requires Council to report on the cost to bring assets:

1. to a "satisfactory" condition (defined as a minimum of condition 3, that is, fair). See example of Road Condition below from the Draft Road Asset Management Plan); and/or
2. to an "agreed" or "accepted" level of service (defined as the intervention level set by Council, based on condition)

See below an example of different road conditions encountered through scheduled asset condition inspections:

Condition 1 - New	Condition 2 - Good	Condition 3 - Fair	Condition 4 - Poor	Condition 5 - Very Poor
				
Ogilvie St, Denman	St Heliers St, Muswellbrook	Merino St – Denman	Palace St – Denman	Hill St, near bridge st intersection
Asset Life Consumed < 2 years	Asset Life Consumed < 5 years	Asset Life Consumed > 10 years	Asset Life Consumed > 20 years	Asset Life Consumed > 25 years
No Pavement or Surface distress	No pavement distress, low level of ravelling	Moderate roughness, rutting and Ravelling	High pavement roughness, potholes, cracks	High roughness, potholes, cracking and ravelling
Reference: IPWEA, Condition Assessment and Asset Performance guidelines, Road Pavement Assets (Visual Assessment) Practice Note 9				

5. Risk Management

5.1 Relationship between Risk and Asset Management Systems

Council's AM Policy identifies three perspectives in relation to providing the 'best possible value' to the community in relation to assets:

1. performance;
2. sustainability; and
3. risk/resilience.

Council's Risk Management system underpins its Asset Management system.

Risks identified at the corporate level, through the corporate risk register, will impact the management of assets and the implementation of the AM system through operational and capital

works programs driven by risk management as a high priority. Detailed technical analysis and planning are driven by the need to quantify and manage risk.

The 'front line' of risk management is the physical operations and management areas, for example, identifying and repairing defects on the road network and managing the storage, treatment and distribution of drinking water as prescribed in the NSW Guidelines for Drinking Water Management Systems.

Some risks can only be treated adequately by undertaking capital works. Where a project is included in the capital works program for reasons related to risk, this will be noted in the justification for the carrying out of the works.

5.2 Managing Critical Assets

The Integrated Planning and Reporting Guidelines require that the Asset Management Strategy identifies assets that are critical to its operations and outline risk management strategies for these assets.

ISO 55000 (clause 3.2.8) defines a critical asset as an asset having potential to significantly impact on the achievement of the organisation's objectives. Assets can be critical due to safety, environment or performance reasons, and can relate to legal, regulatory or statutory requirements, or because they provide services to critical and vulnerable customers. Examples of critical assets include:

- The Muswellbrook, Denman and Sandy Hollow water treatment plants and storage reservoirs; and
- The Muswellbrook and Denman recycled water treatment plants.

Council has established hierarchies for most asset categories that prioritise appropriate asset management efforts toward those assets with higher demand, and in most cases establish higher standards of performance, for example, proactive and responsive maintenance is undertaken as a higher priority.

Risk management strategies for the primary asset categories are outlined below.

Critical Asset	Primary Risks	Management Strategies
Water Supply	<ul style="list-style-type: none"> Supply problems due to severe drought. Supply problems due to turbidity or high sediment loads during peak events in the Hunter River. Failure to comply with the Australian Drinking Water Quality Guidelines. Failure of critical infrastructure (e.g. pumps) or loss of power leads to loss of supply. Infrastructure failure such as water main breaks leading to loss of supply. 	<ul style="list-style-type: none"> NSW Guidelines for Drinking Water Management Systems. Drought and Emergency Response Risk Management Plan. Maintain peak storage levels in reservoirs. Management Plans in place; criticality analysis undertaken on all assets and condition assessments underway with opportunities to improve redundancy and resilience identified (e.g., backup pumps, deployment of generators, etc.) Stop Valve renewal and installation. Arrangement with electricity supplier to ensure return of electricity to Council's critical assets is carried out as a high priority. Maintain an inventory of critical parts, which are held by Council and a range of external parties.
Sewerage	Release of untreated sewage or effluent to the environment due to a loss of power or failure from deterioration of infrastructure.	<ul style="list-style-type: none"> Carrying out of proactive jetter maintenance. Criticality analysis undertaken on all assets and condition assessments underway with opportunities to improve redundancy and resilience identified (e.g. backup pumps and generators, storage time in pump stations). Pollution incident response plans in place.
Roads, Bridges and other Transport	Safety issues arising from asset failures and/or other issues such as fallen trees, washed out bridges, flooded roads, deterioration of infrastructure.	Inspection systems in place with additional inspections undertaken where necessary (e.g. after a major storm event).
Playgrounds	Safety issues from damaged or broken equipment.	Inspection system in place to identify and appropriately respond to defects.
Sportsgrounds	Safety of users.	Appropriate inspections and maintenance carried out.
Aquatic Centres	Drowning, poor water quality leads to health issues.	Supervision in place, trained operators, appropriate equipment and maintenance.
Buildings	Business continuity in the event of a problem with the building.	<ul style="list-style-type: none"> Business continuity plans in place. Appropriate maintenance carried out.

6. The Asset Management System

The AM System is the set of interrelated or interacting elements of an organization to establish policies and objectives for AM, and processes to achieve those objectives (ISO 55000).

The planning, implementation, review and improvement of the AM system is described below.

6.1 Asset Management Steering Committee

The role of Council's Asset Management Steering Committee is to monitor and review implementation and improvement of the AM system to ensure Council's AM objectives are achieved. The terms of reference of the Asset Management Steering Committee are provided in Appendix 2 of the SAMP.

It is important to note that, in addition to monitoring and reviewing the AM system, the Committee provides an important cross-functional forum for planning and coordinating AM activities, including raising the awareness of sound asset management practice, and the provision of communication regarding asset management issues.

6.2 Roles, Responsibilities and Resourcing

Monitoring the clarity of roles and responsibilities, as well as the qualifications and experience of staffing and of resources to support the implementation of the AM system is a responsibility of the AM Steering Committee, as is raising awareness of and communicating about AM issues. Designated Council Officers are classified as asset owners for each of the identified asset classes and are accountable for the appropriate management of assets in their area of responsibility.

6.3 AM System Operation, Control, Monitoring and Audit

Processes within the AM system must be planned, implemented and controlled. Where problems or potential problems with Council's assets, AM or AM system are identified, Council will take necessary actions to prevent or correct and control them, as well as eliminate the cause to avoid them recurring, and will review their effectiveness. The AM Steering Group is the forum responsible to review and discuss such issues.

ISO 55001 requires that internal audits are carried out at planned intervals to provide information to assist in the determination of whether the AM system conforms to Council's own requirements and those of ISO 55001, and whether it is effectively implemented and maintained.

6.4 Review and Improvement

In addition to providing a forum for the planning and coordination of prioritised AM improvements, a primary function of the AM Steering Committee is to provide management review of the AM system to ensure its continuing suitability, adequacy and effectiveness.

When appropriate, improvement actions will be identified in the Delivery Program and Operational Plan.

Appendix 1 – Asset Management Information Register

The table below provides an overview of key documents and sources of asset information.

Buildings and Recreation
GIS layer for buildings
GIS layer for other structures and depreciable land improvements
Maintenance Management System for Playgrounds
Finance
Asset Register
Roads
Asset register for sealed and unsealed roads
Automated condition data for sealed roads
Condition rating and future works programs for transport assets
Pavement Management System
Asset register for bridges
Asset register for storm water drainage
Maintenance Management System for roads
Water and Sewerage
FINMOD (financial modelling of future water supply infrastructure needs and operations)
GIS backend database
Service request management system
Plant asset register
Plant condition inspection records
Waste Management
Waste Management Strategy
Closure Plan

Appendix 2 – Charter of the Asset Management Steering Committee

Membership of the Corporate Asset Management Steering Committee

1. Chief Engineer (Chair)
2. Asset Management Engineer
3. Assets and Financial Accountant
4. Manager Governance
5. Information Services Team Leader
6. IS Applications Officer
7. Director Property and Place
8. Manager Roads, Drainage and Technical Services
9. Asset Manager Water and Wastewater
10. Operations Manager Water and Wastewater
11. Manager Waste
12. Director Corporate Services and Chief Financial Officer (optional)
13. Deputy General Manager (optional)

Charter of the Muswellbrook Shire Council Corporate Asset Management Steering Committee

The Corporate Asset Management Steering Committee (the “**Committee**”) provides strategic, practical leadership in all facets of asset management. The committee ensures the ongoing development and improvement of appropriate asset management systems, procedures and practice that will provide consistent guidance to management and staff in implementing sound standards of asset management throughout Council’s operations and activities.

The primary responsibilities of the Committee include:

1. develop and implement an asset management improvement strategy and action plan. Provide quarterly reports to MANEX regarding the progress of the implementation of the prioritised, funded elements of the action plan;
2. progressively develop and implement appropriate policies and procedures to ensure best practice asset management across the organisation that demonstrates value for money, and ensures asset management practice is appropriately integrated into Council’s financial, information technology, and reporting systems;
3. develop consistency in Council’s asset management plans to ensure they are essential documents that provide practical guidance in the formation of Council’s budgets and prioritised works programmes, and ensure that Council’s assets are managed to a best practice standard;
4. provide strategic oversight of the regular review of Council’s asset management plans. The review of each asset management plan is the responsibility of the individual designated asset owner;
5. provide strategic oversight of the integration of the asset management plans into Integrated Planning and Reporting Documents and the Long Term Financial Plan;
6. collaboration, and pooling of corporate expertise, in relation to asset management matters;

7. ensure asset information is regularly updated so that all asset information is current and accurate; and
8. strategically and consistently work towards improving Council's level of asset management maturity.



**muswellbrook
shire council**

WORKFORCE MANAGEMENT PLAN

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Executive Summary

Muswellbrook Shire Council is a rural local government that oversees and delivers a diverse range of programs, services, facilities and projects for the community.

Effective workforce planning is essential to the success of meeting the community's needs now and in the future. The workforce plan enables council to achieve the right fit and mix of staffing, to have the right people or skills at the right time and the right price.

The workforce plan is one part of Councils' Resourcing Strategy along with the long-term financial plan and the asset management plan. The resourcing strategy delivers on the 10-year Community strategic plan, the 4-year delivery program and the yearly operational plan.

The review of the workforce plan on an annual basis is required to consider efficiencies and innovation to improve the sustainability of Councils' workforce. Workforce planning assists the integrated planning and reporting framework.

Currently the Workforce Plan will be implemented from 2021-2025 and comprises of 4 focus areas, namely;

1. Attract
2. Retain
3. Engage
4. Develop

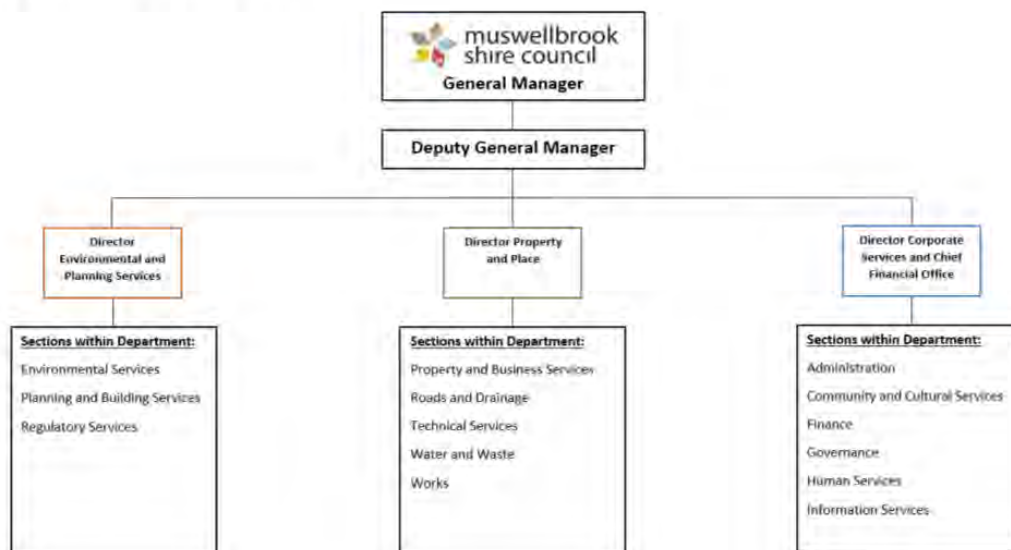
Throughout the four-year plan, Council will undertake annual reviews to ensure the Workforce plan actions are implemented; monitored and reported against.

Key challenges or risks identified within the plan include the encouragement to come and live in Muswellbrook, update and improve processes and systems to support the diverse workforce and lack of investment in development, career pathing and multi-skilling of the current workforce.

Implementation of the workforce plan will support the delivery of the community strategic plan and ensure that Muswellbrook Shire Council is delivering in accordance with Councils' SPIRIT Values; Safety, Pride, Integrity, Respect, innovation and teamwork.

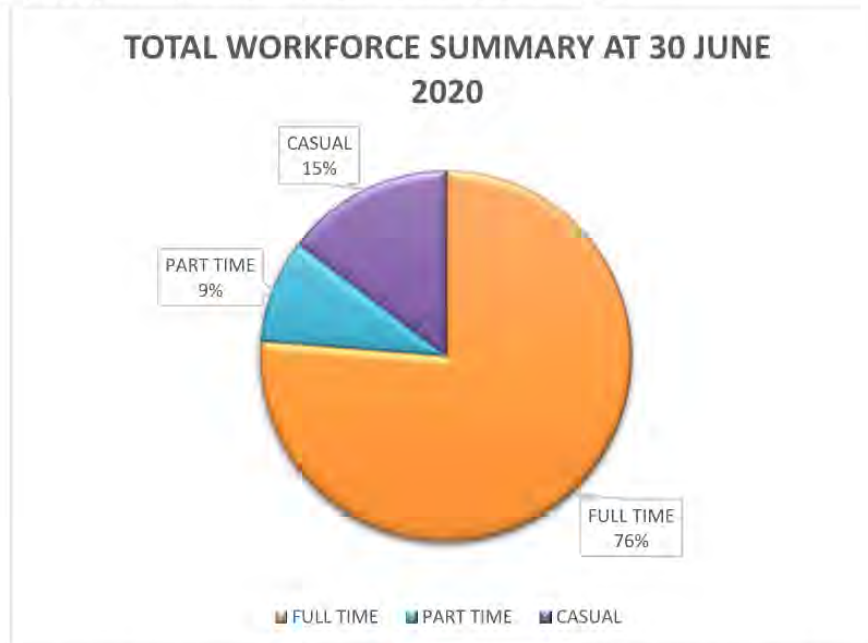


Our Workforce

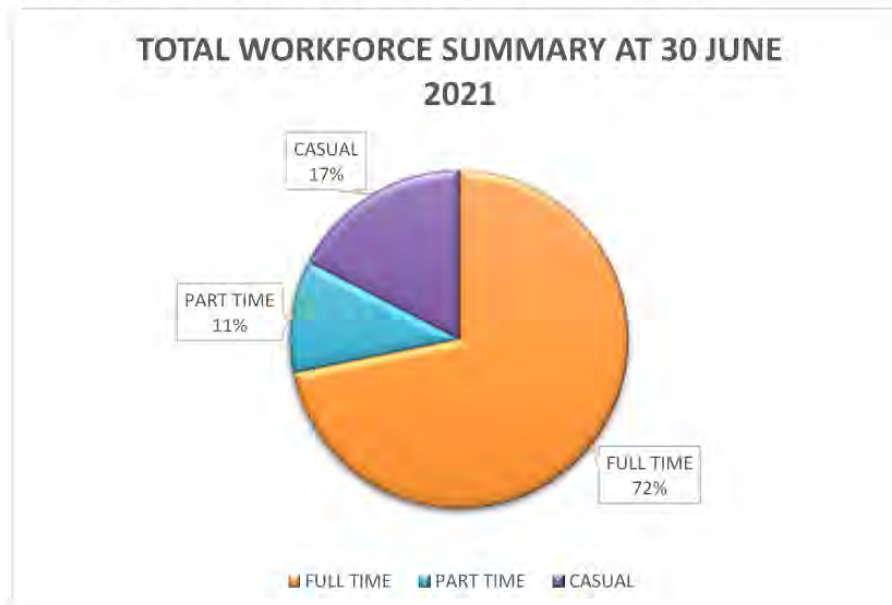


1. Profile

At 30 June 2020 there were 198 Council employees including 151 full time, 18 part time, 29 casual employees. The FTE at 30 June 2020 equalled 157.3.

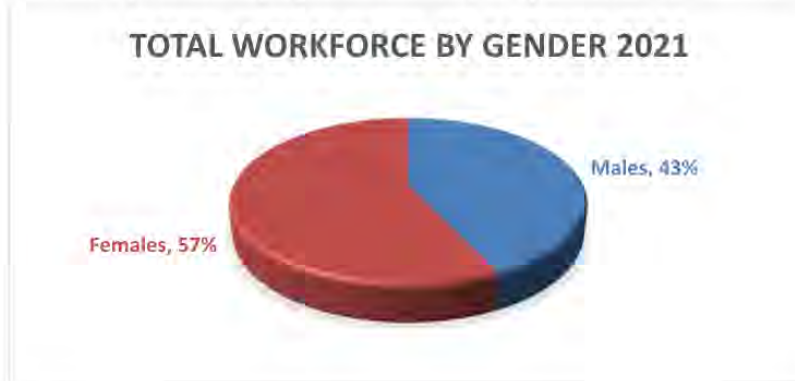


At 30 June 2021 there were 195 Council employees including 140 full time, 21 part time, 34 casual employees. The FTE at 30 June equalled 146.9. Council have reduced full time employees as well as the overall FTE and increased casual employees.



2. Gender

At 30 June 2021, 43% of employees were male, compared to 57% Female.



3. Tenure

Median tenure at 30 June 2021 is 7.5 years, The NSW Public Service Commission 2020 reports the median agency tenure, 2020 at 8.4 years. The following should be noted:

- 19 New employees – under 1-year tenure, currently employed.
- 1 New employee – under 1-year tenure – resignation at executive level (CFO).
- 4 New employee – under 1-year tenure – Removed from casual employment.
- 1 Male employee – currently employed with 42-year tenure.
- 2 Male employees – currently employed with 39-year tenures.
- 1 Male employee – currently employed with 32-year tenure.
- 1 Female employee – currently employed with 32-year tenure.





This knowledge enables council the opportunity to examine the challenges for employees in the first five years of employment. In relation to recruitment and selection as well as job design and training.

4. Age

As at 30 June 2021 the average age of council employees was 43. The youngest employee is 18 and the oldest 71. Both employees are female. The NSW Public Service Commission 2020 reports the average age of employees was 44, no change since 2019.

The overall age profile for Muswellbrook Shire Council employees is relatively even spread. Divided into three sections; 18-35 age category, with 32%. 36-50 age category, with 38%. 51-60+ age category with 30%. The 55 and over age group with 21% is trending well, with the NSW Public Service Commission 2020 reporting the average percentage of employees over 55 at 23.6%.

The 65 and over age category, with 6% a total of 15 employees. 40% of the employees in this age category have commenced a formal retirement plan with Council. The NSW Public Service Commission 2020 reports the average retirement age at 64.



5. Workforce Gender Breakdown



6. Workforce Comparison

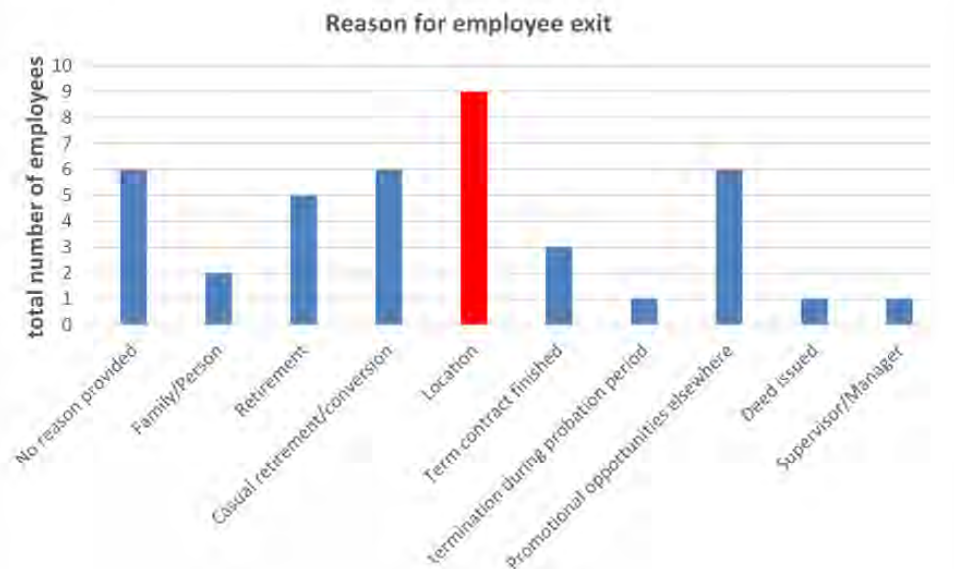
- Employment at grade 2; 53% of the female workforce, 46% of the male workforce.
- Employment at grade 5; 11% of the female workforce, 8% of the male workforce.
- Employment at grade 5; or above; 6% of the female workforce, 17% of the male workforce.

7. Manex Level

Muswellbrook Shire Councils' executive team has 6 members, 3 males, 3 females.

8. Staff Turnover

In the 2020/2021 financial year 40 employees left Council. Council turnover percentage 20.5%. Retirement & Casual conversion is expected turnover and reduces the percentage to 14.8%.



The highest reason recorded was location, followed by no reason provided (no exit interview submitted) and promotional opportunities elsewhere. Areas of improvement in the first five years of employment should be considered for retention of employees and reduced turnover.

9. Health, Safety and Wellbeing

We value the health and wellbeing of our employees and are committed to providing a workplace environment that promotes motivated, productive and healthy staff.

Monthly meetings of the Work Health & Safety (WH&S) Committee continued during the year. Council's health, safety and wellbeing initiatives included:

- Workplace inspections where identified hazards have been eliminated or managed

- Flu vaccination program

- Employee Assistance Program (EAP) for staff and their immediate family members

- Access to WH&S e-learning to support on-boarding for new staff

- EEO training and employees available

- Joint statement with USU and Council to eliminate bullying in the workplace

- Face-to-face sessions and virtual webinars for staff to promote wellbeing, mindfulness and stress reduction.



Workforce Forecast

There are several factors that could affect the current NSW labour market that need consideration in monitoring and evaluating the effectiveness of the workforce.

- New legislative/compliance or reporting requirements with workforce implications
- The way in which we view flexible working arrangements (including working from home)
- Training and upskilling of existing staff will be paramount
- Empowerment of our managers, supervisors through leadership programs
- Competition in the labour market is continuing
- Difficulty/risk in specific skill areas/specific key roles in demand
- The importance of providing a happy, healthy and safe workplace
- Technology changes are impacting the way in which we work and learn
- Lack of accommodation options in Muswellbrook and surrounding areas
- Lack of succession planning, knowledge transfer and career pathing
- Lack of youth opportunities to experience employment with council
- All staff engagement in Councils' performance management system (IWP)
- High staff turnover exists in the first five years of engagement
- Covid-19 impact on workforce engagement and socialising

All the above need consideration when implementing the actions for improvements in the workforce plan.



Action List

Key Areas	Specific outcomes	Actions	Timeframes	Measures
Workforce planning – A thorough understanding of our current workforce resources	• Effective workforce planning procedures and tools are available to leaders	• Enhance current reporting on workforce data	• June 2022	• Workforce data is provided to MANEX & SCC monthly
	• Ensure that we have the right people in the right jobs at the right time – develop / recruit / outsource	• Enhance the process and on-line access to exit interviews and data recording	• June 2023	• 100% of employee complete exit interview
Promotion of local area utilising technology	• Attraction of a diverse and inclusive workforce	• Develop council's diversity and inclusion program	• Dec 2024	• Decrease in staff turnover in first five years of engagement
	• Technology and Councils' on-line profile drive attraction to the local area	• Promote monthly basis – achievements, acknowledgements etc on Councils website and platforms such as LinkedIn	• Dec 2022	• Increase in youth employment numbers
Enhancing our Culture	• Increased employee engagement, retention, morale and satisfaction	• Provide rewards and recognition programs, promote social club	• Mar 2022	• Remain and monitor current staff satisfaction
	• Provide opportunities for contribution and alignment to Councils goals	• Improve engagement in the IWP process	• Feb 2023	• Increase participation and timeframes achieved
Career opportunities and skill development	• Training opportunities for all workforce	• Develop and implement a structured approach to training and development supported by systems and technology	• Sept 2023	• All employees participating in learning and development.
	• Career pathing, opportunities available within Council	• Create practices to support career development and career progression opportunities	• Jan 2024	• Employee engagement in the development of career pathing
Empower our managers and supervisors	• Encourage workplace culture with well-informed Managers and supervisors	• Develop ongoing leadership introductions to council and supervisory development programs	• May 2023	• Employee satisfaction with improved employee / manager / supervisor relationship.
	• Provide anytime information accessibility	• Develop on-line platform with information, training, policies and procedure for supervisors and manager	• Aug 2024	• Improve accountability in people management



Key Areas	Specific outcomes	Actions	Timeframes	Measures
Encourage local Youth employment opportunities	• Increase youth attraction, development and engagement	• Develop programs across youth council	• Sep 2023	• Increased youth engagement numbers
	• Encourage local youth opportunities within council	• Develop relationships with external youth services and career advisors	• Dec 2023	• Contribution to the local youth employment opportunities

Monitor and Evaluate

The workforce plan will be reviewed every year. The monitoring and review process enable Council to assess what is working and what is not, adjust this plan and its actions and be able to address any workforce and organisation issues that may arise.

Measures of success will be indicated by the outcomes of the action plan, delivered within the timeframes and achieving the performance indicators above.



**Muswellbrook Shire Council
Long Term Financial Plan
2022-32**

DRAFT



Introduction

Purpose of the Long Term Financial Plan (LTFP)

The Long-Term Financial Plan 2022-2032 is a decision-making tool for stakeholders (Council and the community) to use in determining the resources which Council needs to apply to deliver on community outcomes and aspirations contained within the Muswellbrook Community Strategic Plan. It ensures that Council can identify future financial issues at an early stage and understand and mitigate future impacts as required.

This Long-Term Financial Plan supports Council in addressing the following dilemmas:

- Leading the change required to support a community and economy in transition;
- Initiating opportunities for future income and economic growth; and
- To source revenue to deliver the infrastructure required for a sustainable future.

In particular, this plan models the financial implications of the Muswellbrook Community Strategic Plan and Delivery Program, along with the ability to maintain existing facilities and infrastructure based on a range of assumptions and within known constraints.

The Long-Term Financial Plan is one component of Council's resourcing strategy which underpins the Muswellbrook Community Strategic Plan along with the Workforce Management Plan and Asset Management Plan. These documents are all interrelated with Council's four-year Delivery Program and provide inputs and outputs for one another. The suite of documents should be viewed together as Council's overall strategy.



Financial Stability

A financially sustainable council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without imposing excessive debt or large rate increases on future generations. This definition has been translated into four key financial sustainability principles which Council is committed to:

- Council must achieve a **fully funded operating position** reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation
- Council must **maintain sufficient cash reserves** to ensure it can meet short-term working capital requirements
- Council must have an appropriately **funded capital program** where the source of funding is identified and secured for capital renewal, upgrade, and new capital works
- Council must **maintain its asset base** by renewing aging infrastructure, which is identified, and by ensuring cash reserves are set aside for those works which are yet to be identified.

The Office of Local Government (OLG) includes several financial performance measures in the Code of Accounting Practice. Council reports its performance against these measures in the annual financial statements. These indicators assist to assess the financial sustainability of councils. Council has reviewed its Long-Term Financial Plan (LTFP) against the OLG indicators as part of assessing the long-term financial health of the organisation and its capacity to fund the proposed delivery program.



How is Long Term Financial Sustainability Measured?

Following the release of the report from the NSW Independent Local Review Panel in October 2013 a range of indicators are now being used to assess the financial sustainability of councils as stand-alone entities.

Council has reviewed its Long-Term Financial Plan against these indicators as part of assessing the long-term financial health of the organisation and its capacity to fund the proposed delivery program. The following shows Council's performance against the indicators for 2020/21:

Ratio	Calculation	Sustainable Target	2020/21 Actual Ratio	Achieved?
Operating Performance Ratio	Total operating revenue (excluding capital grants and contributions) less total operating expenditure divided by continuing operating revenue	> 0%	9.96%	Yes
Own Source Revenue Ratio	Total continuing operating revenue (excluding capital grants and contributions) divided by continuing operating revenue	> 60%	58.81%	Yes
Building and Asset Renewal Ratio	Asset renewals divided by depreciation, amortization and impairment	> 100%	75.02%	No



Infrastructure Backlog Ratio	Estimated cost to bring assets to a satisfactory condition divided by the total WDV of infrastructure assets	< 2%	2.39%	No
Asset Maintenance Ratio	Actual asset maintenance divided by required asset maintenance	> 100%	78.67%	No
Debt Service Cover Ratio	Operating result before capital excluding interest and depreciation divided by principal repayments plus borrowing costs	> 2x	2.43x	Yes
Unrestricted Current Ratio	Current assets less all external restrictions divided by current liabilities less specific purpose liabilities	> 1.5x	2.17x	Yes
Rates & Annual Charges Outstanding	Rates & annual charges outstanding divided by rates and annual charges collectable	= <10%	10.05%	No
Real Operating Expenditure	Operating expenditure divided by population	Decreasing		

Financial Management in Council

Council has prepared a budget based around the facilitation of the activities and targets outlined in its Delivery Program and these budgets have been projected out for 10 years based on a range of assumptions.

Financial Management Principles

The 2022-2032 Long-Term Financial Plan (LTFP) applies the following underpinning principles:

- Council will maintain its existing services to residents
- Management will continually look for ways to improve service delivery
- Services and infrastructure in any new areas will be provided within reason and in consultation with the community
- Council will continue to improve its capacity to fund its recurrent operations and renew critical infrastructure through sustainable financial decision making



- Council will manage within the existing financial constraints as much as possible

Long Term Financial Plan Assumptions

The long-term financial model requires Council to identify all material items of revenue and expenditure and determine the external and internal influences which could significantly impact on Council's finances.

In preparing the 2022-32 Long Term Financial Plan, the following underpinning principles have been adopted.

Some significant adjustments within the plan do not use assumptions for projections:

- Capital programs are built at a project level and/or using other relevant inputs.
- Capital grants are projected based on known capital projects and the likelihood of grants being available for recurrent programs.
- Administration costs of local government elections are projected only for the identified year an election will occur. However, funding for this projected expense is allocated on an annual basis.
- Asset maintenance cost increases are projected based on the capital program.
- There are unknown impacts of the continued COVID-19 pandemic due to the inability to predict this.
- Non-cash revaluations are not projected due to the uncertainty of valuations and that these have no impact on Council's budgeted cash position.
- No allowance has been made for additional rate revenues for Council as a result of population growth.

OUR CHALLENGES

COVID-19

The COVID-19 pandemic and global health crisis have negatively impacted the community, business and tourism. This has created increased operating costs for cleaning and equipment, as well as reduced revenue as a result of closing services to the community and restricting numbers of some services under Public Health Orders. Council has implemented various strategies to assist the community during this time while continuing to consider the financial impact to Council's long-term objectives with the uncertainty of COVID-19 impacts in the future.

INDEPENDENT PRICING AND REGULATORY TRIBUNAL (IPART) RATE PEG



IPART is an independent authority established under the Independent Pricing and Regulatory Tribunal Act 1992. IPART is responsible for setting a 'rate peg' each year. This rate peg identifies the maximum allowable increase that can be applied to ordinary rates annually without special approvals, such as a special rate variation.

The rate peg limits the amount the Council can increase rates each year without obtaining special permissions. The rate peg for 2022-2023 was set at 0.7 per cent. Given that rate income represents 35 per cent of income received by Council, this represents a challenge for the Council in increasing income and continuing to meet community expectations, manage assets and operate in a growth environment.

INCREASING COSTS

Increasing costs of operating and capital materials, as well as the availability of these materials, create many challenges for Council. The cost of construction has risen significantly in 2021 and 2022. Increasing costs mean efficiencies are required to be made continually in how Council spends money to provide these services and to ensure cost increases do not rise at a higher rate than Council income. A small movement in Consumer Price Index (CPI) indices can have a significant negative impact to Council's operating position. To mitigate this risk, Council is to engage in business improvement and financial sustainability practices across the organisation to identify and put in place strategies to reduce the impact of these changes as they occur.

INSTABILITY OF CONTINUED GRANTS

During the past two years, with the emergence of the COVID-19 pandemic, there has been an increase in capital and operating grants made available to assist Council in funding specific projects and programs. However, it is not anticipated that the current rate of available grants will continue into the future. The increase in grants over this period is expected to reduce as the economy returns to a more normal way of operating. It is possible that as a result of increased available grants in recent periods, future grants will reduce below the previous level. This would require Council to seek other methods of funding operating and capital programs without the benefit of grants.



PROJECTED FINANCIAL STATEMENTS

PLANNING PRINCIPLES

The purpose of this plan is not to provide specific detail about various individual works or services. The Long-Term Financial Plan will provide a decision-making tool that allows various assumptions and sensitivity analysis to be carried out, which will indicate the ability of Council to deliver cost-effective services to our community into the future, within a framework of financial sustainability.

The key principles in the development of the financial planning and modelling process include:

- continuing to engage in financial sustainability initiatives
- identifying and implementing initiatives to reduce expenditure and/or increase income
- maintaining current and future infrastructure effectively using funding sources
- managing loan borrowings
- exploring profit generating activities.



OUR INCOME

Council has several major sources of income which are explained below.

Rates and Annual Charges

Rates and annual charges are the primary source of annual income, contributing about 35 per cent of total annual income.

Rates are calculated annually, in accordance with NSW legislative requirements, and include the ordinary rate and annual charges for domestic waste collection and management and for on-site sewer management. The ordinary rate is calculated by applying a flat base amount, plus a rate in the dollar (ad valorem) multiplier to each property owner's unimproved land value.

Each property falls into one of four categories for rating purposes depending on the land use of the property. These categories are residential, business, farm land and mining.

Increases for ordinary rates are determined at a maximum amount by IPART. This increase is described as a rate peg and is determined by reference to the annual movement in the local government cost index. The rate peg for 2022-2023 is set at 0.7 per cent. It has been assumed that a two per cent rate peg will apply in future years and we have therefore applied the two per cent rate peg as well as an additional 0.5 per cent to allow for development growth in the region.

Additionally, the Minister for Local Government has announced a one-off opportunity available for the 2022-2023 year for councils to apply for an Additional Special Variation (ASV) of up to 2.5 per cent, inclusive of the previously determined rate cap of 0.7 per cent. Muswellbrook Shire Council is considering applying for this, as the 0.7 per cent rate peg from IPART was significantly lower than the 2.5 per cent used as a baseline assumption from prior year increases.

If the 2.5 per cent rate increase is not granted, the Rates revenue will reduce by \$350 thousand for 2022-2023 compared to that shown in Scenario 1 of the reported Long-Term Financial Plan. The estimated impact across the next 10 years is \$4.6 million. Staff have prepared a report for Council's consideration.

Applications for an ASV will be accepted until 29 April. IPART will publish applications to enable community consultation for a period of at least three weeks.

Councils will be notified of IPART's decision no later than 21 June.



User Fees and Charges

Fees and charges for goods and services provide about seven per cent of annual income. This income is derived from the use of facilities and services by the public. Fees and charges are determined annually, published with the Operational Plan and incorporated within the annual budget. These fees are levied to cover the cost associated with:

- the supply of a product, service or commodity
- the giving of information
- providing a service in connection with the Council's regulatory functions, including receiving an application for approval, granting an approval, making an inspection and issuing a certificate
- allowing admission to any building or enclosure.

General Fund Fees and Charges are proposed to rise in 2022/23 by an average of 3.0%.

Interest and Investments

Council's cash holdings are invested in Minister approved shorter term (between one and three years) term deposits, bank issued bonds and floating rate notes, which provide short term liquidity should that be needed. For the purposes of the plan, Council has assumed a return of 3% in 2022/23 and in future years on its invested funds.

Other Revenues

Council has established a Future Fund, which has as its main activity the acquisition and lease of commercial buildings. The Fund is designed to be self-sustaining in terms of its financial situation with all expenses related to the Fund being paid from the generation of revenues derived from these buildings. In addition to this, the Fund pays a dividend to the General Fund, thereby assisting in the funding of General Fund activities. No significant changes in these other revenues are forecast over the term of this LTFP.

Operational Grants and Contributions

Operational grants and contributions are received from other government bodies to supplement other sources of income and provide additional funding for specific projects and programs where there may be shared outcomes.

Council is allocated about \$3.1 million annually from the Commonwealth Government in the form of the Financial Assistance Grant. This is a general-purpose grant paid to Council under the Commonwealth Local Government (Financial Assistance) Act 1995. These funds comprise an unconditional grant, and a smaller local roads component.

Capital Income

Capital income includes development contributions that provide significant funding towards the cost of essential public facilities and infrastructure provided by Council. This income helps fund infrastructure such as parks, community facilities, local roads, footpaths,



stormwater drainage and traffic management. Capital grants are received by Council for specific projects to assist in funding community facilities and infrastructure. The grants provide supplementary funding that can assist in accelerating the start of a project, demonstrate a shared commitment from the other party or provide a greater benefit arising from additional funding.

Capital grants income does not require sensitivity analysis as this is budgeted at a detailed level based on the minimum known grants available and those grants that have been committed for specific projects. Any variations to capital grants income are assessed against the capital program and asset management plans.



OUR EXPENDITURE

Council has several major sources of expenditure which are explained below. Operating expenditure is expected to increase in general over the next 10 years and an average increase for CPI growth has been applied to all costs, unless specifically modified on the basis of other data or assumptions.

Employee Costs

Employee costs includes the costs of salaries, wages and other associated costs of Council's workforce. Direct employee costs represent about 36 per cent of Council's total annual operating costs (excluding depreciation). Increases applied to this class of expenditure are in line with previous Enterprise Agreements as well as an allowance for growth as Council is required to provide additional services to residents.

Employee cost sensitivity analysis

\$,000	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
0.5%	84	86	89	92	94	97	100	103	106	109
1.0%	168	173	178	183	189	194	200	206	212	219
1.5%	252	259	267	275	283	292	300	309	319	328



Materials and Contracts

Materials and contract expenditures are another significant cost element accounting for 38 per cent of Council's total annual operating costs (excluding depreciation). This category includes costs for services contracted to external parties, costs associated with consultants and labour hire contracts and the purchase of goods such as materials. Projections have been based on existing contracted rates escalated for CPI where applicable. Major financial risks within this category of expenditure include:

- increased costs of inputs such as waste/recycling disposal costs, fuel and labour
- increased levels of service expected by the community and other stakeholders
- new services expected to be delivered in the future
- additional asset maintenance costs of new infrastructure
- limited competitive supply for some specific service areas.

Materials & contract sensitivity analysis

\$'000	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
1.0%	178	182	186	191	195	199	204	209	213	218
2.0%	356	364	373	381	390	399	408	417	427	437
3.0%	534	546	559	572	585	598	612	626	640	655



Borrowing Costs

Borrowing costs represent the interest charges on loans taken out to finance new capital expenditure projects. Loan funds are typically used to generate the cashflow to deliver new infrastructure and allow the cost of the project to be spread across the useful life of the asset in order to facilitate intergenerational equity for these assets.

The risk inherent in this category is increasing interest rates caused by uncertain financial markets. Council mitigates this risk through most of its current borrowing being on a fixed rate basis. Hence, the sensitivity analysis is on planned new borrowings only.

Borrowing cost sensitivity analysis

\$'000	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
0.5%	10	10	9	8	10	9	8	7	7	8
1.0%	20	21	17	16	19	18	16	15	14	16
1.5%	30	31	326	24	29	26	24	22	20	25

Other Expenditure

Other expenditure includes the following:

- insurance premiums
- NSW Fire Brigades, Rural Fire Service and State Emergency Service contributions
- electricity and street lighting
- telephone and communications
- Councillors' fees, allowances and expenses
- subscriptions and memberships
- bank charges.

Other expenditure sensitivity analysis

\$'000	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
0.5%	26	27	28	28	29	29	30	30	31	32
1.0%	53	54	55	56	57	58	60	61	62	63



1.5% 79 81 83 84 86 88 89 91 93 95

FINANCIAL PERFORMANCE INDICATORS

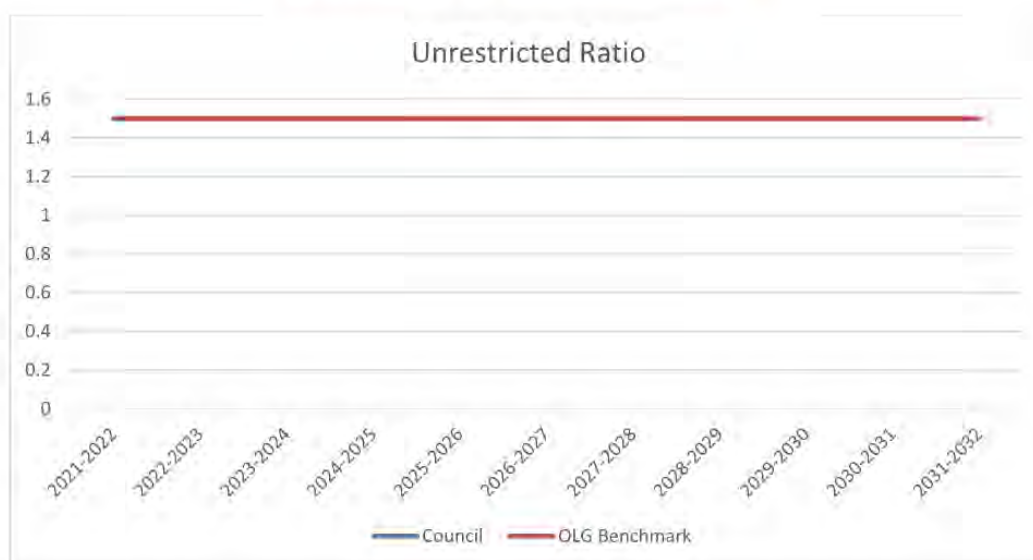
Council complies with the reporting requirements of the Integrated Planning and Reporting framework, with periodic reviews and reporting cycles to allow revision of performance and adjustment of planning activities based on results. This allows plans to be amended should performance indicate there is a risk to the achievement of the financial goals.

A critical component of measuring performance is identified by performance indicators set by Council and the Office of Local Government, including those outlined below.

The Unrestricted Current Ratio

The unrestricted current ratio is specific to local government, measuring the adequacy of liquid working capital and its ability to satisfy its financial obligations as they fall due in the short-term. Restrictions placed on various funding sources (for example, development contributions) complicate the traditional current ratio used to assess liquidity of businesses, as cash allocated to specific projects is restricted and cannot be used to meet Council's other operating and borrowing costs. The benchmark set by the Office of Local Government (OLG) is greater than 1.5.

$$\frac{\text{Current assets less all external restrictions}}{\text{Current liabilities less specific purpose liabilities}}$$

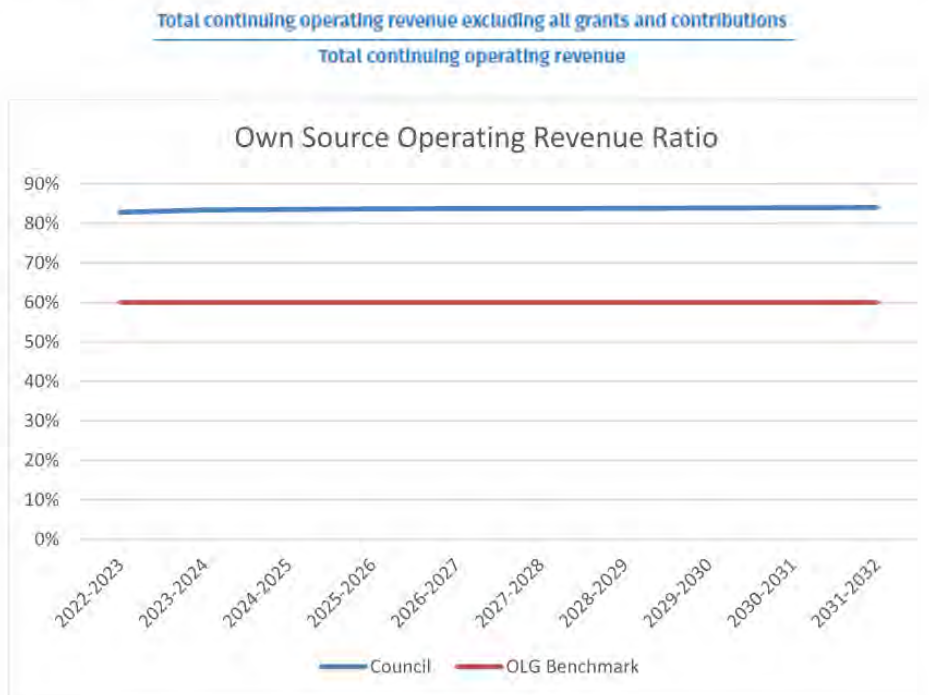






Own Source Operating Revenue Ratio

A measure of fiscal flexibility, own source revenue refers to Council's ability to raise revenue through its own internal means, thereby reducing reliance on external sources of income and insulating against negative fluctuations in external funding. The benchmark set by OLG is greater than 60 per cent.

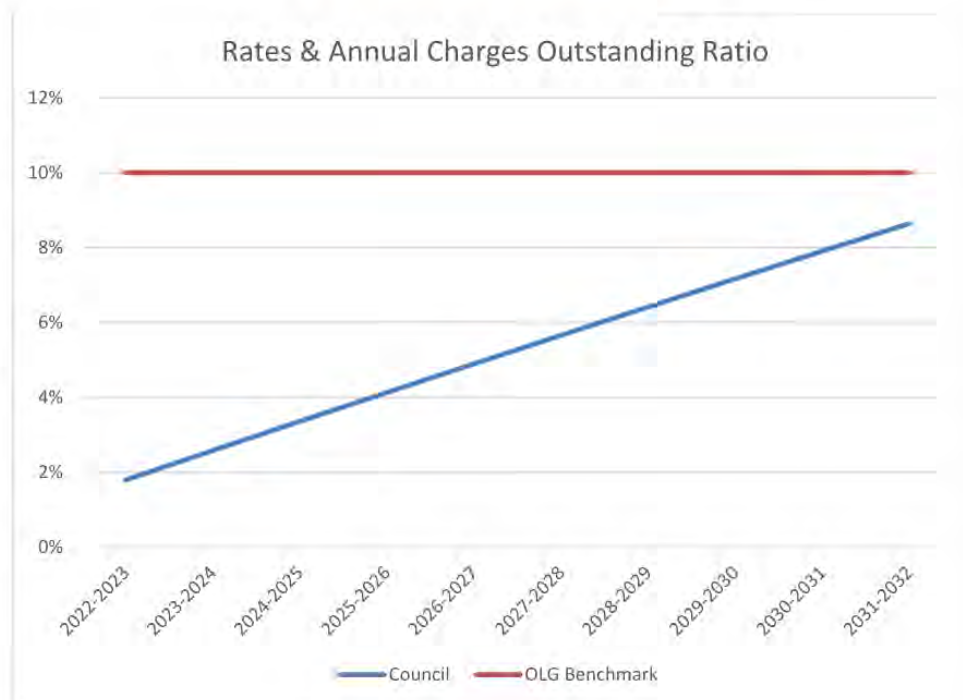




RATES AND ANNUAL CHARGES OUTSTANDING RATIO

This measure indicates Council's success at recovering its annual rates and charges, with higher percentages of outstanding debts indicating a potential threat to Council's working capital and liquidity. The benchmark set by OLG is below 10 per cent.

Rates and annual charges outstanding
Rates and annual charges collectable

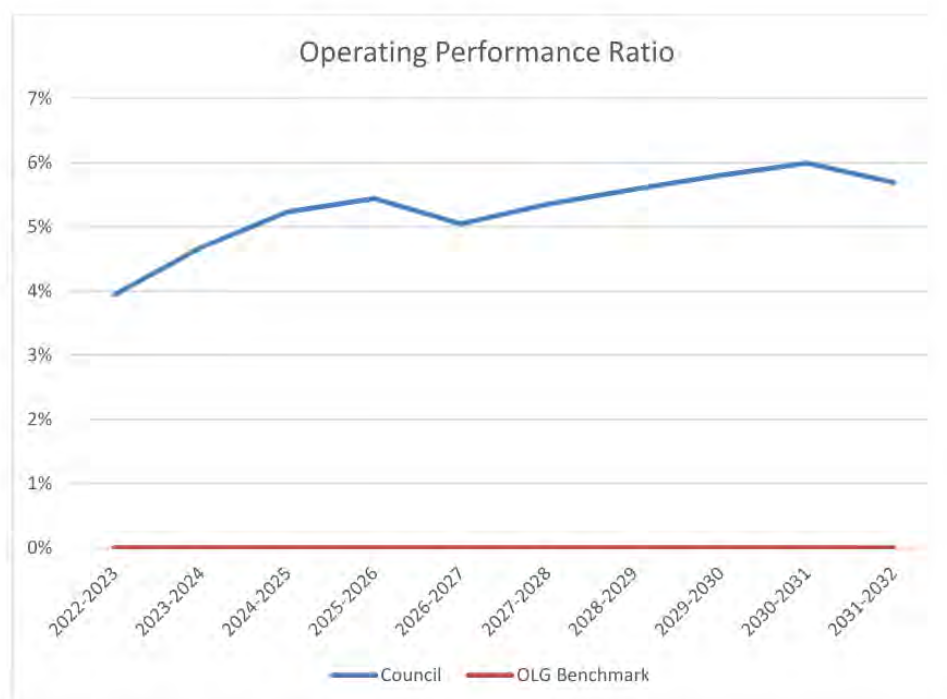




OPERATING PERFORMANCE RATIO

This ratio provides an indication of Council's financial sustainability by measuring operating result excluding capital grants and contributions (which are typically tied to delivery of new capital works). Performance at or above benchmark indicates Council can internally generate sufficient funding for its ongoing operations. The benchmark set by OLG is greater than 0 per cent.

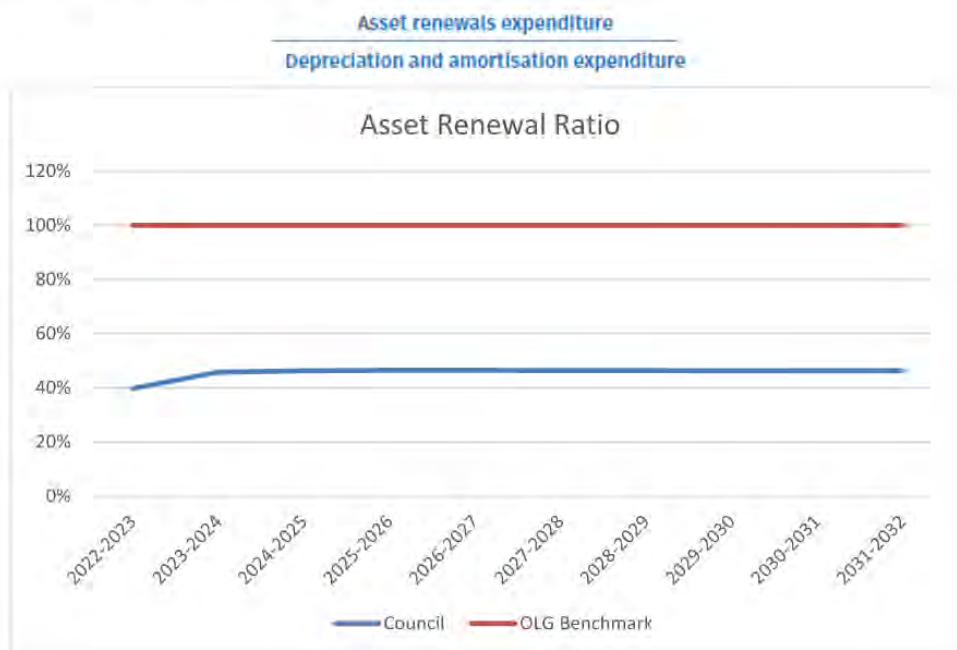
$$\frac{\text{Total continuing operating revenue excluding capital grants and contributions less operating expenses}}{\text{Total continuing operating revenue excluding capital grants and contributions}}$$





ASSET RENEWAL RATIO

This ratio indicates Council is adequately maintaining its asset base based on planned renewal activities as a proportion of the depreciation expenditure. A ratio result of 100 per cent indicates Council is renewing its asset base and not contributing to infrastructure backlogs. The benchmark set by OLG is greater than 100 per cent.

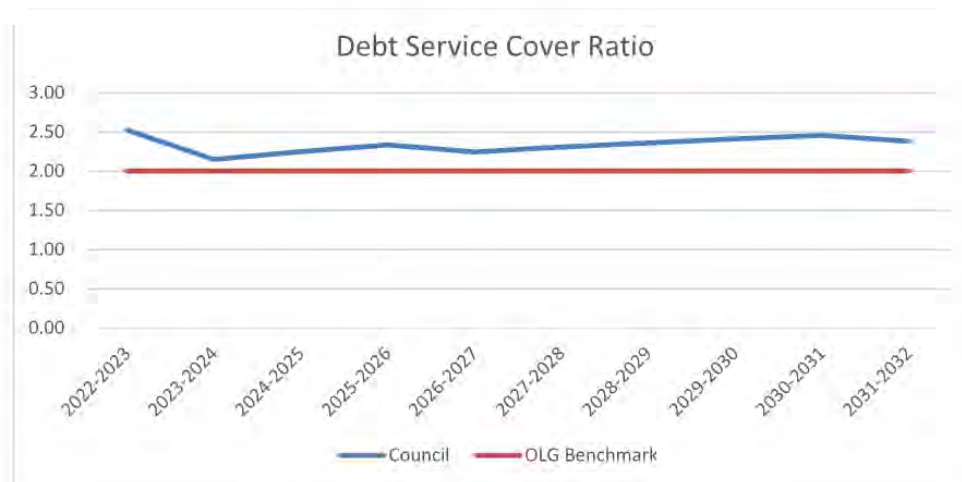




DEBT SERVICE RATIO

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. A high ratio indicates the ability of the Council to repay debt. The benchmark set by OLG is greater than two.

$$\frac{\text{Operating result before capital excluding interest and depreciation/impairment/amortisation}}{\text{Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)}}$$



STRATEGIC ALIGNMENT

The Long-Term Financial Plan combines the financial implications arising from the Community Strategic Plan, Delivery Program and the annual Operational Plan to ensure all items in these plans are achievable and sustainable. The Asset Management Framework and Workforce Management Strategy are major drivers of the assumptions used within the Long-Term Financial Plan.



Projected Financial Statements – 2022-32 LTFP (Scenario 1 – With ASV)

Income Statement - Consolidated For the year	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	30,796	31,566	32,355	33,164	33,983	34,842	35,714	36,606	37,522	38,460
User Charges and Fees	20,507	21,259	21,833	22,423	23,091	23,779	24,488	25,219	25,971	26,746
Interest and Investment Revenue	510	823	767	720	647	575	477	379	281	183
Other Revenue	2,566	2,631	2,686	2,764	2,833	2,904	2,976	3,051	3,127	3,205
Grants and Contributions provided for Operating Purposes	7,023	7,199	7,379	7,563	7,752	7,946	8,145	8,349	8,557	8,771
Grants and Contributions provided for Capital Purposes	4,830	4,555	4,555	4,555	4,611	4,668	4,728	4,788	4,851	4,915
Internal Revenue	2,778	2,847	2,919	2,992	3,066	3,143	3,222	3,302	3,385	3,469
Other Income:										
Net gain from the disposal of assets										
Share of interests in joint ventures and associates										
Total Income from Continuing Operations	69,011	70,879	72,503	74,180	75,993	77,859	79,750	81,694	83,693	85,750
Expenses from Continuing Operations										
Employee Benefits and On-Costs	16,792	17,296	17,814	18,349	18,899	19,466	20,050	20,652	21,271	21,910
Borrowing Costs	2,013	2,093	1,736	1,613	1,936	1,764	1,617	1,479	1,358	1,241
Materials and Contracts	17,799	18,208	18,627	19,055	19,493	19,942	20,400	20,870	21,350	21,841
Overheads	4,554	4,645	4,738	4,833	4,930	5,028	5,129	5,231	5,336	5,443
Depreciation and Amortisation	15,200	15,581	15,970	16,370	16,783	17,228	17,673	18,131	18,600	19,081
Impairment	-	-	-	-	-	-	-	-	-	-
Net Losses from the disposal of assets	5,294	5,400	5,508	5,618	5,730	5,845	5,962	6,081	6,202	6,327
Other Expenses	61,651	63,222	64,393	65,838	67,781	69,272	70,832	72,443	74,117	76,235
Total Expenses from Continuing Operations	61,651	63,222	64,393	65,838	67,781	69,272	70,832	72,443	74,117	76,235
Operating Result from Continuing Operations	7,359	7,657	8,109	8,342	8,212	8,586	8,918	9,251	9,576	9,515
Discontinued Operations										
Net Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	7,359	7,657	8,109	8,342	8,212	8,586	8,918	9,251	9,576	9,515
Net Operating Result attributable to Council	7,359	7,657	8,109	8,342	8,212	8,586	8,918	9,251	9,576	9,515
Net Operating Result attributable to Minority Interests	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	2,530	3,102	3,555	3,787	3,601	3,918	4,190	4,462	4,725	4,600
Net Operating Result for the Year	7,359	7,657	8,109	8,342	8,212	8,586	8,918	9,251	9,576	9,515
Amounts which will not be reclassified to the Operating Result										
Gain (Loss) on revaluation of IPR&E										
Total Comprehensive Income for the year	7,359	7,657	8,109	8,342	8,212	8,586	8,918	9,251	9,576	9,515



Statement of Cash Flows - Consolidated For the year (000's)	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates and Annual Charges	30,796	31,566	32,355	33,164	33,993	34,842	35,714	36,606	37,522	38,460
User Charges and Fees	20,507	21,259	21,833	22,423	23,091	23,779	24,488	25,219	25,971	26,746
Investment and Interest Revenue Received	510	823	767	720	647	575	477	379	281	183
Grants and Contributions	11,853	11,754	11,934	12,118	12,363	12,615	12,873	13,137	13,408	13,686
Bonds, Deposits and Retention amounts received										
Other	2,778	2,847	2,919	2,992	3,066	3,143	3,222	3,302	3,385	3,469
Payments:										
Employee Benefits and On-Costs	(16,792)	(17,296)	(17,814)	(18,349)	(18,899)	(19,466)	(20,050)	(20,652)	(21,271)	(21,910)
Materials and Contracts	(17,799)	(18,208)	(18,627)	(19,055)	(19,493)	(19,942)	(20,400)	(20,870)	(21,350)	(21,841)
Borrowing Costs	(2,013)	(2,083)	(1,736)	(1,613)	(1,936)	(1,764)	(1,617)	(1,479)	(1,358)	(1,634)
Bonds, Deposits and Retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(5,294)	(5,400)	(5,508)	(5,618)	(5,730)	(5,845)	(5,962)	(6,081)	(6,202)	(6,327)
Net Cash provided (or used) in Operating Activities	24,548	25,252	26,122	26,781	27,102	27,938	28,744	29,562	30,385	30,834
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
Purchase of Investment Property	-	-	-	(10,000)	-	-	-	-	(10,000)	-
Purchase of Infrastructure, Property, Plant and Equipment	(18,335)	(13,532)	(13,796)	(24,009)	(14,359)	(14,718)	(15,086)	(15,463)	(25,849)	(16,246)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used) in Investing Activities	(18,335)	(13,532)	(13,796)	(34,009)	(14,359)	(14,718)	(15,086)	(15,463)	(35,849)	(16,246)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowing and Advances	-	-	-	-	10,000	-	-	-	10,000	-
Payments:										
Repayment of borrowing and advances	(6,455)	(6,505)	(6,205)	(6,193)	(4,206)	(4,669)	(4,061)	(3,354)	(3,054)	(3,252)
Net Cash provided (or used) in Financing Activities	(6,455)	(6,505)	(6,205)	(6,193)	5,794	(4,669)	(4,061)	(3,354)	6,946	(3,252)
Net Increase / (Decrease) in Cash and Cash Equivalents	(242)	5,215	6,121	(13,421)	18,537	8,552	9,598	10,745	1,481	11,336
plus: Cash and Cash Equivalents - beginning of year	16,978	16,736	21,951	28,072	14,651	33,188	41,740	51,337	62,083	63,564
Cash and Cash Equivalents - end of year	16,736	21,951	28,072	14,651	33,188	41,740	51,337	62,083	63,564	74,900
plus: investments on hand - end of year	48,283	48,283	48,283	48,283	48,283	48,283	48,283	48,283	48,283	48,283
Total Cash, Cash Equivalents and Investments	65,019	70,234	76,355	62,934	81,471	90,023	99,620	110,366	111,847	123,183



Balance Sheet - Consolidated		As at (000's)										
		2022/23	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	
ASSETS												
Current Assets												
Cash and Cash Equivalents		16,736	21,951	28,072	14,651	33,188	41,740	51,337	62,083	63,564	74,900	
Investments		20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	
Receivables		7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	
Inventories		1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	
Other		250	250	250	250	250	250	250	250	250	250	
Total Current Assets		46,547	51,762	57,883	44,462	62,999	71,551	81,148	91,894	93,375	104,711	
Non-Current Assets												
Investments												
Infrastructure, Property, Plant and Equipment		24,711	22,911	22,911	22,911	22,911	22,911	22,911	22,912	22,942	23,050	
Investments accounted for using the equity method		734,201	732,153	729,978	737,617	735,182	732,872	730,084	727,416	734,666	731,831	
Investment Property		158	158	158	158	158	158	158	158	158	158	
Total Non-Current Assets		820,764	816,916	814,741	832,380	829,945	827,435	824,847	822,180	839,460	836,732	
TOTAL ASSETS		867,311	868,678	872,624	876,842	892,944	898,986	905,996	914,074	932,835	941,443	
LIABILITIES												
Current Liabilities												
Payables		8,966	8,966	8,966	8,966	8,966	8,966	8,966	8,966	8,966	8,966	
Borrowings		4,492	4,112	4,457	2,593	2,733	2,297	1,737	1,575	1,894	1,705	
Provisions		2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262	
Total Current Liabilities		15,720	15,340	15,685	13,821	13,961	13,525	12,965	12,803	13,122	12,933	
Non-Current Liabilities												
Payables		1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	
Borrowings		54,531	48,026	41,821	35,628	41,422	36,753	32,692	29,338	36,284	33,032	
Provisions		32,362	32,957	34,654	38,588	40,544	43,105	45,817	48,160	50,080	52,615	
Total Non-Current Liabilities		88,185	82,274	77,766	75,507	83,257	81,148	79,800	78,790	87,655	86,937	
TOTAL LIABILITIES		103,905	97,615	93,451	89,328	97,218	94,674	92,765	91,593	100,777	99,871	
Net Assets		763,406	771,063	779,172	787,514	795,726	804,312	813,230	822,481	832,057	841,573	
EQUITY												
Retained Earnings		437,085	444,742	452,851	461,193	469,405	477,991	486,909	496,160	505,736	515,252	
Revaluation Reserves		326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321	
Total Equity		763,406	771,063	779,172	787,514	795,726	804,312	813,230	822,481	832,057	841,573	



Projected Financial Statements – 2022-32 LTFP (Scenario 2 – Without ASV)

Income Statement - Consolidated For the year	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	29,605	30,345	31,104	31,881	32,679	33,465	34,333	35,191	36,071	36,973
User Charges and Fees	20,507	21,259	21,833	22,423	23,091	23,719	24,488	25,219	25,971	26,746
Interest and Investment Revenue	510	823	767	720	647	575	477	379	281	183
Other Revenue	2,566	2,631	2,696	2,764	2,833	2,904	2,976	3,051	3,127	3,205
Grants and Contributions provided for Operating Purposes	7,023	7,199	7,379	7,563	7,752	7,946	8,145	8,349	8,557	8,771
Grants and Contributions provided for Capital Purposes	4,830	4,555	4,555	4,555	4,511	4,668	4,728	4,788	4,851	4,915
Internal Revenue	2,778	2,847	2,919	2,992	3,066	3,143	3,222	3,302	3,385	3,469
Other Income:										
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of interests in joint ventures and associates	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	67,820	69,659	71,252	72,898	74,679	76,512	78,369	80,279	82,243	84,263
Expenses from Continuing Operations										
Employee Benefits and On-Costs	16,792	17,296	17,814	18,348	18,899	19,466	20,050	20,652	21,271	21,910
Borrowing Costs	2,013	2,093	1,736	1,613	1,536	1,764	1,617	1,479	1,358	1,634
Materials and Contracts	17,798	18,208	18,627	19,055	19,483	19,942	20,400	20,870	21,350	21,841
Overheads	4,554	4,645	4,738	4,833	4,930	5,028	5,129	5,231	5,336	5,443
Depreciation and Amortisation	15,200	15,581	15,970	16,370	16,783	17,228	17,673	18,131	18,600	19,081
Impairment	-	-	-	-	-	-	-	-	-	-
Net Losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Other Expenses	5,294	5,400	5,508	5,618	5,730	5,845	5,962	6,081	6,202	6,327
Total Expenses from Continuing Operations	61,651	63,222	64,393	65,838	67,781	69,272	70,832	72,443	74,117	76,235
Operating Result from Continuing Operations	6,169	6,437	6,859	7,060	6,898	7,239	7,537	7,836	8,126	8,028
Discontinued Operations										
Net Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	6,169	6,437	6,859	7,060	6,898	7,239	7,537	7,836	8,126	8,028
Net Operating Result attributable to Council	6,169	6,437	6,859	7,060	6,898	7,239	7,537	7,836	8,126	8,028
Net Operating Result attributable to Minority Interests	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	1,339	1,882	2,304	2,505	2,287	2,571	2,810	3,047	3,275	3,113
Net Operating Result for the Year	6,169	6,437	6,859	7,060	6,898	7,239	7,537	7,836	8,126	8,028
Amounts which will not be reclassified to the Operating Result	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on revaluation of IFRS	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	6,169	6,437	6,859	7,060	6,898	7,239	7,537	7,836	8,126	8,028



Statement of Cash Flows - Consolidated		Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
For the year (000's)		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	
Cash Flows from Operating Activities												
Receipts:												
Rates and Annual Charges		29,605	30,345	31,104	31,881	32,679	33,495	34,333	35,191	36,071	36,973	
User Charges and Fees		20,507	21,259	21,833	22,423	23,091	23,779	24,488	25,219	25,971	26,746	
Investment and Interest Revenue Received		510	823	767	720	647	575	477	379	281	183	
Grants and Contributions		11,863	11,754	11,934	12,118	12,363	12,615	12,873	13,137	13,408	13,686	
Bonds, Deposits and Retention amounts received		-	-	-	-	-	-	-	-	-	-	
Other		2,566	2,631	2,696	2,764	2,833	2,904	2,976	3,051	3,127	3,205	
Payments:												
Employee Benefits and On-Costs		(16,792)	(17,296)	(17,814)	(18,349)	(18,899)	(19,466)	(20,050)	(20,652)	(21,271)	(21,910)	
Materials and Contracts		(17,799)	(18,208)	(18,627)	(19,055)	(19,493)	(19,942)	(20,400)	(20,870)	(21,350)	(21,841)	
Borrowing Costs		(2,013)	(2,093)	(1,736)	(1,613)	(1,936)	(1,764)	(1,617)	(1,479)	(1,358)	(1,234)	
Bonds, Deposits and Retention amounts refunded		-	-	-	-	-	-	-	-	-	-	
Other		(5,294)	(5,400)	(5,508)	(5,618)	(5,730)	(5,845)	(5,962)	(6,081)	(6,202)	(6,327)	
Net Cash provided (or used) in Operating Activities		23,145	23,815	24,648	25,271	25,554	26,352	27,118	27,895	28,677	29,082	
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities		28,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	
Sale of Investment Property		-	-	-	-	-	-	-	-	-	-	
Sale of Real Estate Assets		-	-	-	-	-	-	-	-	-	-	
Sale of Infrastructure, Property, Plant and Equipment		-	-	-	-	-	-	-	-	-	-	
Payments:												
Purchase of Investment Securities		(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	
Purchase of Investment Property		-	-	-	(10,000)	-	-	-	-	(10,000)	-	
Purchase of Infrastructure, Property, Plant and Equipment		(18,335)	(13,532)	(13,796)	(14,009)	(14,359)	(14,718)	(15,086)	(15,463)	(15,849)	(16,246)	
Purchase of Real Estate Assets		-	-	-	-	-	-	-	-	-	-	
Net Cash provided (or used) in Investing Activities		1,665	(13,532)	(13,796)	(24,009)	(14,359)	(14,718)	(15,086)	(15,463)	(15,849)	(16,246)	
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowing and Advances		-	-	-	-	10,000	-	-	-	10,000	-	
Payments:												
Repayment of borrowing and advances		(6,455)	(6,505)	(6,205)	(6,193)	(4,206)	(4,669)	(4,061)	(3,354)	(3,054)	(3,252)	
Net Cash provided (or used) in Financing Activities		(6,455)	(6,505)	(6,205)	(6,193)	5,794	(4,669)	(4,061)	(3,354)	6,946	(3,252)	
Net Increase / (Decrease) in Cash and Cash Equivalents		18,355	3,778	4,647	(4,931)	16,989	6,965	7,971	9,079	9,773	9,584	
plus: Cash and Cash Equivalents - beginning of year		(3,750)	14,605	18,383	23,031	18,100	35,089	42,055	50,026	59,105	68,878	
Cash and Cash Equivalents - end of year		14,605	18,383	23,031	18,100	35,089	42,055	50,026	59,105	68,878	78,462	
plus: Investments on hand - end of year		28,283	28,283	28,283	28,283	28,283	28,283	28,283	28,283	28,283	28,283	
Total Cash, Cash Equivalents and Investments		42,888	46,666	51,314	46,383	63,372	70,338	78,309	87,388	97,161	106,745	



Balance Sheet - Consolidated As at (000's)	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
ASSETS										
Current Assets										
Cash and Cash Equivalents	10,705	11,333	16,824	21,943	27,031	31,062	35,335	40,576	46,139	51,289
Investments	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550
Receivables	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350
Inventories	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661
Other	250	250	250	250	250	250	250	250	250	250
Total Current Assets	40,516	41,144	46,635	51,754	56,842	60,873	65,146	70,387	75,950	81,080
Non-Current Assets										
Investments	24,711	22,911	22,911	22,911	22,911	22,911	22,911	22,912	22,942	23,050
Infrastructure, Property, Plant and Equipment	734,201	732,153	729,978	737,617	735,182	732,672	730,084	727,416	734,866	731,831
Investments accounted for using the equity method	158	158	158	158	158	158	158	158	158	158
Investment Property	61,694	61,694	61,694	71,694	71,694	71,694	71,694	71,694	81,694	81,694
Total Non-Current Assets	820,764	816,916	814,741	832,380	829,945	827,435	824,847	822,180	839,460	836,732
TOTAL ASSETS	861,280	858,060	861,376	884,133	886,787	888,309	889,994	892,567	915,410	917,812
LIABILITIES										
Current Liabilities										
Payables	6,241	6,241	6,250	6,249	6,236	6,211	6,174	6,124	6,063	6,001
Borrowings	7,482	5,932	6,066	6,072	6,239	4,748	4,853	4,230	3,505	3,315
Provisions	2,837	2,837	2,837	2,837	2,837	2,837	2,837	2,837	2,837	2,837
Total Current Liabilities	16,559	15,009	15,153	15,157	15,312	13,796	13,864	13,191	12,405	12,153
Non-Current Liabilities										
Payables	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291
Borrowings	78,831	74,660	68,498	62,460	65,978	62,757	57,833	54,262	51,518	58,189
Provisions	2,583	-1,552	923	22,655	14,738	13,758	12,761	11,743	29,990	17,945
Total Non-Current Liabilities	82,505	74,399	70,712	86,406	82,007	77,806	71,885	67,296	82,799	77,425
TOTAL LIABILITIES	99,065	89,408	85,865	101,563	97,319	91,601	85,749	80,487	95,204	89,578
Net Assets	762,216	768,652	775,511	782,570	789,468	796,707	804,244	812,080	820,206	828,234
EQUITY										
Retained Earnings	435,894	442,331	449,190	456,249	463,147	470,387	477,924	485,759	493,885	501,913
Revaluation Reserves	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321
Total Equity	762,215	768,652	775,511	782,570	789,468	796,708	804,245	812,080	820,206	828,234



The End

8 CORPORATE AND COMMUNITY SERVICES

8.1 COMMUNITY GRANTS PROGRAM - ROUND 1 2022

Attachments:	Nil
Responsible Officer:	Fiona Plesman - General Manager
Author:	Ivan Skaines - Grants and Community Engagement Advisor Kim Manwarring - Manager - Community Services
Community Plan Issue:	<i>Continue to improve the affordability, livability and amenity of the Shire's communities</i>
Community Plan Goal:	<i>Promote and facilitate increased participation in active and passive recreational activities.</i>
Community Plan Strategy:	<i>Continue small grants dollar for dollar program.</i>

PURPOSE

The purpose of this report is for Council to establish a sub-committee in order to assess the applications received for Round 1, 2022 of Council's Community Grants Program.

OFFICER'S RECOMMENDATION

1. Council endorses the formation of a Community Grants sub-Committee to determine the successful applications for receipt of funds from the 2021-22 Budget for Sundry Donations and Community Halls.
2. Council nominates the following three Councillors as members of the Community Grants Sub Committee to assess and determine the successful applications to received funds as part of Round 1, 2022 of Council's Community Grants program;
 1. _____
 - _____
 - _____
 - _____
 - _____
 2. _____

Moved: _____ Seconded: _____

BACKGROUND

Council's Community Grants Program provides financial assistance to local not-for-profit community groups and organisations that work towards enhancing the social, cultural and recreational well-being of the communities of Muswellbrook Shire.

Applications for Round 1, 2022 of the Program closed on Monday, 18 April. The number and value of grants offered in this round will depend upon the amounts requested and the total available annual funding pool.

CONSULTATION

Grants and Community Engagement Advisor;
Manager Community Services.

REPORT

The Guidelines for Council's Community Grants Program states that a panel of three (3) Councillors will be formed in order to assess the applications and make recommendations to Council for approval (Item 12).

Given that the next Ordinary Meeting of Council will not be held until the end of May, and there is a need to have the grants paid before the end of the financial year, the proposal is (for this Round only) that Council appoint a Sub-Committee and that the Sub-Committee will make the determination on the successful applications and that a report comes back to the next Council meeting for information purposes only.

The Community Grants Sub Committee will be supported by the following staff officers:

- Grants and Community Engagement Officer
- Manager Community Services
- Recreation and Property Officer

OPTIONS

1. Council nominates a sub-Committee comprising three Councillors to assess the applications received for Round 1, 2022 of Council's Community Grants program; or
2. Council does not nominate a sub-committee.

CONCLUSION

The establishment of the Community Grants Program has provided the opportunity for Council to provide financial assistance to local not-for-profit community organisations that work towards enhancing the social, cultural and recreational well-being of the communities of the Muswellbrook Shire.

It is recommended that Council pursue option 1, listed above.

SOCIAL IMPLICATIONS

Local initiatives and projects that address priority issues in the community are supported.

FINANCIAL IMPLICATIONS

Nil known.

POLICY IMPLICATIONS

The Community Grants Program aligns with Council's Financial Assistance and Sponsorship Policy.

STATUTORY IMPLICATIONS

The proposal is consistent with section 356 of the *Local Government Act 1993*.

LEGAL IMPLICATIONS

Not applicable.

OPERATIONAL PLAN IMPLICATIONS

This is in line with Council's Operational Plan goals and objectives.

RISK MANAGEMENT IMPLICATIONS

Not applicable.

8.2 ADDITIONAL RATE VARIATION - APPLICATION PROPOSAL

Attachments:	A. Minister for Local Government - Guidelines for Additional Special Rates Variation Process for 2022-23 B. Information-Paper-Additional-Special-Variations-2022-23-7-April-2022.pdf
Responsible Officer:	Fiona Plesman - General Manager
Author:	David Walsh - Manager - Corporate Services & Chief Financial Officer Josh Hogan - Financial Controller
Community Plan Issue:	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
Community Plan Goal:	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
Community Plan Strategy:	<i>Work towards the achievement of a sustainable Operating Budget result in the General Fund.</i>

PURPOSE

Provide Councillors information in order to decide on whether to support an additional special variation (ASV), and endorse an application by Council to IPART to seek a rate increase.

OFFICER'S RECOMMENDATION

Council endorse an application to IPART seeking a permanent additional rate variation of 1.8%.

Moved: _____ **Seconded:** _____

BACKGROUND

IPART annually reviews council rates and charges and sets the maximum increase councils can apply to their general income from these charges – this is called the rate peg. For the budget period 2022/23, IPART has set a limit of 0.7%. This report seeks to outline the impacts that the low-rate peg will have on Council. Furthermore, IPART has provided for an Additional Special Variation (ASV) through an application to be made by 29th April 2020, with the ability for Council's to apply for a rate increase consistent with their 2021/22 LTFP. As such, this report will also provide an overview of how an additional increase of 1.8% could enable Council to provide a maintained level of service to the community.

CONSULTATION

Mayor

General Manager

Deputy General Manager

Financial Controller

Manex

Finance Committee

REPORT

Due to on-going cost pressures across Councils and a decision by IPART to set the rate peg at 0.7%, Councils across NSW have been put into a position of difficulty. As a result, IPART have released an additional round of special variations (ASV) that Councils are able to apply for. In a departure from traditional SRV applications, the ASV is to be based on a simple application process allowing for Council's to seek permissions to increase their rates, provided Council endorses such an application through resolution, and that amounts sought are reasonable.

IPART are still to release all documentation and the application, so to date Council officers are limited in the information they are able to provide, however, some high-level modelling has been done to provide community impacts for the successful application of an ASV at different levels.

Rate Category	No. of Assess.	Increase at 0.70%	Increase at 2.50%	Increase at 4.00%	Increase at 5.00%	Avg Increase at 0.70%	Avg Increase at 2.50%	Avg Increase at 4.00%	Avg Increase at 5.00%	Avg Increase at 2.50% vs 0.7%	Avg Increase at 4.00% vs 0.7%	Avg Increase at 5.00% vs 0.7%
Residential	6,603	\$ 40,456	\$ 144,485	\$ 231,177	\$ 288,971	\$ 6	\$ 22	\$ 35	\$ 44	\$ 16	\$ 29	\$ 38
Business	631	\$ 12,724	\$ 45,442	\$ 72,707	\$ 90,883	\$ 20	\$ 72	\$ 115	\$ 144	\$ 52	\$ 95	\$ 124
Farmland	474	\$ 10,404	\$ 37,156	\$ 59,449	\$ 74,311	\$ 22	\$ 78	\$ 125	\$ 157	\$ 56	\$ 103	\$ 135
Mining	9	\$ 74,690	\$ 266,751	\$ 426,801	\$ 533,502	\$ 8,299	\$ 29,639	\$ 47,422	\$ 59,278	\$ 21,340	\$ 39,123	\$ 50,979
Power Generation (Business)	2	\$ 1,924	\$ 6,871	\$ 10,994	\$ 13,742	\$ 962	\$ 3,436	\$ 5,497	\$ 6,871	\$ 2,474	\$ 4,535	\$ 5,909
Grand Total	7,719	\$ 140,197	\$ 500,705	\$ 801,128	\$ 1,001,409	\$ 18	\$ 65	\$ 104	\$ 130	\$ 47	\$ 86	\$ 112
Impact vs 0.7%			\$ 360,507	\$ 660,930	\$ 861,212							

- **What would be the overall revenue impact to apply an additional 1.8% in rates increases?**
 - 1.8% Increase to 2.5% → 360k
 - 1.
- **What would that mean to the average household/business?**
 - 1.8% Increase to 2.5% → \$16
 - 2.
- **How would that benefit the council over the medium term?**
 - 10-year cumulative additional revenue impact of around \$3.9m (@2.5% vs 0.7%; assuming 2% in subsequent years)
 - Without the increase, Council services would have to reduce (e.g. Reduced road maintenance and renewals, parks maintenance, etc)

Based on impacts to households and businesses being reasonable, it is proposed that Council endorse council officers to make an application to IPART for a permanent ASV.

OPTIONS

1. Endorse Council Officers to apply to IPART for a permanent additional special variation (ASV) of, at a minimum, 1.8%, or
2. Leave the current rate increase as set by IPART at 0.7%.

CONCLUSION

Council officers recommend council endorse an application to IPART for an ASV.

SOCIAL IMPLICATIONS

As per the report.

FINANCIAL IMPLICATIONS

As per the report.

POLICY IMPLICATIONS

Nil

STATUTORY IMPLICATIONS

Nil

LEGAL IMPLICATIONS

Nil

OPERATIONAL PLAN IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

Nil

WASTE MANAGEMENT IMPLICATIONS

Nil

COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

Nil



The Hon. Wendy Tuckerman MP
Minister for Local Government

Ms Fiona Plesman
General Manager
Muswellbrook Shire Council
PO Box 122
MUSWELLBROOK NSW 2333

Clr Steve Reynolds
Mayor
Muswellbrook Shire Council

Via email: council@muswellbrook.nsw.gov.au

Dear Ms Plesman and Clr Reynolds,

I am writing to advise that I have arranged for a new, special rates variation opportunity for the 2022-23 financial year. This one-off opportunity will support councils that had budgeted for a larger income increase than received when IPART announced its annual rate peg in December 2021.

I have carefully listened to the concerns of councils and others about the impact of the 0.7 per cent general rate peg and have taken immediate steps to respond. This new special rates variation opportunity, coupled with IPART's review of the methodology used to determine the general component of the annual rate peg, demonstrates that the NSW Government is serious about ensuring that our councils are financially sustainable so they can continue to deliver the key services and infrastructure communities need.

For councils wishing to avail themselves of this new opportunity, the Office of Local Government (OLG) has issued Circular 22-03 outlining the process to be followed. As advised in the Circular, IPART will release streamlined application forms and further information shortly.

I am pleased to be able to make this opportunity available to you, and would encourage your council to consider the guidance provided by OLG in Circular 22-03 when making its decision about whether to take it up.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Wendy Tuckerman'.

The Hon. Wendy Tuckerman MP
Minister for Local Government

Additional special variations 2022-23

7 April 2022

This Information Paper explains the process for applying for an Additional Special Variation (ASV) for 2022-23 and the information that IPART will require to process a council's application, based on the Office of Local Government's updated ASV Guidelines (22-07).^a

What type of special variation can a council apply for?

A council can apply for either a temporary or permanent ASV which is capped at the lower of:

- 2.5% (including population factor), or
- the council's assumed 2022-23 rate peg in its 2021-22 Integrated Planning and Reporting (IP&R) documentation (including population factor).

If IPART gives an ASV instrument, the amount specified in that instrument will replace the 2022-23 rate peg. No additional population factor will be added.

What will councils need to provide to IPART for all ASV applications?

Councils will need to provide their 2021-22 IP&R documentation which identifies a budgeted increase in general income above the percentage specified for the council for 2022-23 under section 506 of the Act.

Councils must provide a council resolution that states that the council has resolved to apply for the special variation under section 508(2) of the *Local Government Act 1993* (the Act), and:

- whether the resolution is for a temporary or permanent special variation under section 508(2) of the Act, and
- the additional income that the council will receive if the special variation is approved, and
- why the special variation is required, and
- that the council has considered the impact on ratepayers and the community in 2022-23 and, if permanent, in future years if the special variation is approved, and considers that it is reasonable.

^a The updated ASV Guidelines set out in Circular 22-07 apply in place of, and supersede, the ASV Guidelines issued in Circular 22-03.

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders, past, present and emerging. We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

What will councils need to demonstrate to IPART for a permanent ASV?

Where a council is applying for a permanent special variation, in addition to providing the above information, the council must demonstrate that it has, in its 2021-22 IP&R documentation, forecast an average Operating Performance Ratio (OPR) of 2% or lower over 2022-23 to 2026-27.

If a council has forecast an average OPR of higher than 2% over the next 5-years it will need to provide other evidence of need.

How can councils provide other evidence of need?

Councils applying for a permanent ASV that need to provide additional evidence of need can demonstrate that the 2% OPR benchmark is too low for that council's circumstances. For example, a council may demonstrate that it needs to maintain a higher OPR to meet its capital funding requirements.

Alternatively, or additionally, a council may submit justifications as to why specific revenue and/or expenses should be included/excluded in the calculation of the OPR. These adjustments can be items that were not included in the council's 2021-22 IP&R documentation due to unforeseen events or changes in circumstance since the adoption of the IP&R documentation.

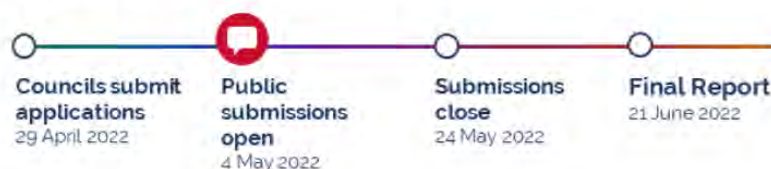
We will consider the evidence provided by councils that they need to maintain a higher OPR.

IPART has published an updated ASV application form to capture these adjustments. We will also accept applications using the original ASV application form. However, this form does not capture the information required to assess an application proposing that we use an adjusted OPR in our analysis. The original application form also asks for additional information that is no longer necessary. We recommend that applicants use the updated application form to ensure that all information needed to assess against the updated guidelines can be incorporated into IPART's analysis.

How to apply for an ASV

Councils can complete the application form and submit via IPART's Local Government Portal ([here](#)). Councils will also be required to provide evidence, such as the LTFP and council resolution, to support their application.

1.1 Timing



Information Paper

Additional special variations 2022-23

Contact person

If you have any questions about this process or the information required, please contact:

Edward Jenkins

Edward_jenkins@ipart.nsw.gov.au

(02) 9113 7774

8.3 ADAPT PROJECT

Attachments:	A. Invitation from UHRM B. ADAPT Business Case Final Report
Responsible Officer:	Fiona Plesman - General Manager
Author:	Matthew Lysaught - Manager - Works, Property & Building Services Fiona Plesman - General Manager
Community Plan Issue:	<i>Support Job Growth</i>
Community Plan Goal:	<i>Facilitate the expansion of and establishment of new industries and business.</i>
Community Plan Strategy:	<i>Provide advice in relation to strategic land use planning and development control and assessment to support the work of the Economic Development and Innovation function.</i>

PURPOSE

Council to review the ADAPT Project.

OFFICER'S RECOMMENDATION

1. Council formally endorses the ADAPT Project and nominates Cr. _____ to join the ADAPT project Stakeholder Advisory Committee.
2. Council does not endorse the ADAPT Project and does not participate in the ADAPT project Stakeholder Advisory Committee.
3. Council does not formally endorse the ADAPT Project and does participate in the ADAPT project Stakeholder Advisory Committee

Moved: _____ Seconded: _____

BACKGROUND

In September 2021 Council's General Manager and Mayor met with Mr Wayne Toms representing Upper Hunter Tourism who gave a presentation on behalf of a new corporation recently formed, the Upper Hunter Regional Museum Corporation, who aims to develop a major tourist destination for the Upper Hunter located in the Muswellbrook shire.

CONSULTATION

Mayor Reynolds

REPORT

The Upper Hunter Regional Museum Corporation (UHRMC) has undertaken a business case and promotional video for the development of a tourist destination for Muswellbrook Shire known as the ADAPT Project. The Business Case for the ADAPT project is attached. The UHRMC has formed a Steering Committee to guide the development of the project which includes:

Upper Hunter Tourism (Wayne Toms); Muswellbrook Chamber of Commerce (Mike Kelly); Upper Hunter Economic Development Corporation (Shaelee Welchman); Destination Sydney and Surrounds North (Glenn Cladwell); Bengalla Mine (Cam Halfpenny); Wanaruah Land Council (Tim Miller); Wonnarua Corporation (Laurie Perry).

The UHRMC has attracted approximately \$800k in donations towards the development and commissioned SMA Tourist Consultants to develop a Business Case. The Business Case was released on 30th March. The UHRMC is now seeking funding from the Federal and State Governments to progress the development of this project which is estimated to cost approximately \$38 million.

Allocation of Government funds for this project will complete with funding to complete the Muswellbrook Town Centre precinct.

OPTIONS

Council formally endorses the ADAPT Project.

Council does not formally endorse the ADAPT Project.

CONCLUSION

There is some confusion about council's formal position in terms of the ADAPT Project. The UHRMC has listed Council as a stakeholder and supporter of the project. Due to the size of the project and projected cost estimate it is important to have a formal position in relation to the ADAPT project.

SOCIAL IMPLICATIONS

The ADAPT project if successfully funded will have social implications for the Muswellbrook Shire.

FINANCIAL IMPLICATIONS

The ADAPT Project does not have any direct financial implications for Council. The project is expected to compete with council in relation to funding applications.

POLICY IMPLICATIONS

NIL

STATUTORY IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

OPERATIONAL PLAN IMPLICATIONS

NIL

RISK MANAGEMENT IMPLICATIONS

NIL

WASTE MANAGEMENT IMPLICATIONS

NIL

COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

Council is not aware of Community Consultation undertaken in relation to this project.



12 April 2022

Ms Fiona Plesman
General Manager
Muswellbrook Shire Council

cc. Mayor Cr. Steve Reynolds

The Business Case Study for the proposed ADAPT – Upper Hunter Regional Museum has been completed.

With the Business Case Study now completed and confirming the projects feasibility, including financial viability, social and economic benefits, location, concept design, name, and attraction content, we would welcome the opportunity to give Councillors and staff, a briefing on its findings.

ADAPT will be a major drawcard attraction for the region and will provide the opportunity to showcase the rich history of the region and the great diversity of industries that operate within it.

Now that the Business Case Study has confirmed the projects feasibility, we can now commence the next stage of the project. This will include detailed planning and design through collaboration with relevant stakeholders. Part of this will see the formation of an ADAPT Stakeholder Advisory Committee, and we would like to invite Muswellbrook Shire Council to participate on the committee.

UHRM Inc recognises the importance of Council's input on a project such as this. Muswellbrook Shire Council's collaboration on the project, would be welcomed and very much valued.

ADAPT will be a significant asset to Muswellbrook and the Upper Hunter. Its potential as a major drawcard and feeder attraction to further drive the tourism economy in the region is substantial.

We look forward to hearing from you in respect to providing a briefing, and participation in the stakeholder committee. If you have any questions in the meantime, please do not hesitate to reach out.

Sincerely yours

Wayne Toms
Chairman
Upper Hunter Regional Museum Inc

p: 0438 517 311
e: info@muswellbrookchamber.com.au

BUSINESS CASE TO DEVELOP

ADAPT

UPPER HUNTER REGIONAL MUSEUM

Final Report 30 March 2022



DIAGNOSIS & PLANNING • PRODUCT DEVELOPMENT • FEASIBILITY STUDIES

Authorship

This work was predominantly delivered for the Upper Hunter Regional Museum Incorporated by the following team members from SMA Tourism:



Simon McArthur
Tourism Development
& Business Case



Jane McArthur
Tourism Research &
forecasting



Karl Flowers
Market & Cost
Benefit Analysis

This core team was supported by AMC Architecture (Craig Perrott and Dean McPherson) and Aaron Still Consulting (development cost estimation).

SMA is an international tourism consulting firm, specialising in innovative product development for cultural tourism, ecotourism, adventure tourism and culinary (food and wine) tourism.

Website: www.smatourism.com Email: info@smatourism.com

Acknowledgements

We acknowledge the Traditional Owners and the custodians of the land, recognising their connection to land, waters and community. We pay our respects to Elders, past and present.

We thank the input, guidance and feedback of the Steering Committee for this Business Case.

Disclaimer

Specific investment decisions addressing recommendations in this report require further planning, engineering, environmental and heritage advice, and costing by an estimator. Costings should not be used for construction.

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Executive Summary

The problem and strategic responses

The Upper Hunter Region has a rich and diverse history. It has faced many changes and challenges, and these have shaped its history and its people. Three inter-related regional problems have been identified to initiate this project:

- Problem 1: The region's character and national contribution is widely misunderstood
- Problem 2: The region needs to drive economic diversification and attract new investment and jobs
- Problem 3: The region's visitor economy is under-developed, fragmented and over reliant on basic business tourism

The proponent, Proponent, the Upper Hunter Regional Museum Inc., has proposed three strategic responses to address these problems:

- 1 Create interpretation that addresses the regions' diverse character, significant contribution to Australia, its past, present and future successes and challenges, and embodies resilience, transition and adaptation and innovation
- 2 Generate an environment for continual learning, innovation and adaptation in the region
- 3 Create interactive, locally themed and highly differentiated experiences that appeal to locals and visitors

The more pragmatic flow on solution to delivering this strategic response is:

Develop a purpose-built flagship tourism attraction in Muswellbrook that delivers interpretation through highly differentiated experiences that appeal to locals and visitors and can be reinvigorated over time. Integrate an education and training facility within the tourism attraction.

The proposal

The Upper Hunter economy is already a very diverse and successful economy delivering significant value to New South Wales and Australia while exporting our products, skills and knowledge across the globe. Despite the apparent rapid change in energy mix for Australia, there remains very strong demand for export thermal coal, particularly into South-East Asia for decades to come due to the excellent quality of our coal. While this strong source of revenue is available it provides the opportunity to further enhance the diversity of the Upper Hunter economy and the project supports understanding, collaboration and integration of the region's businesses, workers, residents, history, culture and future outlook, to take the regions forward in a positive, financially successful manner. These people need to believe that they can do this to fully make it happen. This belief starts with a solid idea of the wider achievements and character of the region, and the showcasing of its capability to adapt and reinvent itself. Seeing is believing and believing creates adaptation.

The central 'thread' of this proposal is to explore the process of adapting or being adapted. The thread will endeavour to be apolitical and seek to empower people to make more informed choices about what they want and why. This empowerment should generate energy and optimism that flows through the region and across Australia. For this reason, the proposal has been given the working title of ADAPT.

The thread will explore adaption through the following regional themes:

1. Pre-settlement
 2. Aboriginal occupation, heritage and culture
 3. Early settlement
 4. Agriculture
 5. Australian cattle dog development
 6. Equine
 7. Coal mining and electricity generation
 8. Renewable energy
- It is proposed to develop an interactive and immersive museum experience that happens inside a building, and outside in the landscape. The proposal will explore adaptation and tell the region's key stories through a mix of experiences – some very focussed, and some more fun, some through direct storytelling, and some through challenges that reveal the story at the end. This mix of experiences and approaches to learning is designed to maximise appeal to a range of potential visitor markets, maximise word of mouth recommendations, and maximise repeat visitation.
- The centrepiece will be a museum / visitor centre with a large exhibition space that presents:
- an interactive timeline, static exhibits, touch screens and a simulator to drive mining equipment;
 - a 180 degree theatre showing two customised stories of the region using high tech visual and audio effects;
 - regionally themed escape rooms to share customised regional stories as challenges; and
 - regional visitor information area, retail / gift shop and café.
- The second pavilion within the overall building will deliver corporate services and a regionally themed function space that features:
- multiple use exhibition space for trade shows, career days, apprentice recruitment days and industry events (eg. Minerals Council) able to be converted using sliding walls with a least four separate meeting / workshop spaces;
 - conversion of exhibition space into function space for up to 200 people;
 - education and training rooms;
 - meeting spaces that can also be used for recruitment interviews and a Board Room; and
 - offices to be let out, and some to service the operation.
- To continue delivering the adaptation thread and regional stories to wider markets, it is also proposed to deliver a suite of additional experiences that includes:
- a regionally decorated and themed restaurant providing 50 to 70 seats across indoor and outdoor dining spaces;
 - a regionally themed aerial obstacle course that reveals a regional story through the inclusion of obstacles that themes as diverse as Aboriginal mythical creatures, disused agricultural, mining and renewable energy equipment to climb through, swing or jump from;
 - a regionally themed splash park featuring elements from renewable energy systems (eg. wind turbines, solar panels and micro hydro systems) to interpret renewable energy, responsible use of water and recycling;
 - a regionally themed 3D maze with a challenge, such as an explorer trying to find their way to fertile lands, or miner lost in an underground labyrinth trying to find the shaft to the surface, or a sustainability entrepreneur seeking a way to

- make their invention work, with the maze built and decorated to reflect the story; and
- regionally themed short stay accommodation (initially 12 tiny houses) potentially themed to Wanaruah people, various equine sectors, cattle dogs, mining, renewable energy etc. using photos, artworks and objects – like a museum in a home.

The proposal would be located on the southern edge of Muswellbrook (corner of Bengalla and Denman Roads) in the heart of the Upper Hunter. The land is owned by Bengalla Mining Company and appropriate legal and commercial arrangements being made to make the land available for the UHRM with final land ownership being transferred at the time of Bengalla's mine closure at least 20 years in the future. The land is relatively flat with some low-lying areas that are flood prone adjacent to the Hunter River.

Proposed staging

This proposal has been drafted to be built all at once. The construction and fitout period has been given 18 months to a turnkey delivery of a functioning building and site, starting in July 2023. The earliest operations start-up date could therefore be January 2025.

Development costs

The proposal has been costed by a certified Cost Planner / Estimator at \$34.4M excl. gst. (\$37.8M incl GST). This cost is commensurate with comparable developments that have been benchmarked. The key built element costs are:

- \$8.1M Visitor centre / corporate facilities building
- \$3.8M accommodation and its site works

- \$2.8M site works
 - \$2.4M regionally themed aerial obstacle course
 - \$1.2M regionally themed splash park
- The cost estimate includes \$800,000 for pre-opening costs.

Financial forecasts

The Proposal has been forecast to generate a financially self-sufficient business from the first year in operation. The financial forecast suggests sufficient profitability to sufficiently market its offer, meet all costs, cover its taxation obligations set aside funds for continuous renewal. However, the book value cost of building depreciation will in the short term be a significant drawback to profitability.

Economic benefits

There will be a visitor induced economic benefit from this attraction which. The 'classical' visitation driven economic benefit is not huge, largely due to the region having a low base of visitation and supporting tourism products to leverage off. However, as the flagship attraction in Muswellbrook and a major introductory attraction for the Upper Hunter, it will generate a Net Present Value of \$56.1M for the Upper Hunter Region after development costs of \$34.4 million (\$33.0 million after discounting). ADAPT also brings an additional \$17M present value benefit to residents of other coal mining areas of Australia.

The benefit to cost ratio of ADAPT for the Upper Hunter Region is 2.7 to 1 and a benefit to cost ratio including benefits to other coal mining areas of Australia of 3.2 to 1.

A greater economic benefit of this proposal will be the base that it builds for other tourism attractions to leverage off. Communicating the key themes and the

of the region's youth, under employed and unemployed. Given that we can expect any increase in training programs for the region such a facility will undoubtedly be needed. The conference and exhibition facilities will be able to highlight innovation and adaptation across the regional economy and its community, providing a beacon of inspiration for others to follow suit.

The development of a training and education facility will provide contemporary facilities and equipment within an inspiring landscape for the training and reskilling of the region's youth, under employed and unemployed.

There are also specific social benefits for local Aboriginal people, including:

- sharing Aboriginal history, culture, unique issues and challenges that local Aboriginal people are confronting
- the opportunity to drive retail sales of locally made Aboriginal art; and
- instigating the development of Aboriginal tours to sites, supporting employment of local Aboriginal people and driving the potential development of an Aboriginal owned business.

Recommendations

1. Prepare a summary Prospectus, presentation and video to provide a high-level depiction of the proposal and its benefits
2. Appoint a spokesperson for the Proposal and seek an Ambassador to champion the project and raise public support
3. Consolidate governance arrangements Bengalla Mining Company so that the proposed land is secured with UHRM Inc. and any other significant commitments are documented at the same time.

differentiated thread of adaptation should inspire other tourism products to be revitalised and created; products that act as an extension from this base introductory attraction. This should result in a more diverse and compelling regional offer to visitor, and subsequent increased visitor stay and spend.

The ultimate economic benefit from this proposal will social and then economic.

With adaptation and innovation showcased and a training facility continuously adding new elements to the interpretation, the Upper Hunter will diversify its economy and continue its powerhouse reputation, one that benefits all of Australia.

Social benefits

This is a tourism development proposal designed to help galvanise an evolving regional identity and catalyse new business development. This proposal is designed to be a beacon for the adaptation of the Hunter. As a centralised attraction, people can come and learn, contemplate and discuss regional adaptation and what role they might play. Ultimately, this proposal can pilot adaptation for other regions facing the need to adapt, needing encouragement and inspiration.

These conservative assumptions imply a social benefit of \$2.8 million per annum for Upper Hunter Region residents and \$2.1 million per annum for residents of other coal mining areas of Australia.

This total social benefit of \$4.9 million per annum with discounting over ten years sums to a present value of \$39.3 million in 2022 dollars made up of a social benefit to the Upper Hunter Region of \$22.3 million and to residents of other coal mining dominated regions of \$17 million.

The development of a training and education facility will provide contemporary facilities and equipment within an inspiring landscape for the training and reskilling

4. Develop suitable governance vehicles beyond UHRM Inc. to manage the development and latter operational functions
5. Prepare a Communications Plan and use it to share the proposal with key stakeholders and build their support and potential partnering roles
6. Approach candidates for the Federal seat of Hunter to present the proposal to them and seek their feedback and potential support
7. Approach the State government Treasury to brief them and submit the Business Case to them for review and feedback.
8. Approach candidates for the State seat of Upper Hunter to present the proposal to them and seek their feedback and potential support

1. Project Background

1.1 Project Name

The working title name of this project is

ADAPT

Upper Hunter Regional Museum

Stories of Yesterday, Today and Tomorrow

This may well be updated during the development of a brand for the project.

1.2 Project Date and Version

This project was finalised on 30 March 2022 and is the Final Report.

1.3 Project Location

ADAPT is proposed to be located on the corner of Bengalla Road and Denman Road, Muswellbrook, NSW.

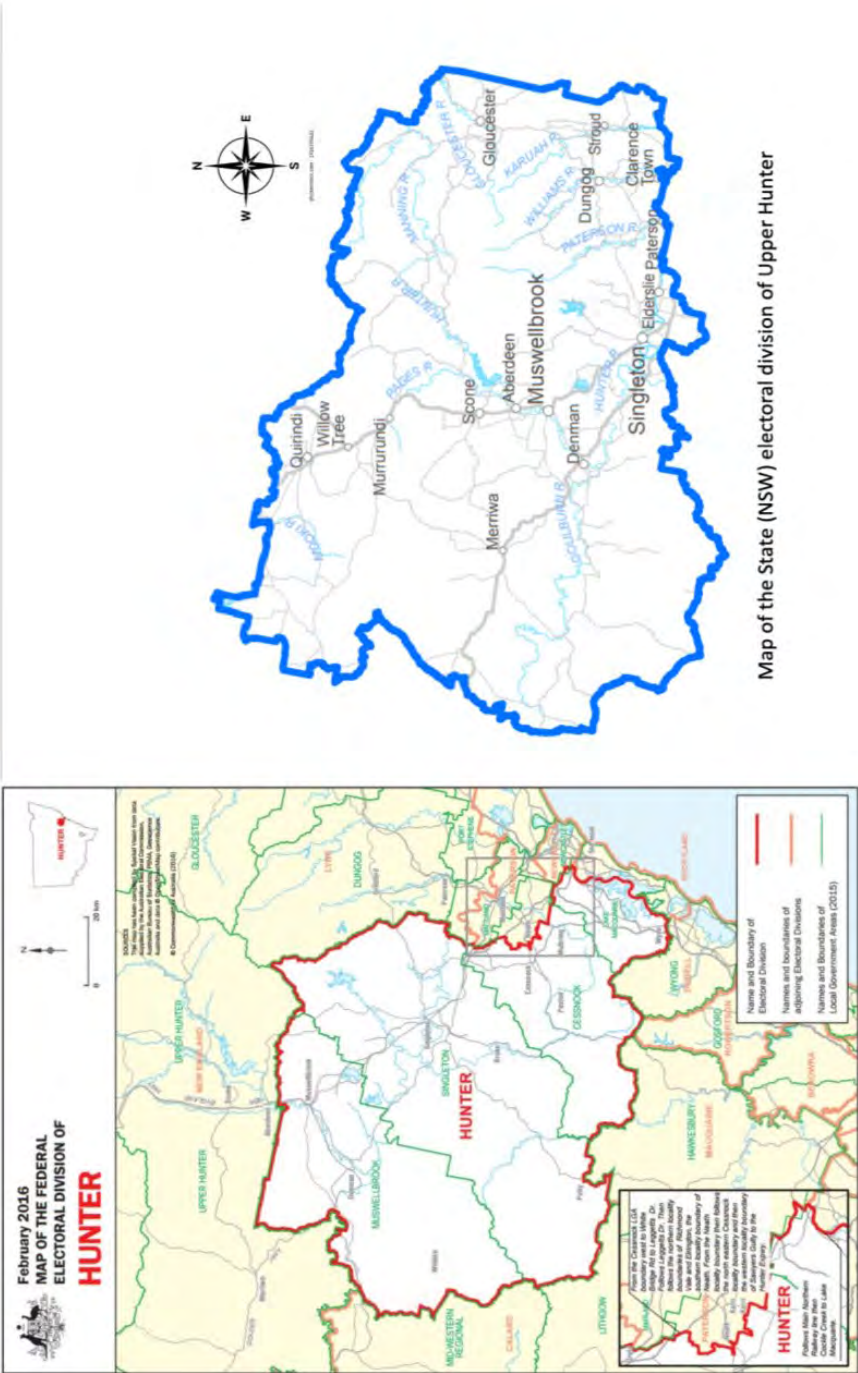
This location is within the Upper Hunter Region, which comprises the Upper Hunter Shire and the Muswellbrook local government areas. The site and the region are part of the Hunter Federal electorate and the Upper Hunter State electorate, as shown in **Figure 1.1**.

The Hunter Federal electorate includes the towns of Singleton, Muswellbrook and Cessnock, parts of Greater Newcastle (covering suburbs such as Cameron Park, Edgeworth, Toronto and Morisset).

The Upper Hunter State Electorate covers the entirety of Dungog Shire, Muswellbrook Shire, Upper Hunter Shire, Liverpool Plains Shire (excluding the area around Werris Creek), the northern half of Singleton Shire (including Singleton itself), north-eastern Mid-Western Regional Council (including Bylong) and part of Mid-Coast Council.

This region is currently best known as a major coal region delivering significant Australian export incomes and also has *many* important agricultural industries, such as the second largest thoroughbred breeding area in the world, and extensive broadacre cropping.

Figure 1.1 Location of proposed site within its Federal and State electorates



1.4 Lead Agency

The lead agency for ADAPT is the Upper Hunter Region Museum Inc, a not-for-profit incorporated association, established in 2021 to scope, assess, implement and operate what they referred to as the Upper Hunter Regional Museum.

This business case was initiated by the Muswellbrook Chamber of Commerce and Industry, on behalf of The Upper Hunter Region Museum Inc.

1.5 Other Organisations

The project has been managed by the Upper Hunter Regional Museum Board Inc and by a Project Steering Committee comprising the following members:

- Upper Hunter Country Tourism (Wayne Toms)
- Muswellbrook Chamber of Commerce and Industry (Mike Kelly)
- Upper Hunter Economic Development Corporation (Shaelee Welchman)
- Destination Sydney Surrounds North (Glenn Caldwell)
- Bengalla Mining Company (Cam Halfpenny, Tony Moriarty and Fiona Hartin)
- Wanaruah Local Aboriginal Land Council (Tim Miller)
- Wonnarua Nation Aboriginal Corporation (Laurie Perry)

1.6 The NSW government requirements of a business case

A business case is a multipurpose proposal for action that meets Government's objectives and informs an investment and policy decision. A good business case should:

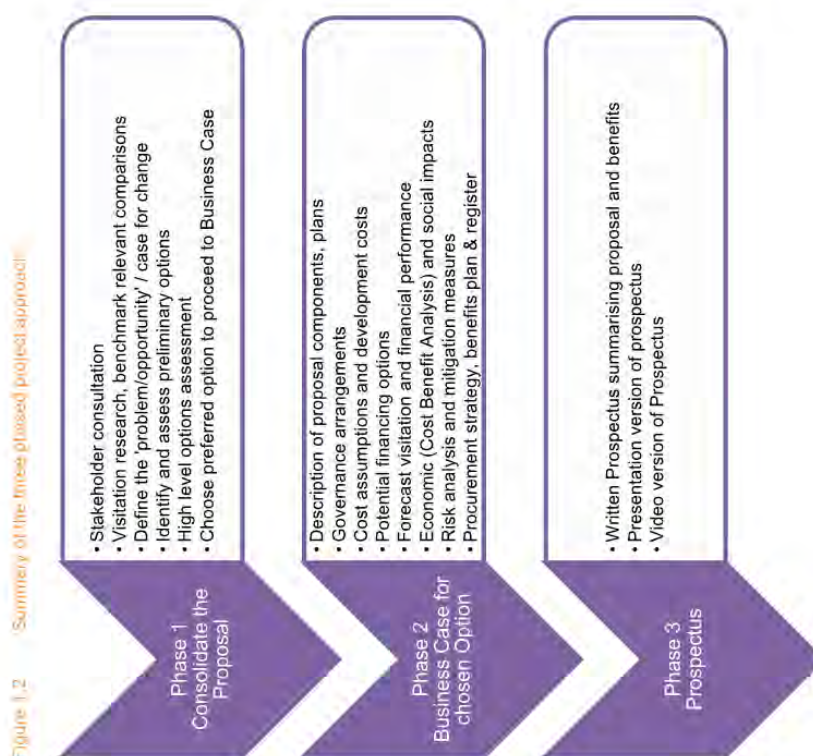
- be clear and concise;
- be planned early in the investment process;
- reflect stakeholder views and consultation outcomes;
- contain the right and robust evidence, including reference to previous experiences and outcomes in implementing similar initiatives; and
- treated as a living document, that is continuously updated and repurposed.

Business cases are prepared for different reasons:

- inform prioritisation, an investment or regulatory decision and an assurance process;
- demonstrate that adequate due diligence and thinking was undertaken; and
- gain funding from government and private proponents.

A business case contains:

- a case for change i.e. a clear rationale for government action that is based on an identified community need or opportunity;
- evidence that the options achieve selected objectives and maximise community welfare and value for money (cost benefit analysis);
- evidence that the options are financially viable (financial analysis), including whether the proposal requires ongoing operating subsidies from committed stakeholders;



- evidence that there is capacity and capability required to procure, implement and maintain the proposal and realise the benefits anticipated (commercial analysis); and
- evidence that the solutions put forward can be delivered (management analysis).

1.7 Project approach

Figure 1.2 presents a summary of the three phased approach to preparing this Business Case and its supporting prospectus.

Targeted stakeholder consultation was undertaken in Phase 1. Stakeholders were identified by the Project Steering Committee for representing the major industry sectors and parts of the visitor economy. Broader stakeholder consultation with residents is yet to occur.

The Project Steering Committee acted as a sounding board on behalf of the wider community.

2. The case for change

2.1 Problem Statement

Three inter-related problems have been identified to initiate this project:

- Problem 1: The region's character and national contribution is widely misunderstood
- Problem 2: The region needs to drive economic diversification and attract new investment and jobs
- Problem 3: The region's visitor economy is under-developed, fragmented and over reliant on basic business tourism

Problem 1: The regions' character is misunderstood

The Upper Hunter is not just about coal mining and coal fired power generation even as these sectors currently dominate economic outputs in this region. Aboriginal occupation dates back many, many thousands of years and Aboriginal culture in the Upper Hunter continues to evolve today. White settlement started in the early 1800's, and most of the region's key down's date from the 1800s. In contrast, underground coal mining didn't start until the early 19th century, and the large open cut mines didn't start until the late 1900s. Surrounding the coal mining is a tapestry of agricultural industries, including the second largest Thoroughbred breeding area in the World. The long history of the Upper Hunter is diverse and full of adaptation, and there is now a desire to share this with locals and visitors.

Some of the media and influential commentators position the Upper Hunter in negative ways, including notions such as: dominated by coal mines, power stations and heavy industry, a dull, degraded landscape, and an unsophisticated and

uncreative visitor destination and host community. Some Indigenous leaders have also suggested that their perspectives and needs are sometimes lost among the more powerful messaging being communicated.

The Upper Hunter Tourism Strategy identified that there is a perception among key visitor markets that the Upper Hunter is now seen only as a mining area.

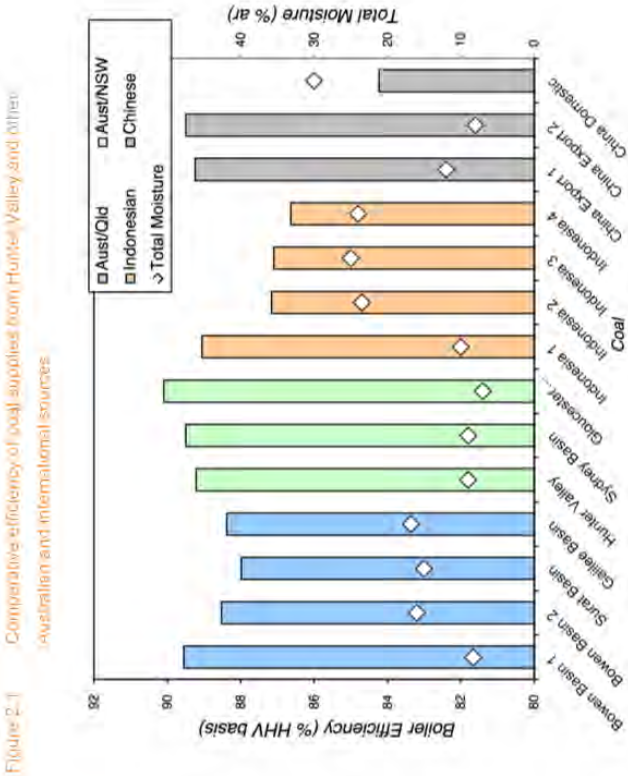
The Destination Sydney Surrounds North Destination Management Plan (2018-2020) identified a lack of awareness of the region and the threat of local residents not supporting tourism and / or developing a negative attitude

Some of the media and influential commentators do not give the Upper Hunter economy credit for the benefits that it creates for the larger regional, NSW and National economy, such as significant investment, employment and exports, and power that the rest of the State uses every day.

According to the NSW Minerals Council the demand for energy continues to grow as the world's population grows and we will need a mix of energy sources to power homes and businesses into the future.

Renewable energy is an important and growing part of the global energy mix. Coal also has a continuing and important role, as outlined by modelling by the independent International Energy Agency (IEA) showing global coal demand to remain steady to 2040. According to the IEA modelling, declines in demand for coal in the United States and Europe will be offset by a doubling of coal consumption in Southeast Asia.

This strong increase in demand for coal in our region is primarily driven by an increase in demand for reliable and affordable electricity, and the deployment of a growing number of advanced technology High-Efficiency Low Emissions (HELE)



coal-fired power stations. These advanced technology HELE power stations are more efficient than previous power plants, meaning they can generate more electricity with fewer emissions.

NSW is well positioned to capitalise on this growing demand. Many of these countries are already existing customers for our export coal, and the new technology coal-fired power plants being developed in South East Asia work best using our high-quality coal. This means our Australian and particularly NSW export coal can contribute to lower emissions outcomes across the region while maintaining a strong coal industry here in NSW

Comparing different coals for their boiler efficiency and moisture content highlights that Hunter Valley coal is far more efficient than most obviously Chinese domestic coal as shown in **Figure 2.1**. The higher boiler efficiency the less coal required for the same energy output and the lower the moisture content the less polluting. Moisture content also causes energy losses from coal due to the latent heat of evaporation required to dry the coal prior to combustion.¹

The Upper Hunter is facing an uncertain future that promises change, challenges, and opportunities to the people of the region. This state of change is not unique to the Upper Hunter, though the experiences in the region are of course specific to its

¹<https://gykhancockcoal.com/documents/Downloads/EcoFriendly%20Coal%20for%20China%20-0-erator.pdf>

¹<https://gykhancockcoal.com/documents/Downloads/EcoFriendly%20Coal%20for%20China%20-0-erator.pdf>

own social, economic and environmental conditions. The Upper Hunter is undergoing structural adjustment due to a range of factors, particularly the global shift from energy sources of coal to renewable sources including solar and wind, and the forecasting of changing regional workforce opportunities later in the 21st Century. Commonly, commentary on this issue ignores that coal from the Upper Hunter displaces far lower quality and much more polluting coal from the local coal mining industries of China and India – leading to reduced global greenhouse gas emissions from energy generation from coal as well as steel making.

For the Upper Hunter, these global trends can land profoundly in the region given the local dominance of the coal mining and associated power generation sectors. Within the Muswellbrook Shire, REMPLAN estimates from 2020 were that 79% of total industry gross value added was due to the sum of mining (70%) and electricity/gas/water/waste services (9%)².

In parallel, there are often erroneous perceptions of localised social and environmental conditions. These conditions include systemic factors that shape the important networks of social cohesion and volunteerism, perceptions of environmental degradation, local job and business opportunities and identity, the spaces for young people to flourish, and the potential for social mobility and security in the region.

A very recent piece of research interviewed Upper Hunter residents about their views on the future of the region³. The study highlighted that complex issues

² REMPLAN (2020), Economic Overview Muswellbrook Shire, Release 2, page 4.

associated with managing the localised impacts of the global coal industry undergoing structural adjustment must be attentive to local experiences and expertise (see **Insert 2.1** for more findings).

Insert 2.1 Upper Hunter resident views about the future of their region (Colvin 2021)

There is a gap between local people's nuanced views about the role and future of coal in the region, and their perception about the nature of public debate on the wider issue. It is very possible that a productive, solutions-focused debate can be established which begins from a common ground of placing time and spatial limitations around the coal industry in the local area, but not promoting an immediate phase out of the sector. There is great promise through a well-resourced deliberative process in the region which serves the dual purpose of uncovering and socialising this common ground, while also establishing principles and priorities for future planning from the expertise of local residents.

The Upper Hunter region would benefit from a plan which provides certainty around future industries and land use change. In particular, a plan should provide clear guidance on coal mining operations in terms of both time and spatial extent.

A perceived zero-sum relationship between the coal mining and horse breeding industries creates the sense that any alternative industry to coal must necessarily be a challenge to coal. Therefore, establishing alternative industries in the immediate term which co-exist with coal will be a useful exercise in demonstrating economic diversification.

New industries are unlikely to be able to compete with the coal mining sector on wages alone, so non-wage benefits may be worth consideration for new industries. In this way, economic diversification may also enable a greater diversity of benefits available to workers of the region.

³Colvin, R.M., 2021, Upper Hunter Futures – Insights for policy from local perspectives, Australian National University

Problem 2: The region needs to drive economic diversification and attract new investment and jobs
Growing political threats to Upper Hunter coal production and the Upper Hunter regional economy

Government should lead efforts toward economic diversification, but this should be in cooperation with industry and community. New governance arrangements that harmonise existing conflicts between local, state, and federal governments with local leadership and local priorities as their focus would likely prove beneficial.

Correcting misunderstood perceptions requires more than a short marketing campaign. The correction needs time – time for a range of people to find and access it, time for people to process it, and time for people to recommend it to others that would not have found it on their own.

Correcting misunderstood perceptions also requires an on ongoing physical delivery point that people can readily access whose setting, design and outlook drives home key messages.

Correcting misunderstood perceptions also requires interpretation – a communication method typically used in visitor centres, museums, historic sites and national parks that tackles issues and ideas, is provocative but non-judgemental, and uses a variety of media and experiences that can be stimulating and fun.

Creative interpretation experiences can attract a much wider range of visitors than static, passive experiences. So to really tackle this problem requires a different approach than what most people are used to.

The coal industry seems to be losing the public relations battle globally and to a lesser extent in Australia, even as its surviving businesses are breaking records.

To highlight the threats to the community sustainability of the Upper Hunter Region - in November 2021, the President of COP26 in Glasgow stated his goal for the summit in late 2021 was to "consign coal to history".

More than six in ten Australians – 63% – support a ban on new coal mines opening in Australia, according to the Lowy Institute's Climate Poll 2021. A similar proportion would favour reducing Australian coal exports to other countries. "Australian views of coal exports and coal mines ... appear to have shifted significantly in recent years," the report says. Only three in ten people would back the federal government providing subsidies for building new coal-fired power plants.⁴

In a similar vein, the Australian Greens indicated in early February 2022 that a primary condition for supporting the ALP in the event of a hung Parliament following the pending Federal Election would be a guarantee of no further approvals for new fossil fuel mines/wells. The Australian Greens will seek a temporary moratorium on new coal, oil and gas projects as part of any cooperative deal on climate policy following the next federal election. The Greens party room is expected to adopt a

⁴ <https://theconversation.com/majority-of-australians-in-favour-of-banning-new-coal-mines-lowy-poll-161513>

formal resolution that it will "demand from Labor a moratorium on any new coal, oil and gas projects between now and the next COP Climate Conference while we negotiate new climate legislation."⁵

On the other hand, coal prices, at least for now, appear to indicate the oft-demonised fuel is as popular as ever. With both thermal (power) and metallurgic (steel) coal prices at all-time highs. And not by a little, thermal and met coal prices are up ~2-3x from pre-pandemic levels. This reality has resulted in an about face from the International Energy Agency, which produced a comprehensive coal report in December 2021 calling for sustained coal demand growth through 2025. With the world finding itself short of energy, it's never been more profitable to be a coal miner.⁶

Coal mining at the heart of the Upper Hunter regional economy

This project has major significance to many residents of the Upper Hunter Region signalling recognition of this region's national economic contribution through mining and power generation from coal. This message is also expected to be welcomed by many Australians.

More than one job in five in the Upper Hunter Region is in mining, with 24% and 23% of all jobs in mining in the Singleton and Muswellbrook LGAs. Just under one

⁵ <https://reneweconomy.com.au/greens-to-seek-moratorium-on-new-fossil-fuel-projects-in-any-post-election-negotiations/>

⁶ https://seekingalpha.com/news/3781274-international-energy-agency-coal-report-a-new-dawn?mailingid=26588175&messageid=2900&serial=26588175.19470&utm_campaign=rta-stock-news&utm_medium=email&utm_source=seeking_alpha&utm_term=26588175.19470

in four jobs in the Upper Hunter Region are due to mining and electricity/gas/water/waste services. The employees in this region often are highly skilled and highly paid experts in major infrastructure project delivery.

Using ABS data, the Minerals Council of Australia reported that median weekly earnings for mining workers were \$2,325 in 2020, double the median for all industries (\$1,150).⁷ These higher incomes in mining are one of the factors supporting a higher estimate of willingness to pay for the social benefits of this project.

The share of Upper Hunter Region community household incomes directly dependent on the high incomes of the coal mining and power generation industries is expected to be around 50% after allowing for the roughly double average incomes in these sectors. Allowing for indirect or second round impacts of the spending of workers in the mining and power generation industries and that of their families along with the spending of mining and power generation businesses on local goods and services and perhaps two thirds of all spending in the Upper Hunter Region is due to these industries. If coal mining and associated power generation were to close overnight the Upper Hunter Region would lose around two thirds of its economy.

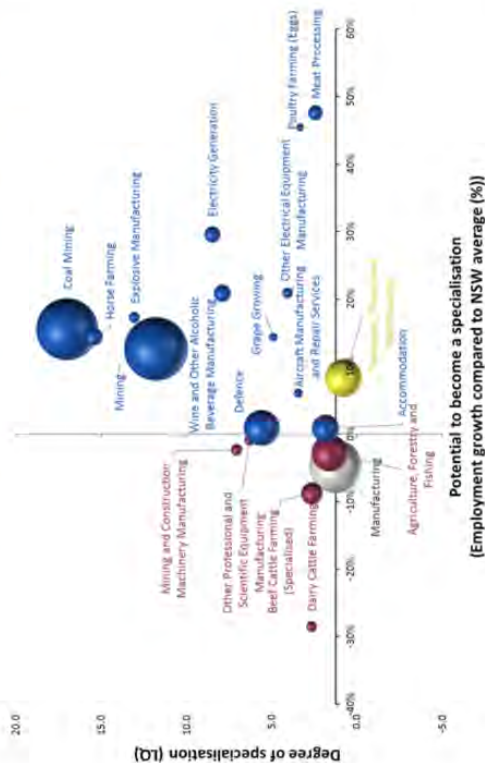
⁷ <https://www.minerals.org.au/news/australian-mining-provides-highly-skilled-highly-paid-and-secure-jobs>

<p>In a review identifying measures of success for a global best practice thermal coal power station and thermal coal mine closure, as relevant to the impending closure of the Liddell Power Station, it was noted that five key targets for the Upper Hunter and its transition are to:</p> <ul style="list-style-type: none"> ▪ actively manage plant closures to minimise adverse impacts for workers, firms and community. ▪ assist workers to secure new jobs and to maximise their future career options. ▪ intervene to strengthen the long-term sustainability of the Upper Hunter economy. ▪ maintain and improve social cohesion and community spirit throughout the change process. ▪ maintain collaborative and inclusive governance dedicated to maintaining stakeholder involvement and promoting community cohesion throughout the transformation process.⁸ 	<p>royalties of around \$2 billion in 2018/19) and makes up 80% of our state's electricity.</p> <ul style="list-style-type: none"> ▪ Whilst the industry will be affected over the longer term by a global transition to alternative forms of energy generation, this change will 'not happen overnight' and during the transition the NSW Government will continue to support the responsible development of coal resources for the benefit of the state. ▪ Countries' commitments under the Paris Agreement will ultimately result in the global phasing out of coal in electricity generation but will take many decades to complete. In the meantime, the demand for coal remains strong and coal remains a critical energy source globally. ▪ Whilst the use of thermal coal in NSW will decline over the coming decades, 'in the short to medium term coal mining for export will continue to have an important role to play in NSW'. In the medium-term global demand for coal is likely to remain stable. ▪ Importantly, 'ending or reducing NSW thermal cost exports while there is still strong long-term global demand would likely have little or no impact on global carbon emissions. Most coal consumers would be likely to source their coal from elsewhere, and much of this coal would be lower quality compared to NSW coal.' This statement is significant in responding to a common issue that arises in the assessment of the greenhouse gas emissions (GHGE) and associated impacts on climate change resulting from new or expanded coal mining projects in relation to the 'market substitution' and 'carbon leakage'
<p><i>NSW Government 2020 statement on coal mining</i></p> <p>In June 2020 the NSW Government released the "Strategic Statement on Coal Exploration and Mining in NSW". This statement included the following acknowledgments and commitments by the NSW Government:</p> <ul style="list-style-type: none"> ▪ Coal is an important industry for NSW and will continue to be so for the next few decades. The industry is the state's largest export commodity (with 	

⁸ Weller, S. Beer, A. Porter, J. and Veitch, W. (2020), *Identifying measures of success for a global best practice thermal coal mine and thermal coal-fired power station closure – final report*, pages 4-5, University of South Australia Business School, Adelaide.

- arguments, that is: if the coal doesn't come from this project in NSW, it will be sourced from somewhere else and the alternative coal will likely be lower quality coal from less developed countries and therefore ultimately increase GHGE;
- It is important that regional communities are supported in the long term to adapt to the change in energy mix and diversify their economies to develop new sources of employment. Part of this will involve supporting the growth of mining for metals in accordance with the NSW Minerals Strategy, as well as the opportunity for development of Renewable Energy Zones.
- Of the four action areas within this statement, the fourth is "Supporting diversification of coal-reliant regional economies to assist with the phase-out of thermal coal mining."
- Government policies will be required to protect the Upper Hunter Region's economy*
- It can be expected that the Federal and State Governments will implement a range of regional development policies to support the economies of coal mining areas, as coal mining is reduced in the longer term.
- However, without greater Australian community understanding of the challenges facing coal mining dependent regions, it will be difficult to develop a strong political consensus for significant regional economic assistance.
- Diversification response**
- Diversification is a key approach to build resilience and minimise the impacts of negative influences such as recession and contraction of dominant industries. The Hunter Regional Economic Development Strategy 2018 – 2022 recommended to:
1. Improve inter and intra-connectivity of the region to boost business and socio-economic opportunities in the 'engine' industries of Agriculture, Mining and Manufacturing
 2. Manage transitions and risks to the Coal Mining and Electricity Generation sectors and diversify the region's economy to build resilience
 3. Improve infrastructure, services and amenities to fully utilise the region's growth potential
- The Strategy also suggested that diversification into industries in which the Region has a specialisation (or has significant endowments which will allow development of an industry into a specialisation) will help mitigate the impact of short and long-term risks to the mining industry, and thereby build a more resilient economy. **Figure 2.2** plots specialisation opportunities for the future. The Strategy singled out specialisation opportunities across mining; manufacturing, defence, energy generation; agriculture (including wine making, horse breeding) and tourism.
- Wider suggestions from the community to drive diversification² have included ideas put forward for new industries that included: pumped hydro; ethanol production; landfill and land reclamation; nature areas and recreation; animal breeding, including thoroughbreds and native species; water management – reservoirs and water sports; waste management & waste to energy; recycling; electric vehicle manufacturing; renewable energy (particularly wind and solar); rural industries, including wine growing and reinvigorating grazing; manufacturing of electric vehicles and other modern products; as well as tourism.

Figure 2.2 Employment by sector in the region – degree of specialisation and future potential (Hunter Regional Economic Development Strategy 2018 - 2022)



A recent piece of research interviewed Upper Hunter residents about their views on the future of the region⁹ found that “new industries that co-exist with coal would provide something tangible for people to say ‘there is something that sits alongside coal. There is something that might see us past 2030, 2050, 2080...’”. In so doing,

⁹Colvin, R.M., 2021, Upper Hunter Futures – Insights for policy from local perspectives, Australian National University

the tension around the future of coal in the region may be softened by overcoming the sense of ‘all coal forever, or nothing’”.

The Strategy went further to recommend:

- promoting innovation in emerging industries;
- supporting transitioning and expansion of the workforce, including industry specific education, training and innovation centres;
- investing in new / enhanced lifestyle assets;
- supporting development of arts / cultural facilities and events;
- encouraging community connections; and
- developing tourism assets and supporting infrastructure.

Diversification could be assisted directly through the development of a central hub attraction that generates direct and indirect employment, promotes and works with diverse smaller tourism businesses, and profiles the diverse industries and lifestyle that make up the region, and so stimulates investment and tree changers to move to the region.

Problem 3: The region's visitor economy is underdeveloped, fragmented and over reliant on basic business tourism

The Destination Sydney Surrounds North Destination Management Plan (2018-2020) and the Upper Hunter Tourism Strategy (2018) identified the following weaknesses in the region's visitor economy:

interpretive then promotional manner, and then act as a hub and spoke model to link with relevant experiences across the region.

In addition, there is no attraction that could operate with as much relevance to engaging locals as visitors.

We note that the Upper Hunter Tourism Strategy (2018) commented that "if there is an inclination to pursue this sector (coal and energy tourism) and develop a tourism product, a feasibility study to test the validity of developing an Energy Interpretive Centre located in Muswellbrook, encompassing coal mining and power generation in all forms could be undertaken. This is not a recommendation." We understand that stopping short of a recommendation was due to a preference for a wider mix of industries to be placed in the one centre (waiting on client to confirm).

and Arrowfield and uneconomic grape prices flowing from the global grape glut (Upper Hunter Tourism Strategy 2018)

- lack of local community understanding of, and engagement with, the visitor economy;
- declining proportion of overnight leisure market, pushed out by businesses buying up rooms for the entire week, even if only used for week days;
- increasing perception of the region as a day trip not overnight destination (not enough experiences and too little accommodation);
- lots of small operators need help / up skilling / direction;
- lack of sustained investment from tourism-related businesses due to the dominance of mining and uncertainty of future mining land acquisition;
- decline in cellar door experiences (35% between 2008 – 2012)¹⁰;
- lack of conferencing infrastructure in some areas and no large-scale indoor event space in the Upper Hunter;
- unmanned or difficult to locate Visitor Information Centres; and
- gaps in the 'rural experience' in particular interaction with farm animals, especially horses;
- significant gaps in equestrian experiences to capitalise on horse studs, limited horse-riding opportunities and limited facilities to access horses.

Further to these issues the major current visitor market of through traffic on the New England Highway is set to be eroded by bypasses of the major towns of Muswellbrook and Singleton.

There is no central attraction that could act as a starting place or launching point to introduce opportunities to the widest possible audience in an

¹⁰ Attributed it to the advance of coal mining (eg. Roxburgh property and Cruikshank Callatoota vineyard & winery), the disappearance of heavyweight producers like Rosemount

2.2 Defining the objective of intervention

Three strategic responses are proposed to address the Problem:

- 4 Create interpretation that addresses the regions' diverse character, significant contribution to Australia, its past, present and future successes and challenges, and embodies resilience, transition and adaptation and innovation
- 5 Generate an environment for continual learning, innovation and adaptation in the region
- 6 Create interactive, locally themed and highly differentiated experiences that appeal to locals and visitors

The more pragmatic flow on solution to delivering this strategic response is:

Develop a purpose-built flagship tourism attraction in Muswellbrook that delivers interpretation through highly differentiated experiences that appeal to locals and visitors and can be reinvigorated over time. Integrate an education and training facility within the tourism attraction.

This project presents an opportunity to promote the historical existing and future diversity of the region and coexistence and collaboration between industry sectors.

2.3 Benefits

The three benefits that would follow from ADAPT would be:

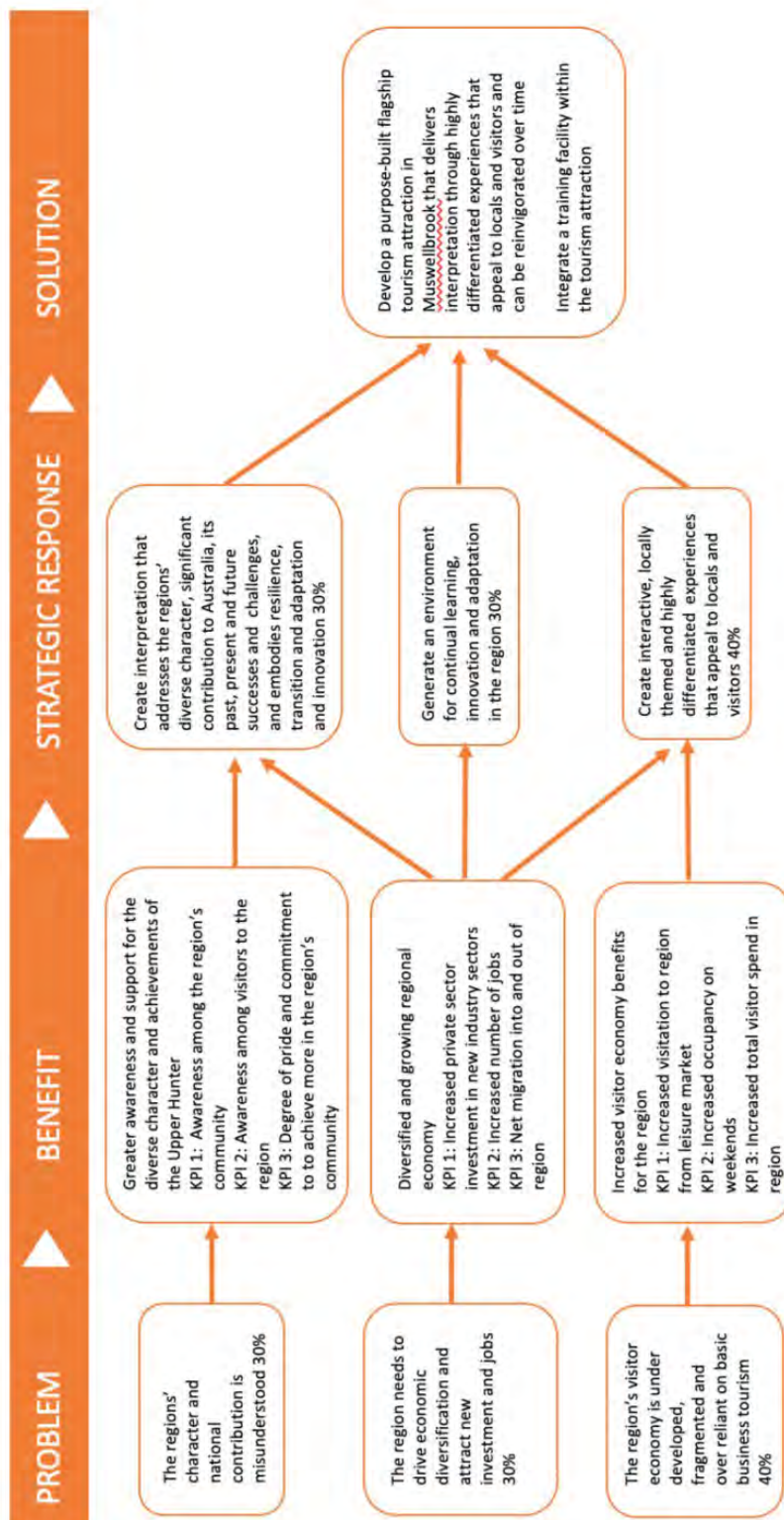
- 1 Greater awareness and support for the diverse character and achievements of the Upper Hunter

- KPI 1: Awareness among the region's community
- KPI 2: Awareness among visitors to the region
- KPI 3: Degree of pride and commitment to achieve more in the region's community
- 2 Diversified and growing regional economy
 - KPI 1: Increased private sector investment in new and existing industry sectors
 - KPI 2: Increased number of jobs
 - KPI 3: Net migration into the region
- 3 Increased visitor economy benefits for the region
 - KPI 1: Increased visitation to region from leisure market
 - KPI 2: Increased occupancy on weekends
 - KPI 3: Increased total visitor spend in region

2.4 Investment Logic Map

Summarising the Problem, Strategic Response and Benefits is an Investment Logic Map, presented as Figure 2.3.

Figure 2.3 Investment Logic Map of ADAPT (percentages indicate share of importance / emphasis)



2.5 Relevant stakeholders

Contributors to helping address the problem

Stakeholders contributing to address the problem to date currently include:

- Upper Hunter Regional Museum Inc
- Upper Hunter Country Tourism
- Upper Hunter Economic Development Corporation
- Muswellbrook and Upper Hunter Shire Councils
- Wonnarua Nation Aboriginal Corporation
- Wanarua Local Aboriginal Land Council
- Muswellbrook Chamber of Commerce and Industry
- Singleton Business Chamber
- Scone Chamber of Commerce
- Destination Sydney Surrounds North
- Stakeholders representing theme coverage (eg. coal mining, energy, agriculture, cultural and Aboriginal heritage, early settlement, equine and Australian cattle dog sectors)

The potential project driver is the Upper Hunter Regional Museum Inc.

Stakeholder consultation undertaken is documented in **Attachment A**.

3. The alternative sites

Early sites considered and discounted

Stakeholders wanted ADAPT to be centrally located within the Upper Hunter Region, to maximise its potential to act as a hub and spoke that provided central access to surrounding and maximised potential flow on tourism development and subsequent employment. Three preliminary sites considered but quickly discounted were the Muswellbrook Showgrounds, former Oaks Dairy and proposed Muswellbrook Gateway site. These sites and their reason for being discounted is briefly covered below. (see **Figure 3.1**).

Muswellbrook showgrounds

The Showgrounds site is located in the southern end of built-up Muswellbrook, on the corner of the New England Highway and Rutherford Road). It was briefly considered in the event that the operation was going to be moved to a larger site. This is not currently the case. Even if the land was available, it would represent a large land acquisition cost and might compete against other land uses with greater purchasing power, so we have not considered it as a shortlisted site.

Former Oaks Dairy

The former Oaks Milk Bottling site is located approximately two kilometres north of Muswellbrook township, on the northern outskirts and edge of the New England Highway. The site offers an opportunity for adaptive reuse of the buildings, avoiding demolition and providing an opportunity to interpret the dairy industry and its contraction across the region. Limitations are that it will be bypassed via the Muswellbrook bypass (so there will be far less passing trade to try and capture), and

the cost to purchase the site and the challenges of adapting the building for the proposed uses, so we have not considered it as a shortlisted site.

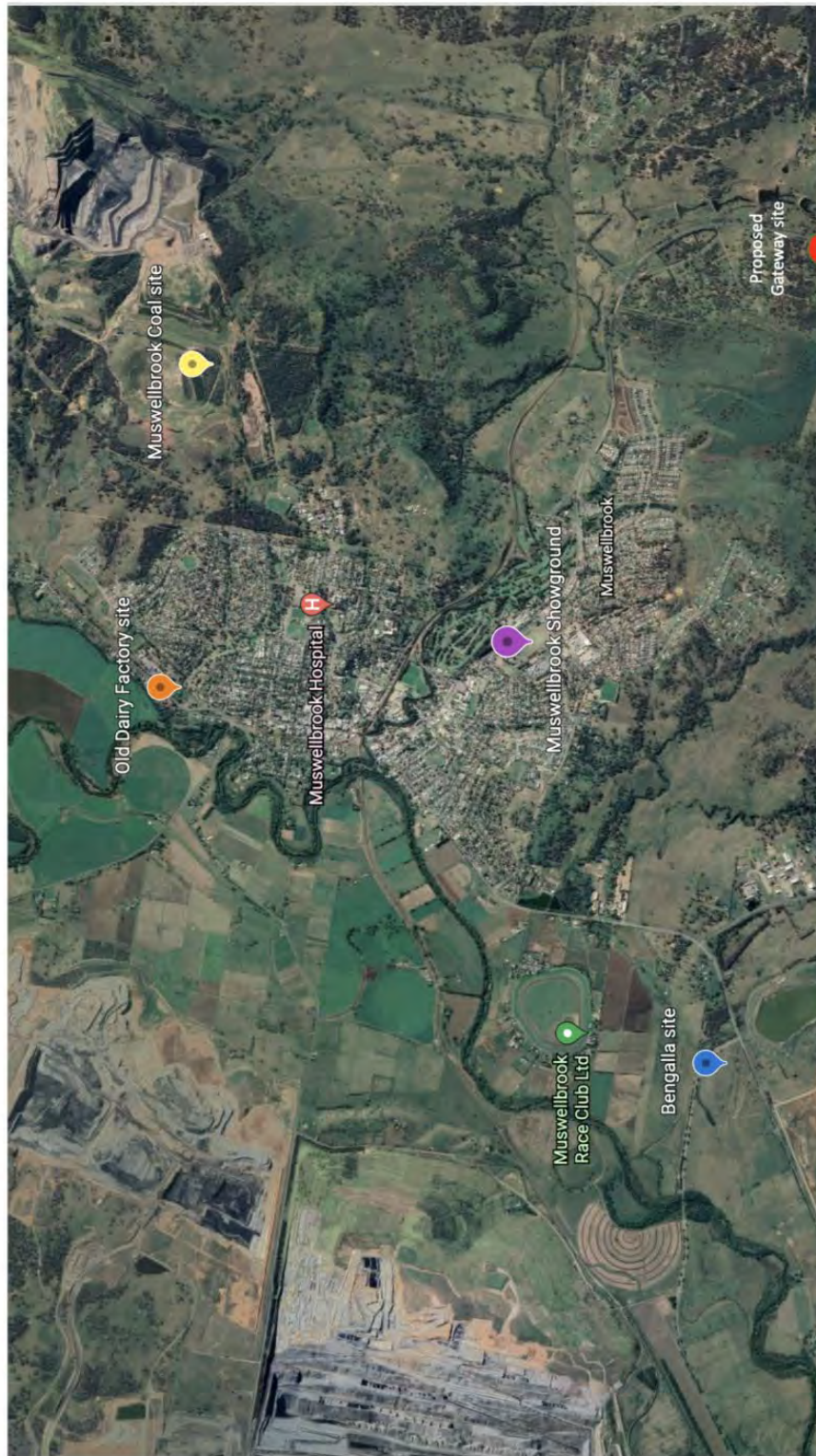
Gateway site

The proposed Muswellbrook Gateway site is located on the southern approach to Muswellbrook, just before the proposed bypass departs to the north-east. This is a development being proposed by the Muswellbrook Shire Council, and we understand it could include a petrol station, Visitor Information Centre and local produce outlet. Council has not suggested the Gateway project could be expanded to incorporate this project, so we have not considered it as a shortlisted site.

The two potential sites in Muswellbrook that were further investigated and assessed for their suitability were:

- 1. Corner of Bengalla Road and Denman Road, Muswellbrook
- 2. North-west of Coal Road Muswellbrook Bypass interchange, Muswellbrook Coal site, Muswellbrook

Figure 3.1 Map showing locations of sites shortlisted (former Oaks Dairy, Bengalla and Muswellbrook Coal)



Corner of Bengalla Road and Denman Road

The Bengalla Road site (Lot 290) is located approximately four kilometres southwest of Muswellbrook township, on the corner of Bengalla Road and Denman Road (see **Figure 3.2**). **Figure 3.3** presents images of the site. The land is owned by the Bengalla Mining Company. The site is a relatively flat rectangular shape of approximately 80 hectares. The site is zoned RU1 Primary Production, which permits a range of uses with consent consistent with the proposal, including:

Information and Education facilities; Function Centres; Recreation facilities (outdoor and major); Restaurants and cafes; Cellar door premises; Tourist and visitor accommodation; Eco-tourist facility; and Camping grounds. The site has been surveyed by Bengalla Mine. The site is not classed as Bushfire Prone Land. In the south-eastern corner there is three phase power and a double comms pit providing communications connectivity. There are high voltage transmission wires and towers passing through the southern edge of the property, and three phase power appears to present half-way along the southern boundary to service a former dairy building. There is no water or sewer connection close by, so these services need to be made self-sufficient on the site. There may be other alternatives which are available.

Approximately one third of the land in the western end is subject to a 1% AEP Flood Level (based on flood information certificate issued by Muswellbrook Shire Council on 7th September 2021), so cannot be built on. Some road re-alignment on Bengalla Road may be required to provide adequate line of sight.

Strengths

As highlighted earlier, the Bengalla Mining Company have generously made the land available to UHRM Inc, removing a significant development cost of land acquisition (further work is required to finalise legal and commercial arrangements),

and immediately making the total development cost in line with other projects located on public land. The Bengalla Mining Company are constructively working with UHRM Inc to facilitate the potential development, spending significant time and resources.

The site provides more than sufficient land and is relatively easy and cost effective to build on, further keeping development costs down. This strength also provides an opportunity for landscaped grounds to add to the visitor experience.

The proximity to the Hunter River provides an opportunity to source additional freshwater to what can be collected and re-used on site, reducing the need for an expensive bore or trucked in water during drought. There may be an existing water license available to source water. A natural drainage channel could be landscaped to provide a natural feature.

Limitations

To raise market awareness and convert into spontaneous visitors, Denman Road offers much lower passing traffic than a location on the New England Highway or proposed Muswellbrook bypass. This places a great need to develop a really differentiated suite of experiences that generate editorial reviews and referrals, and the need for adequate marketing budget and marketing staff.

There is limited visual connectivity to land uses that the facility is trying to interpret. The low and flat position offers limited and distant views, which reduces the strength of activities that work better with views, such as café, functions, restaurants open in daylight hours and accommodation.

Figure 3.2 Aerial of the Bengalla site showing total potential area (top left) and a potential layout of the various elements across the total 1.4 hectares needed for all proposed uses



Muswellbrook Coal site

Figure 3.3 The Bengalla site, Above: view to the west, Below: view to the north

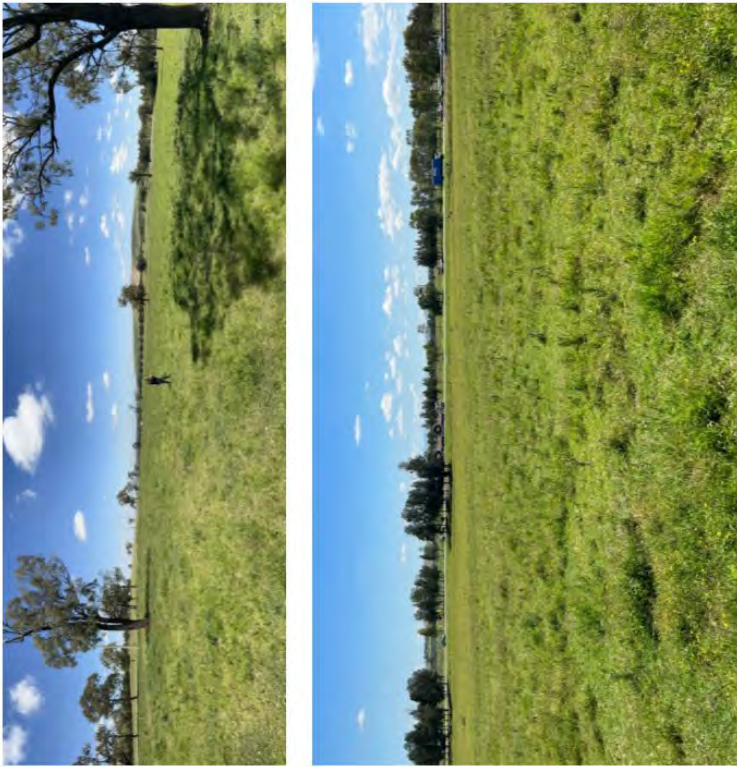
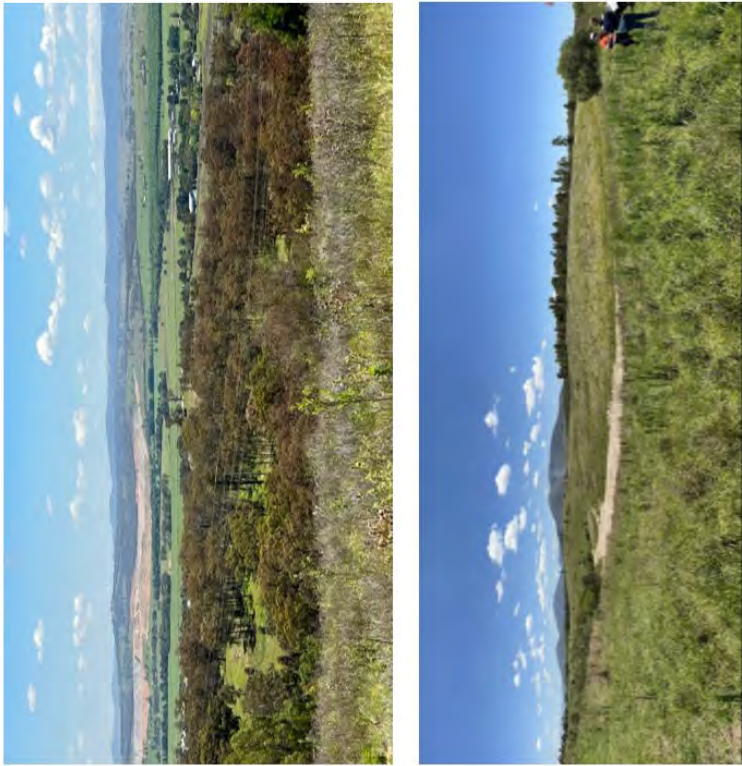


Figure 3.4 Views from Muswellbrook Coal site, Above to south west, Below: North west



A second potential site is located four kilometres to the northwest of Muswellbrook township, north-west of the proposed Muswellbrook bypass (see Figure 3.5).



The site is part of the Muswellbrook Coal lease area (ML 1562). The Muswellbrook Mine is forecast to close coal mining works in 2022/23.

Following this will be extensive rehabilitation works, and eventually, alternative uses, including renewable energy (eg. pumped hydro and solar by 2027).

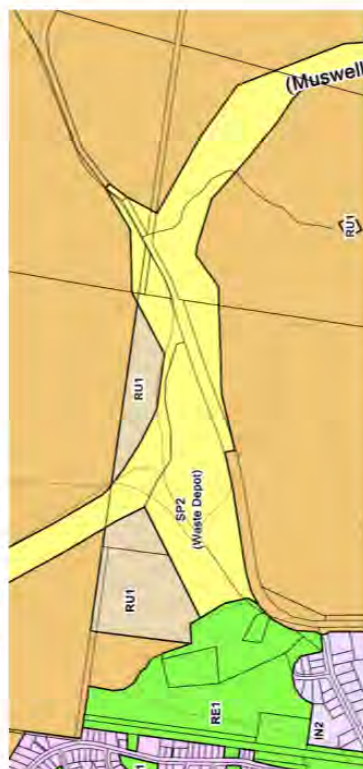
The Muswellbrook Coal Company has confirmed their in principle support for this project at the National (Brisbane) and International levels (Tokyo head office). Their support is conditional on a number of factors, with the key concern being that the project does not have a negative impact on the future plan of the Muswellbrook mine site nor the disposal of the land in the future. The Muswellbrook Coal Company advise that they believe this can be resolved.

To the south-west there are extensive views of three major ongoing coal mines, Muswellbrook township and a major dairy farm. To the north west there are views towards rehabilitated mine areas and the future pumped hydro renewable energy system. Muswellbrook Coal was the first major coal mine to be built in the Upper Hunter and is the first major coal mine to close and be a site considered for future economic stimulus and employment generation. Visitors to the attraction could see from the site a former coal mine, rehabilitated area and new renewable energy and other uses that lead future use of the site. This is a very symbolic depiction of the Upper Hunter in adaptation, taking the story into a space of positive current and future scenarios.

The site is zoned E3 Environmental Management (see **Figure 3.6**). Permissible uses with consent consistent with the proposal are: Information and Education facilities; Recreation facilities (outdoor); Cellular door premises; Eco-tourism facilities;

and Bed and breakfast accommodation. There is also a section of land zoned RU1 to the north-west of the interchange (permitted uses covered at Bengalla site).

Figure 3.6 Zoning of area (yellow: SP2 Infrastructure; dark sand: Environmental Management; Beige: RU1)

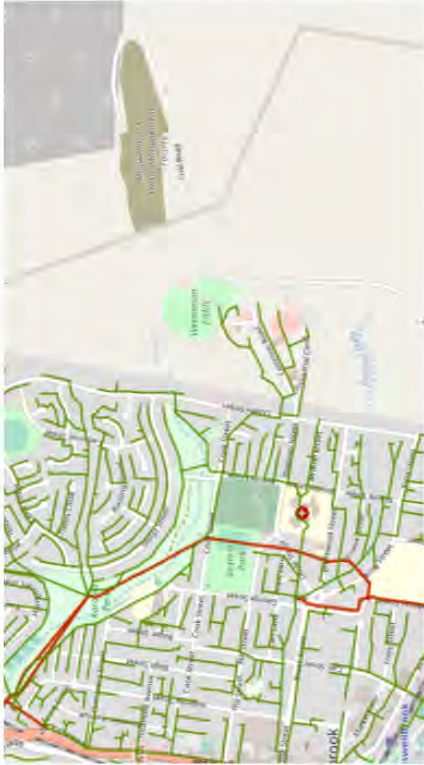


The closest access to mains water is by the Muswellbrook Waste Management Facility (see **Figure 3.7**), requiring a 600m to 800m connection to mains water from this point. The closest sewer connection is further away at Common Road (see **Figure 3.8**).

Figure 3.7 Proximity to mains water supply (Muswellbrook Waste Management Facility)



Figure 3.8 Proximity to sewer (dark green lines finishing at Common Road)



Comparative analysis of potential shortlisted sites

A high-level comparison of the two shortlisted sites was prepared and is presented in **Tables 3.1 and 3.2**. Overall, the Muswellbrook Coal site has much greater development risk and the Bengalla site has the greater long term operating risk. Based on this, the Project Steering Committee chose the Bengalla site to develop the proposal on.

The site choice reinforces overwhelming challenge for ADAPT is to find a market, due to the very small existing visitor base. This small base compares with the major potential visitor market of 4M to 7.3M vehicles annually on the New England Highway, that will bypass Muswellbrook in a few years' time. If we conservatively allow for 1.3 adults in each of these vehicles, this passing traffic represents between 43 and 78 times the number of total adult overnight visitors to the Muswellbrook area in the four years pre-Covid. More starkly, the passing traffic represents between 180 and 330 times the annual number of holiday purpose adult overnight visitors to the Muswellbrook area.

The second ranked challenge is that the Upper Hunter and broader Hunter region are among the lowest ranked of any area in Australia for the share of visitors who go to museums and art galleries. So even the existing small visitor market cannot be counted on to become visitors of the focus is a museum. To capture new markets requires an attraction that minimises it's museum nature and maximises less direct and more engaging ways to tell stories and concurrently have fun. For this reason, we added more interactive interpretive experiences to the museum, inside and outside the building, to broaden its appeal to non-museum goers and increase the chances of repeat visitation.

Table 3.1 Strengths and limitations of site on corner Bengalla and Denman Roads (listed in order of significance)

Strengths	Limitations
1. Strong support from landowner, including no site purchase and significant in kind support with site preparation. This strength significantly reduces development costs and the potential to access the funds required	1. In comparison with the New England Highway and proposed Muswellbrook bypass, there will be less passing traffic to leverage off. This will limit awareness and visitation, especially from parts of the market not exposed to marketing The lower passing trade triggers the need for a more creative range of experiences than a conventional museum, and more marketing investment
2. Site is on Buffer land not Rehabilitated land - Less Zoning and Approval issues	2. The low and flat position offers nice but not strong views, which reduces the strength of activities that work better with views, such as café, functions, restaurants open in daylight hours and accommodation. This flows back to lower visitation and financial performance
3. Significant amount of usable land allowing for a spacious visitor experience and future expansion opportunities	3. There is limited visual connectivity to land uses that the facility is trying to interpret, making it harder for the attraction to be immediately relevant to visitors
4. Relative flat site – minimising construction costs, whilst enhancing useability	4. Approximately one third of the land in the western end is subject to a 1% AEP Flood Level, so cannot be built on
5. Easy Access off Bengalla Road and Denman Road Intersection	
6. Three Phase Power Available	
7. Phone and Internet Available	
8. Water Licence may be available to draw water from Hunter River	

Table 3.2 Strengths and limitations of site on Muswellbrook Coal area alongside proposed bypass (listed in order of significance)

Strengths	Limitations
1. High visibility for northbound passing traffic on bypass to see the potential tourism attraction and its signage, akin to a continuous free regional tourism campaign	1. The Muswellbrook bypass is not expected to be completed until 2026, and even this is not guaranteed, which could delay completion date for the proposal and put funding at risk
2. Opportunity to attract maximum visitors from bypass and achieve greater financial sustainability	2. A road would need to be constructed to link the site with Coal Road, presenting additional approvals and costs
3. Exceptional views that will increase use of restaurant, café and function facilities – attracting a wider range and number of visitors, and increasing financial sustainability	3. Being rehabilitated land might amplify some approval issues
4. Visual connection to past, present and future land uses that the attraction would be interpreting, especially adaptation (turning a coal mine / coal fired power station into a renewable energy hub, and as a pilot, inspire and direct other projects to come). A physical experience demonstrating this capability will pay dividends way beyond visitors, reaching and inspiring businesses and the wider community to adopt a new inspiring vision	4. Lack of flat ground adds significant cost to level 5. Distance to power, mains water supply and communications add development costs 6. West / north-west face generates exposure to high heat and wind 7. Road noise from bypass traffic would reduce quality of experience
5. Opportunity to counter lost economic benefits from bypass reducing traffic into Muswellbrook	
6. The proximity to the bypass and extensive views increase the potential for a sufficiently viable operation to be run by a private operator on behalf of UHRM Inc.	

4. The proposal

4.1 The central 'thread' of ADAPT

ADAPT will explore the process of adapting or being adapted. This would include:

1. The process of realising and understanding a problem or a constraint
2. The desire and the passion to optimise the future
3. Changing something so that it functions better or is better suited for a purpose

The process of realising the problem should track back to demand for something, preparedness to pay and to give up one thing for another. The change could feature innovation – from its most practical and simple to the most profound. Exploring change could address transitioning from one state or condition to another, contemplate choices and transforming the character or appearance of something in order to improve it.

The thread will endeavour to be apolitical and seek to empower people to make more informed choices about what they want and why. This empowerment should generate energy and optimism that flows through the region and across Australia.

4.2 Proposed themes to illustrate the thread

As mentioned in the Problem Statement (**Section 2**), stakeholders would like to showcase the diversity of the region's history and land uses. Even at a broad level, there are a diverse range of themes that could be interpreted within this proposal:

1. Pre-settlement

2. Aboriginal occupation, heritage and culture
3. Early settlement
4. Agriculture
5. Australian cattle dog development
6. Equine
7. Coal mining
8. Energy generation – including renewable energy

The degree of direct interpretation within the visitor centre will focus on the market testing preferences of Pre-settlement, Aboriginal occupation / heritage and culture, and Energy generation – including renewable energy.

Market testing (see **Attachment D**) suggested fairly even support for the potential themes (see **Figure 4.1**). Aboriginal occupation ranked highest with 29.50% of respondents rating it as very interesting and 28.42% as interesting (total 57.92%). The stories relating to the region millions of years ago and climate change ranked equal second with 26.26% ranking both themes as very interested and 30.58% as interested (total of 56.84).

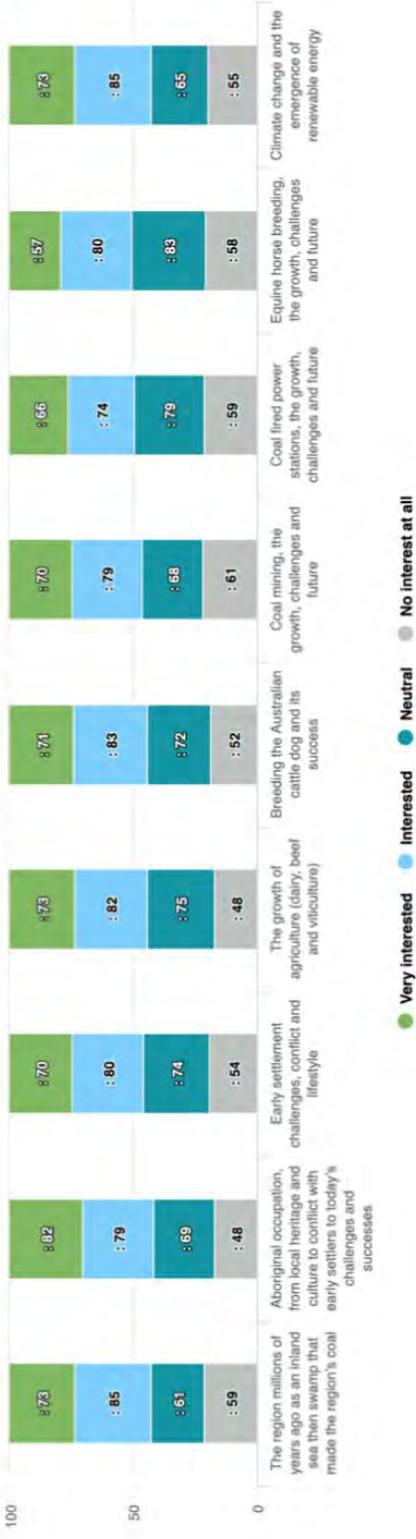
Respondents were then asked if they were to visit the new attraction which stories might trigger to pay for this experience (see **Figure 4.2**). The stories relating to the region millions of years ago (A1) and early settlement challenges, conflict and lifestyle (A3) were evenly ranked at 33.81%. climate change ranked at 30.94%, breeding of Australian cattle dogs at 27.70% and Aboriginal occupation at 27.34%. There was less preparedness to pay for stories about coal fired power stations.

Figure 4.1 Relative strength of themes to motivate visiting the Attraction



Figure 4.2 Relative interest in the storytelling themes, showing preference for Aboriginal occupation and lower emphasis on coal fired power stations and equine sector

There are many Upper Hunter Valley themes that could be presented and talked about. If you were to visit the new attraction, which themes might be of most interest to you?



Aboriginal occupation, heritage and culture

The first human inhabitants of the Hunter region (Coquun) were the Wonnarua (people of the hills and plains) the Worimi occupied the north-eastern shores and the Awabakal on the south-eastern shores. Their history in the Hunter Valley Region goes back some 40,000 years.

An Aboriginal Cultural Centre at Cessnock presents a major opportunity to interpret Aboriginal culture heritage from the Hunter Region. There is some suggestion that a second Aboriginal Cultural Centre could be built in the Upper Hunter. In the interests of cost effectiveness to government, and a unified approach to storytelling in the Upper Hunter, we suggest that the Aboriginal cultural story be told within this proposal.

This project's consultation with Aboriginal stakeholders has revealed an opportunity for a different slant on Aboriginal culture. These stakeholders have suggested aspects that include:

- How Wonnarua lived in the region pre-European settlement (what they ate, plantings of wild species and hunting);
- The significant number of artefacts (eg. stone tools) found in the area as a result of coal mining (normally not found without such significant excavation), demonstrating the industrial scale of Wonnarua occupation;
- The trading route developed by the Wonnarua tribe connecting the Coquun (Hunter) Valley to Sydney Harbour;
- What the landscape looked like pre-European settlement;
- The leading of early settlers to superior grazing land and soon after misunderstandings and conflict, displacement, incarceration, massacres

The following tentative introductions to the themes have been guided by consultation inputs and desktop research and are a very first cut that would need further work after the business case.

Pre-settlement

This theme could present the landscape hundreds of millions of years ago, before any human was present. The Hunter Valley was covered by a large sea (gulf) that became silted up, leaving a large swampland in place of the sea. Generations of vegetation left their decaying remains in these swamps until the entire area was covered by a thick layer of soil which rested on the bed of marine sediments. When the land subsided again it was covered by sea for the second time. Again, the area silted up and became covered in a further layer of swamp vegetation. Over millions of years the deposits were compressed into rock, shale and coal. Other forces caused these layers to become folded into synclines and anticlines. Wind and rain meant some areas became worn down, making coal measures accessible.

Presenting these vast forces and time that combined shaped the raw material that the Hunter has capitalised on would ideally be conveyed with powerful computer-generated audio-visual production, that could flow into a timeline-based story to the present and beyond.

In contrast, in the simplest terms, it could be the telling of the story behind the name Muswellbrook – freshwater mussels growing in a creek in the area. This could be conveyed through a water course with sculptured mussels fixed to the creek bed. A pedestrian ramp could pass over the creek and into the visitor centre lobby.

- The impact of increasing livestock and cultivation on traditional food sources by the mid 1980s;
 - The massacre of 18 Wonnarua people on the Bridgman Estate at Falbrook in 1826, between Singleton and Muswellbrook, after two settlers were killed;
 - The separation of families (more pronounced in the region due to land use demands) and placement in sub-standard accommodation;
 - Contemporary Wanaruah perspectives and involvement in planning for and managing mining across the Hunter;
 - Challenges and competition for local Wanaruah people in getting meaningful employment in the Hunter; and
 - Positive initiatives to consolidate Wanaruah culture through recording, teaching and using language, conserving Wanaruah sites and teaching self-respect.
- Wanaruah stakeholders would like these sub-themes to be shared through the presentation of touch screen-based video conversations, school education programs and the promotion and starting point for guided Wanaruah tours to Wanaruah sites across the region (including cave art sites).

Early settlement

In the 1820's the first land grants in the Hunter region were given to convicts at Paterson's Plains as reward for services or good behaviour. Soon after free settlers were granted land along the Hunter, Williams and branching rivers with convict servants to help work them. The most sought-after locations for land grants were alluvial river flats. This led to river port towns such as Morpeth, Maitland, Raymond Terrace, Paterson and Dungog becoming important river trade centres.

Within a few decades of early settlement, the subsistence Indigenous human-ecological relationship was overwhelmed by an agricultural and industrial mode of

production. By the mid 1800s the Indigenous people had been dispossessed of their land and lost their capacity to nurture it. Indigenous land management was replaced by a radically different regime in which the new settlers saw themselves as 'the overpowering people who thus Multiply, Replenish and Subdue the Earth'. They saw their mission as transforming the local environment through "subduing the growths of scrub, brush and forest covering the land" and "taming of the river and the sea". Forests were cleared, rivers dammed, wetlands drained, and towns, ports, roads, mines, and heavy industry constructed.

Early settlement is the focus of most of the local museums (Murrumbidgee Museum, Quirindi Rural Heritage Village Museum, Scone and Upper Hunter Historical Society Museum, Merriwa Tourist Welcoming Centre & Mens Shed, and the Hunter Valley Museum of Rural Life – closed). Consultation for this project with historical societies identified a preference not to duplicate and be differentiated or deliver a 'light touch'. The interpretation within these museums does not take on issues or contemplate alternative perspectives. With these observations in mind, some of the elements that this theme might cover could include:

- The accidental discovery of the Hunter River in 1797 while searching for escaped convicts;
- How early settlement was driven by the growing population of Sydney needing more food;
- The first overland route to the Hunter from Windsor to Singleton, and the use of Aboriginal people as guides and interpreters to facilitate development;
- Free settlers approach to timber getting, mining, grazing, agriculture and wine growing, including their struggles, adaptation, successes and failures;
- The role of convicts in supporting early settlement;

- Challenging transport and evolution to river transport and then rail, potentially featuring the State significant construction of rail line from Newcastle to Murrumbidgee and the biggest rail accident in NSW (after Granville); and
- Contrasting land use and perspectives between early settlers, Aboriginal people and contemporary society.

The early settlement theme (particularly historic agriculture and rural life) is interpreted by local museums, so should be limited in this proposal.

Agriculture

Landowners in the Hunter amongst other things produced, timber, cattle, horses, wheat, sheep, wool, maize and wine.

James King of Irrawang (Raymond Terrace) became the founding president of the Hunter River Vignerons Association and the first person to make wine for export in the colony. John Portus of Morpeth Wheat Mills produced so much flour that he drove Sydney mills out of business.

Travel by land was often uncertain in pioneering times due to bad roads and crossing the rivers by punts - people, produce and livestock were lost due to their unreliability. Hence shipping companies were created to bring valuable cargoes to the cities. The most famous of which were the Australasian Steam Navigation Company and the Hunter River New Steam Ship Company who were in constant competition with each other to provide the best rate and the fastest ships.

With the introduction of the Great Northern Railway in the late 1850's the river port towns started to decline with all commercial shipping ceasing by the early 20th century. However West Maitland (now simply Maitland) prospered as well as Dungog who received the eastern branch of the Railway. Most produce was then

shipped from the New England area straight to the port of Newcastle replacing Morpeth as the main port of the Hunter Region.

Australian cattle dog development

The origins of the Australian Cattle Dog and the Australian Stumpy-tail Cattle Dog have been documented well by Guy Hull (2018). The story traces back to early free settlers in the Upper Hunter, and specifically Thomas Hall. Dissatisfied with the standard of cattle in NSW, and of cattle dogs to herd them, he bred Australian dingoes and blue mottled Curs in the 1820s. After just 20 years, the Australian Cattle Dog and the Australian Stumpy-tail Cattle Dog were established and were expert at driving cattle over long distances and across rough terrain as occurred through the northern tablelands, near western plains and the New England regions of NSW. The dogs coped with the Australian environment, and were less afraid of the semi-wild cattle, prepared to bite their ankles to coerce behaviour.

Like their Cur ancestors in northern England the tailed dogs that predominated Hall's southern-most properties found themselves out of long-range droving to Sydney as soon as the rail made it to the upper Hunter Valley in 1872. That coincided with the introduction of mass-produced wire, followed soon after by barbed wire. Fenced and paddocked properties bred more quiet and easier to manage stock that didn't need such a hard dog.

Nonetheless by the 1890s, the dogs had attracted the attention of the *Cattle Dog Club of Sydney*, a group of men with a recreational interest in the new practice of showing dogs competitively. The Australian Cattle Dog is energetic and intelligent with an independent streak. It responds well to structured training, particularly if it is interesting and challenging. It forms a strong attachment to its owners and can be protective of them and their possessions.

<p>A record-breaking Australian television cartoon is believed to be behind a surge in families wanting to buy Blue Heeler puppies. The show "Bluey" is reportedly the most downloaded program in the history of the ABC's video-on-demand and catch-up services. It has led to an increase in families getting the dog.</p> <p>The Great Cattle Dog Muster is a three-day event being staged in September 2022 by the Muswellbrook Chamber of Commerce and Industry in conjunction with the Australian Cattle Dog Society of NSW Inc, and with support of the Muswellbrook United Cattle Dog Club. The event is the first of its kind in Australia and is expected to draw 5-10,000 visitors from across the region, around Australia, USA and Europe. It is planned that this event will become an annual signature event for Muswellbrook and the region.</p> <p>There are a number of good resources to support interpretation, including the book 'The dogs that made Australia' by Guy Hall. There are also a lot of objects that could be donated for display. The cattle dog story is an excellent example of adaptation, innovation and transition.</p>	<p>The Awabakal have a "dreaming" story that describes the creation of coal, in which it is a combination of both darkness and light in the world. Fearing its potential for harm, the story says, the Awabakal believe their ancestors covered the extensive bands of coal found on the ground with rocks, sand, and plant material, burying it underground and pressing it under the earth as generations of families walked over the ground under which it lay.</p> <p>Coal mining in Australia began near Nobbys Head in Newcastle in the 1790s. Coal was first mined by convicts near the mouth of the Hunter River, then called Coal River after the valuable resource located nearby. Coal soon became Australia's first commodity export with the first coal shipment leaving Newcastle for India in 1799. The town of Newcastle emerged from a network of coal mining villages.</p>
<p>There are a number of good resources to support interpretation, including the book 'The dogs that made Australia' by Guy Hall. There are also a lot of objects that could be donated for display. The cattle dog story is an excellent example of adaptation, innovation and transition.</p> <p>Coal mining and electricity generation</p> <p>This is a huge theme with a huge range of human-interest stories cutting across sub-themes of experimentation, hard work, economic development of the Hunter, environmental and social impacts, global warming, tough choices and ongoing innovation. The theme is supported by extensive documentation, photographs, artefacts and objects to help tell and demonstrate the stories.</p> <p>Oral histories suggest that in Newcastle, pre-European arrival, Aboriginal people burnt coal found on the ground, beaches, and cliff faces for cooking and heating, and also used it as an insect repellent and for making tar to waterproof their canoes</p>	<p>The evolution of coal mining demonstrates enormous persistence, resilience and ingenuity. Historically workers faced enormous risks, much of which were reduced with the shift from underground to open cut mining. There have been many accidents, strikes and acts of valour throughout this evolution that have shaped the culture of the Upper Hunter. The sophistication, technology and scale of coal mining today is phenomenal. Today, Australia is the World's second largest exporter of coal after Indonesia and Newcastle the busiest coal export port in the world. The Hunter Valley comprises 41 coal mines owned by 11 producers. The scale and efficiency of the operations is mind boggling. It is spread over more than 450km, with coal haulage distance of up to 380km. There are more than 31 points for coal loading, four rail haulage providers delivering to three terminals, and as a collective, filled and exported more than 1,400 coal vessels every year through the port of Newcastle. Coal has been the big employer in the Hunter Valley, providing about 9,000 jobs to the community and generating billions in revenue.</p>

The Hunter Valley coal chain is an extensive, multi-billion-dollar network of public and privately funded infrastructure of mines, railways, port, coal loaders, and ships that link the region's coal reserves to global markets. At the local level, the relatively cheap energy generated from the region's coal-fired power stations has been a foundation of a heavy-industry economic base of steel making, metal processing, ship building, aluminium smelting, and metal engineering. For 80 years, the Newcastle steelworks were the "material and symbolic identity" of the Hunter.

From its convict origins, mining has become a strategically important industry in NSW, supporting thousands of jobs and generating economic activity and taxes and royalties that support the development of government infrastructure and essential services like schools, hospitals and police.

The growth of coal and power stations to support the region and NSW has and continues to generate costs which need to be understood, balanced and minimised. Water allocations to agriculture, mining, power generation, and urban and environmental flows are increasingly being contested, particularly as farmers find their businesses threatened by loss of water to mining and coal-fired power generation. Ecological systems within the Hunter Valley have been radically transformed by human activity over the last 200 years. The combination of agriculture, mining, and urbanisation has removed much of the biodiversity of the region and caused great ecological stress to the Hunter River catchment.

While climate change is fuelling debate about continuing coal fired power stations, Australians will continue to need coal generated power for many years to come. Australians expect power to be supplied cheaply, and Australia does not have enough renewable energy to provide a short-term alternative. International pressure, and government scrutiny over clean energy alternatives, has long loomed

over the future of mining in the Hunter Valley. Some reports suggest that Australia's largest thermal coal export locations – Japan, China, South Korea and Taiwan – all aim to reduce their consumption of thermal coal in order to increase the development and uptake of renewable energy. Other studies suggest that strong international demand will continue for decades to come. The issues polarise some people but becoming better informed will help to determine the most sustainable way forward.

Equine

The equine sector consulted for this project did not want this theme to be a major focus, and don't want to make horse studs into tourism attractions for independent or guided tourism. They have plans to make an equine focussed museum as part of an upgrade to the Scone Racecourse. Stakeholders nonetheless suggested a focus on the famous horse 'Winks' through a horse statue and an interactive screen.

The Upper Hunter is an internationally acclaimed and mature thoroughbred breeding region and is one of three international centres of thoroughbred breeding excellence. The region is ranked second only to Kentucky, USA in terms of the concentration of thoroughbred stud properties, the quality and number of bloodlines.

The Upper Hunter is additionally renowned as the Horse Capital of Australia, and not just because of its thoroughbred studs. The Upper Hunter region produces, trains and sells a wide range of equine breeds including heavy draught horses, horses for carriage work, endurance and other sports such as polo and polocrosse, dressage, racing and recreational use.

Scone Polo Club dates back to 1891 and is one of the largest clubs in Australia. Scone 'Horse Sports for Schools' is one of the most comprehensive and largest

inter school competitions in Australia. Scone is also the headquarters for the Australian Stock Horse Society, the largest individual breed association in NSW.

The first pony club in Australia began in Merriwa, (in the Upper Hunter LGA). Scone Horse Trials, the Upper Hunter Horse Festival and Murrumbidgee King of the Mountain Horse Challenge additionally attract 1,000s of visitors each year.

The region also supports nationally recognised specialist equine training, racing, medical and research facilities.

The unique geography of the Hunter Valley with its long valleys, allows maritime influences to extend much further inland than other coastal catchments. For horses the key benefit is a reduction in temperature variability. The Upper Hunter additionally features:

- wide stretches of free draining alluvial soil on the valley floors rising to surrounding uplands that are critical for equine bone and muscle development;
- attractive rural landscapes; and
- close proximity to major ports, markets and world class equine facilities.

The resultant moderate climate, low risk of pests and diseases, topography, and reliable irrigation options are ideal for producing premium quality horses.

The Upper Hunters' historic national and international reputation, the cluster of equine properties and related facilities and the maturity of existing studs are critical to the regions' marketing success and future development. These advantages, however, also make the industry highly dependant on particular geographic locations. Consequently, the industry is highly vulnerable to potential land use conflicts, and the relocation of the current, mature studs is unviable.

The Upper Hunter equine industry has expressed strong concern about the expansion of mining developments and coal seam gas exploration in the region, because they believe they could threaten critical perceptions of the region as a clean, healthy and secure location to breed and develop outstanding yearling horses. Land use planning has had to adapt into a more sensitive approach to manage the two sectors across the Upper Hunter.

Renewable energy

The Upper Hunter region is being flagged as a focal point for developing renewable energy, because it can 'plug into' the significant cable network established for the coal fired power stations and could provide alternative power supply from coal to renewable using rehabilitated land that was part of the coal mining area.

The NSW government is creating the Hunter-Central Coast renewable energy zone (REZ) to provide cheap, reliable and renewable energy for homes and businesses, and ensure that the Hunter and Central Coast remain at the heart of providing electricity for NSW. The REZ policy is being tipped to attract \$32 billion worth of investment of private capital. Some of the in-progress projects include:

- A consortium of local and global energy companies led by renewables advisory business Energy Estate is seeking to invest \$2B to use wind and solar farms to power hydrogen electrolyzers which would, in turn, create feedstock for mining, transport and the local industrial sector. It could replace the local coal mining industry with a clean, green alternative.
- The Federal government has also committed \$275M in the 2020/21 budget over five years to help develop five hydrogen hubs in regional areas, including the Hunter Valley. Hydrogen can be used in steel production, replacing coal without any dangerous by-products like greenhouse gases. This process is

becoming more and more affordable, and Australia has already signed an agreement with Asian to export our hydrogen to create their green steel. There is potential stage to expand the project with another hydrogen pipeline to supply New South Wales' central west and New England renewable energy zones.

- Malabar Coal is working to finalising a development application to build a solar farm on a portion of the old Drayton Mine site outside of Muswellbrook.
- There are plans to build a 250MW pumped hydro facility on Bells Mountain, and a grid-scale battery, solar and hydro plant on the Liddell Power Station site.
- A \$200 million Kyoto energy park outside of Scone is being developed to feature 34 wind turbines and 100 hectares of solar panels.
- The Department of Planning approval also approved plans for a \$117 million, 55-megawatt solar energy project at Vales Point power station late last year. The project, which could potentially power 20,000 homes, will be built on an 80 hectare area of rehabilitated ash dam that forms part of the broader power station site.
- In August, Tomago Aluminium, Australia's largest aluminium smelter, vowed to switch to renewable energy by 2029 to stabilise the power grid during peak demand and to decarbonise and take away 8.5M tonnes of carbon dioxide a year.
- AGL will partner with Fortescue Future Industries to prepare a feasibility study to develop a 'Hydrogen Hub' on the site of the Liddell and Bayswater coal-fired power stations.
- A group of local councils from the region has joined forces to procure up to 200GWh a year of renewable electricity supply for their combined operations. Retailer arrangements may incorporate behind-the-meter assets including electricity generation, smart electric vehicle charging and demand response

e.g. battery or virtual power plant, within their portfolio. The banding together of the councils to use their combined purchasing power to attract renewable energy developers and off-take providers is an increasingly popular approach for local governments.

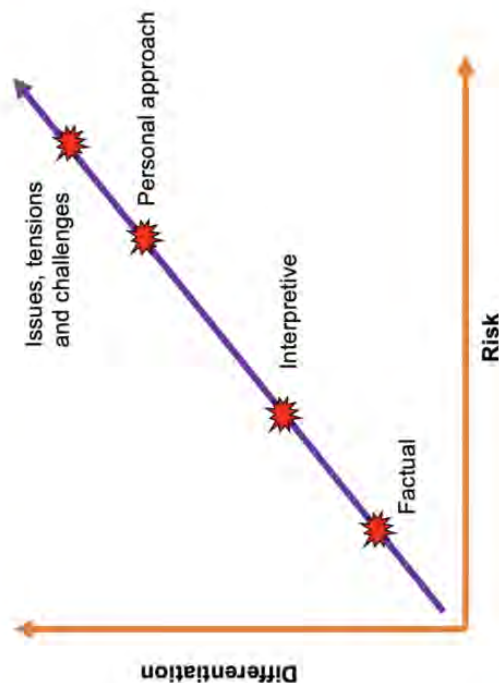
- A \$10 million partnership between BHP and the University of Newcastle will work towards decarbonising steel making. The researchers think it could lead to a big reduction in carbon emissions from the industry.

The development of renewable energy in the Upper Hunter has the opportunity to build on the sense of pride and optimism created from other industries like coal. Showcasing these projects would be an attractive proposition to schools and growing numbers of Australian's seeking inspiration in a challenged world.

4.3 Storytelling approach

There are different ways to communicate and tell stories that balance a level of differentiation and a level of risk in how it is received, as shown in **Figure 4.3**. To differentiate from most regional visitor centres and interpretive experiences, this proposal will focus on the methods of a personal approach and Issues / tensions and challenges, supported by interpretation and factual information as required.

Figure 8.6 The degree of differentiation and risk for alternative storytelling approaches



(Factual approach)

The factual approach is the most common approach used in small and localised museums and visitor centres. It is typified by labels and brief explanations of objects and generally does not attempt to be overly selective with the content, choosing instead what is easily available. The factual approach does not raise issues, or alternative perspectives and is relative quick and cost effective to produce.

(Interpretive approach)

The interpretive approach is the next most common approach used in medium sized and regional museums and visitor centres. Interpretation aims to find meaning, relationships and relevance in the subject matter. An example is comparing the size of a local feature such as a body of water in a lake to a well know feature like Sydney Harbour (Lake Macquarie has five times more water than Sydney Harbour). Interpretation also aims to be more creative and imaginative in its style and delivery. One example is the use of a timeline to order the sequence of a single theme's events and highlight cause and effect (these techniques have limitations in covering complexity).

(The personalised approach - connecting it all to you)

The personalised approach is starting to be adopted by the more progressive visitor centres and museums. The approach attempts to connect the subject matter to the visitor's own beliefs, behaviours and choices. The goal in this approach is to generate sense of responsibility; that the visitor is part of the subject matter and not a disconnected bystander. The approach can use techniques such as connecting the visitor's consumption of resources (eg. water and energy) with the need for industry (eg. reservoirs and power stations), and then posits choices such as reconsidering supporting something they previously disagreed with or choosing to change their behaviour or preparedness to pay for alternatives. The personalised approach is increasingly being used to contemplate alternative futures; even adapting to getting the visitor to contribute their own interpretation of a situation and their own commitment to an alternative future.

Issues, tensions and challenges

Addressing issues, tensions and challenges is the stuff of modern media, social commentary, documentaries, music, drama and art. The topic plays to people's curiosity and is beginning to be applied in large city-based museums and art galleries looking to remain relevant and capable of attracting younger and more discerning markets. The method obviously works better where there are genuine issues, tensions and challenges in the region that people have some awareness of. The method is useful in differentiating a region that may not otherwise be particularly attractive to discerning visitor markets. It is also useful in addressing misperceptions but needs to be careful to demonstrate fairness and balance. For example, at the site of the former Twin Towers in New York the memorial and interpretation address the differing opinions of how to tackle terrorism.

Recommendation

The alternative storytelling approaches sit on a spectrum of risk and differentiation and have been presented from lowest to highest in these fields. Therefore, if the proposal wishes to maximise the opportunity to be differentiated and attract the widest range and largest number of visitors it should focus the storytelling approach on the more differentiated approaches. We recommend minimising the factual approach and delivering all of the others against stories and themes as appropriate. Overall, the proposal needs to be as differentiated as possible to attract visitors to the region, balanced with the community's preparedness to take risk.

4.4 Proposed elements

This proposal is for an interactive and immersive museum experience that happens inside a building, and outside in the landscape. The proposal is to explore adaptation and tell the region's key stories through a mix of experiences – some very focussed, and some more fun, some through direct storytelling, and some through challenges that reveal the story at the end. This mix of experiences and approaches to learning is designed to maximise appeal to a range of potential visitor markets, maximise word of mouth recommendations, and maximise repeat visitation.

Extensive background work was undertaken to maximise the competitiveness of the proposed elements. For example:

- **Attachment C** provides the results of a competitor analysis of comparable products in the region and if there was anything similar, what could be done to further differentiate the proposed element
- **Attachment D** provides the results of market testing the main leisure elements
- **Attachment E** presents the results of benchmarking comparable similar products to capture their strengths and limitations and identify additional ways to differentiate and strengthen each proposed element.

1. Regionally landscaping, arrival walk & sculpture

The current landscape is a simple agricultural one based around dairy cattle and sheep grazing. Much of this would be retained to help interpret agricultural use throughout the Upper Hunter.

In addition, it is proposed to add to the landscape within and surrounding the development several measures that interpret other regional themes. These initiatives include:

- an interpretive entry walk up the building's main entrance;
- a sculpture / water feature at the entry to the building;
- an Indigenous planted garden and artwork; and
- native landscaped picnic and barbecue facilities between the parking area and main entry.

Between the main marking area and the main entry to the building complex would be a walkway, designed to disengage people from whatever they were doing on their drive to the site, slow them down, get them more attuned to their surroundings, and introduce the thread of adaptation. The adaptation thread could be interpreted through a series of sculptures that depict adaptation, either as a sequence of changes in one subject. A natural and literal example could be a butterfly laying eggs, caterpillar growth, pupae and new butterfly. A human version could be a local Indigenous story of change through time. There could be a natural version on the left approach to the building, and a human centric version on the other side of the trail.

At the entrance to the building could be a significant sculpture and water feature that also depicts adaptation. An example of a large sculpture known as the Resilience Sculpture, is shown in **Figure 4.4**.

This element could be a feature and become a recognisable landmark as visitors have their photo taken in front of it and post on social media. The sculpture could therefore become the physical depiction of the logo and provide photo opportunities.

Both sculptural initiatives could be collaborative projects between local artists.

The Indigenous planting could be coordinated by local Aboriginal people to present an idea / artwork and be located as a feature in front of the restaurant and function space

Figure 4.4 The Resilience Sculpture, titled on the approach to Paraburdoo is made from materials sourced from the local mine site and created by a collaboration of community support



2. Arrival / lobby / orientation area

When visitors arrive at the building entrance, they could continue straight through to corporate services or the café, use the public toilets in the arrival area, or enter the visitor centre building. The arrival / lobby area of the visitor centre building would provide a:

Figure 4.5 Examples of digital timelines



- customer service desk for the visitor centre, education and training centre, outdoor experiences and the short stay accommodation, handling enquiries, bookings and payments;
- orientation displays that explain the attraction; and
- orientation displays / brochure rack for regional tourism experiences (akin to a small Visitor / Tourist Information Centre.

Visitors could enter the visitor centre and book / pay for experiences or take a passage to the side that takes them directly to the outdoor experiences, café, restaurant and corporate services. This passage would allow access any time, so visitors do not have to pass through the visitor centre but could see it and perhaps return later to explore it.

3. Visitor Centre Interpretation Zone

Here is the heart and soul of ADAPT. It could feature:

- 3a. Timeline
- 3b. Immersive theatre
- 3c. Touchscreens
- 3d. Static displays
- 3e. Simulator
- 3f. Escape Rooms

Each of these are outlined below.

3a. Timeline

Examples of visual timelines are presented in Figure 4.5.

The Timeline could be a visual-driven representation of important events that helped shape the Upper Hunter, located against dates. The timeline could start back millions of years ago at pre-human occupation, jump to acknowledge historic

Aboriginal occupation, address settlement through to the present, and then contemplate the short to medium term future.

Given there are many regional themes that overlap the same time periods, the timeline could be designed in a way that allows visitors to interact and choose what themes and events they are interested in. There are many ways to display a timeline, from static wall mounted displays through to interactive technology.

3b. Immersive theatre

A storytelling theatre could deliver the most in depth interpretive experience at the visitor centre, ensuring a core story is heard. The theatre could be large enough to intimately accommodate a group of 30 persons, depending on seating / reclining arrangements (perhaps up to 200m²). The internal space could feature a semi-circular projection wall with surround sound. **Figure 4.6** presents an example of a storytelling theatre.

The theatre could feature a central story that depicts the main theme (eg adaptation), capturing a selection of stories that best benefit this, and compiling a mix of aerial footage, historic recreations and animations to graphically portray the stories. The stories could be supported by a commentary, sound effects and music.

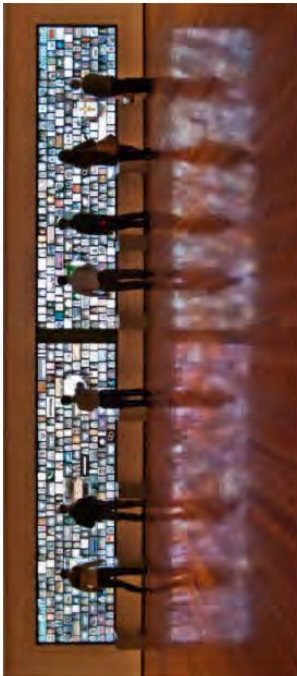
Figure 4.6 Storytelling theatre venue projecting on the ceiling, floor and walls (Neighbourhood Earth Exhibition)



3c. Touchscreens

Touchscreens are an ideal way to display information as they allow the user to physically interact with the screen and therefore the subject matter. They offer a more tangible and brighter surface to display content, and combined with a traditional exhibit, have the power to display an entire gallery of supporting images and documents that wouldn't normally be able to fit in a physical space available. Touchscreens range in size from huge touchscreen video walls to tablet PC's that visitors can carry around to engage with exhibits to an even greater degree allowing visitors to browse and dive deeper into a particular theme (see **Figure 4.7**).

Figure 4.7 Examples of touch screens



The next evolution in Touchscreens are MultiTaction Screens which have inbuilt infrared cameras and allow for unlimited points of touch, recognition of QR code markers directly through the screen and seamless touch capability across many screens.

3d. Static displays

Static displays could be used for supporting major object exhibition, and as a cheaper way to provide interpretation that does not require constant updating or refreshing. Objects, disused equipment and models can all be exhibited through static displays – **Figure 4.8** presents some examples.

Figure 4.8 Static displays featuring large items can be the centre piece of an attraction



The key to making a static display interesting, impactful and / or thought provoking is by the size of the object and ensuring it has an emotionally evocative story to tell. The storytelling component can be done via a QR code, where the information is then displayed on the visitors' phone or tablet, by a button activated audio presentation or by a place card next to the display.

Examples of themed displays could include:

- videos of Aboriginal traditions, cattle dog mustering and horse training;
- operating wind turbine that shows the transfer of energy from wind input to energy output (eg. lights and residential appliances);
- miniature models of operating equipment such as coal washing demonstration and micro hydro power generation;
- virtual reality headsets that allow visitors to visit places in the past or explore places not easily accessible to them; and
- life size sculptures of key regional objects, people or animals (eg. blue heeler cattle dog or Winks the famous race horse).

3e Simulator

Simulators are built for training but can also be a powerful way to immerse the visitor in the topic and help them connect with its challenges. Simulators immerse visitors in a scene that they can move through – think racing car driving in an arcade. More sophisticated simulators are developed as training tools for people to learn how to fly aircraft or drive vehicles, trains and boats. Simulators provide a realistic and fully immersive experience with the use of hydraulic seats, 180-degree screens and realistic operating controls.

The Upper Hunter Mining sector use simulators to train drivers of large mining equipment, such as excavators and trucks. These simulators eventually date and

need to be replaced. A mining company might be prepared to supply a simulator when updating their own.

A simulator could be used for visitors to experience what it is like to drive a huge mining truck in the pit of an open cut mine. The simulator could provide different scenarios such as dumping coal, loading coal and catching on fire (see **Figure 4.9**).

Figure 4.9 Using a coal truck simulator similar to one that could be donated



The simulator would help interested visitors comprehend the level of difficulty associated with working in open cut coal mining.

3f. Escape rooms

Escape rooms are an excellent way to tell a story in a less direct but very immersive way – they broaden the range of visitors that connect with a story. Escape rooms are immersive, time sensitive, real life adventure games for two to eight people. Escape rooms test participants mental capacity to think on their feet in high-pressure situations. Stemming from video games, escape rooms appeared in Japan and China in 2007 and since then have gained an audience in over 60 countries. The goal of an escape room game is to find a way out of a locked room within the given time limit. Participants work as a team to solve logical puzzles, uncover clues, and follow a storyline to unravel a mystery, escape a situation or become the hero of a story. Using logic, dexterity, and ingenuity, escape rooms can elicit a range of emotions in participants – from anxiety and stress to confidence and triumph. Escape rooms can be used as a team building experience for education and training purposes and are also evidenced to have neurological benefits.

Escape Rooms are themed to particular stories or situations and could therefore feature local Upper Hunter stories associated with a challenge, using props, puzzles and clues relevant to the story to make the experience more authentic. Escape Room experiences start with mission video which explains the situation and what needs to be accomplished to escape the room. Participants then enter the room and work together in order to 'escape' / end the game. Escape Rooms are fitted with cameras for the host to monitor the participating team and can be contacted if the team requires any assistance.

Figure 4.10 presents two examples of Escape Room sets. Table 4.1 provides two examples of Escape Room missions and the following link provides an example of a mission video <https://youtu.be/MvovEY5ov0A>.

Figure 4.10 Two sets built for escape rooms.



Table 4.1 Two examples of Escape Room missions

Mine Escape – South Melbourne	Mine Shaft Rescue, California
Arriving for your shift, you find the head office deserted - your colleagues have left to investigate some unusual activity in the mine and never returned. It's up to you to bring them to safety, but the clock is ticking – can you get them out in time?	You and your team have been called to rescue and retrieve a child who's gone missing inside an abandoned mine shaft. During your rescue mission, you and your unit get notified that the child has been found and have been called back to base. On your return, a spontaneous earthquake occurred leading to half of the mine falling apart blocking your entrance and closest exit. You will need to use your special skills and expertise in order to escape within 60 minutes before the mine collapses

A staff member would escort customers to the Escape Rooms, open the locked door and show them the layout and how it works. Afterwards the staff member would return to reset the room for the next customer.

4. Gift shop / retail

A retail space could be set aside to display souvenirs and gifts that are related to the attraction themes. Purchases could be processed through the customer service counter at the entrance / exit.

The retail space would be located at the end of a circular clockwise flow within the visitor centre but could be accessed by customers only wanting to purchase something rather than pay for / enter the visitor centre. This location would also be close to the service counter, where purchases would be paid for.

5. Regionally themed café

A café supplying quality coffee and food along with efficient friendly customer service can be an attraction in itself. A café at ADAPT could provide a unique location to take a break. Visitors and locals could take advantage of a café that includes morning coffees, lunches and afternoon teas. The café could also provide catering for the education and training room participants or any daytime functions. The café could offer approximately 50 seats inside and 50 outside.

It is proposed to locate the café in front of the outdoor attractions, where they would provide interesting viewing of participants, and where parents and friends could watch their children and colleagues. The outdoor section of the café could have a glass wall to prevent any water spray reaching guests.

To assist repeat visiting locals coming purely to the café for social catch ups, additional parking close to the café has been proposed.

6. Regionally themed restaurant

Some business and community stakeholders have suggested that there is unmet demand for another quality restaurant (not a bistro) in Muswellbrook that supports the corporate sector, visitors and some locals. This demand is coming from business and regional population growth. The restaurant could also service on-site accommodation guests and its kitchen would provide catering for the larger functions, such as business events and weddings.

It has been suggested that this restaurant could be differentiated with an attractive view field. The restaurant has been located to take advantage of agricultural and distant hillside views and enhanced with landscaping and an Indigenous planting. There could be a combination of indoor and outdoor dining, providing 50 to 70

<p>seats. The indoor dining area could also be regionally themed to differentiate it from other offers in town and in the region.</p>	<p>to weekend functions would increase the use of the space from weekdays to weekends and public holidays.</p>
<p>Direct access to the restaurant is available in the evenings, whether the visitor centre / museum is open or not.</p>	<p>To differentiate the exhibition and function space, it is recommended to project images onto the walls and floors and offer decorative elements that collectively present one of the themes covered in the visitor centre, such as mining, equine and renewable energy (see Figure 4.11).</p>
<p>7. Corporate services and regionally themed function space</p>	
<p>Consultation with coal and energy industry and business groups in the Upper Hunter region report a shortage of corporate space that they can readily and regularly use. There are several proposed elements to the corporate space:</p>	<p>Direct access to the restaurant is available in the evenings, whether the visitor centre / museum is open or not.</p>
<ul style="list-style-type: none"> ▪ multiple use exhibition space for trade shows, career days, apprentice recruitment days and industry events (eg. Minerals Council) able to be converted using sliding walls with a least four separate meeting / workshop spaces; ▪ conversion of exhibition space into function space for up to 200 people; ▪ education and training rooms; ▪ meeting spaces that can also be used for recruitment interviews and a Board Room; and ▪ offices to be let out, and some to service the operation. 	<p>The space would need to be fully equipped with fast internet / wi-fi and contemporary audio-visual equipment and have adequate storage for alternative supporting furniture.</p>
<p>This focus would not compete with the Lower Hunter, which has a focus on attracting business events from the Sydney market. This list suggests that the corporate space needs to be very flexible, with exhibition space being able to convert into function space and dividing walls facilitating different sized spaces that cater to different uses and scales. The conversion from weekday corporate activity</p>	<p>Some members of the coal and energy sectors also believe that there is a niche unmet need for 'hands on' education and training facilities that go beyond classrooms – especially for electricians. We could not define this demand.</p> <p>Finally, we found demand for several offices to be leased out within the space.</p> <p>The key strength of this corporate centre is the potential to generate revenue and profit that can support other parts of the attraction that need financial support due to limited visitation across low periods. Preliminary forecasts from some mining companies indicate that this facility would be loyal and well patronised.</p>

Figure 4.11 Examples of how to differentiate the multi-use exhibition and function space with theming taken from the visitor centre



Another key strength of this element is another form of communication of the themes – in this instance to industry as opposed to leisure visitors. They believe that the corporate space could deliver an educational arm of the themes being delivered within the visitor centre, to industry members at the regional, State and even National levels. The greater industry understanding of themes and especially the key thread of adaptation could motivate more people in positions of influence and change to become more motivated to greater heights to deliver transitions, for the benefit of the region, State and country.

Direct access to the corporate area is available throughout the day and in the evenings, whether the visitor centre / museum is open or not.

8. Regionally themed aerial obstacle course

A regionally themed obstacle course is an excellent way to tell a story in a less direct but very immersive way – broadening the range of visitors that connect with a story.

While there are lots of tree-based ropes courses across Australia, there are very few aerial obstacle courses, and no regionally themed ones. An aerial obstacle course is a purpose-built structure that challenges users for a stimulating experience.

Customers tackle all kinds of obstacles, activities, and games while suspended at heights between five metres and 26 metres (see Figure 4.12).

It is proposed to build the course using steel poles, steel mesh platforms and steel cables between the poles to support each section of the obstacle course. A leap of faith jump could be added to the highest tower to add excitement, exclusivity and brag ability.

Figure 4.12 Examples of themed aerial obstacle course



But the real differentiating aspect is to make this course regionally themed. This would mean adding to the physical challenge a mental challenge based on a regional themed story, and illustrating the story with obstacles, such as

- Aboriginal mythical creatures;
- disused agricultural and mining equipment to climb through, swing or jump from (see **Figure 4.13**); and
- an actual or a replica of a wind turbine that allows participants to climb through the housing containing the gear box and generation that makes the power.

This attraction may be able to be located to be easily seen by passing traffic, which could increase spontaneous visits to the attraction generally. Lighting could be installed to allow the course to operate at night, creating more atmosphere for each section of the course.

To further differentiate this course, it is proposed to integrate part of the course through the building, further integrating the stories with the stories inside the building. Sections of the course could be built to travel through the higher sections of the building and towers could protrude through the main roof line. This would activate the spaces around the café, training and education centre and functions pace by allowing visitors to view the action from multiple places within the complex.

Figure 4.13 Examples of objects that could be suspended within the course to communicate some of the themes and differentiate it from all other courses



through the challenge in a story sequence, before the bucket empties on top of them and wastes the water.

Figure 4.14 Examples of themed Splash Parks. Bottom: Richmond Water Park in Queensland have a custom-designed Kronosaurus dumper bucket



This splash park could strengthen the attraction of young families – especially from the region. It could also be inclusive with wheelchair access, cascade tables and a more gentle flow for younger children as well as a high energy area for teenagers.

8. Regionally themed Splash Park

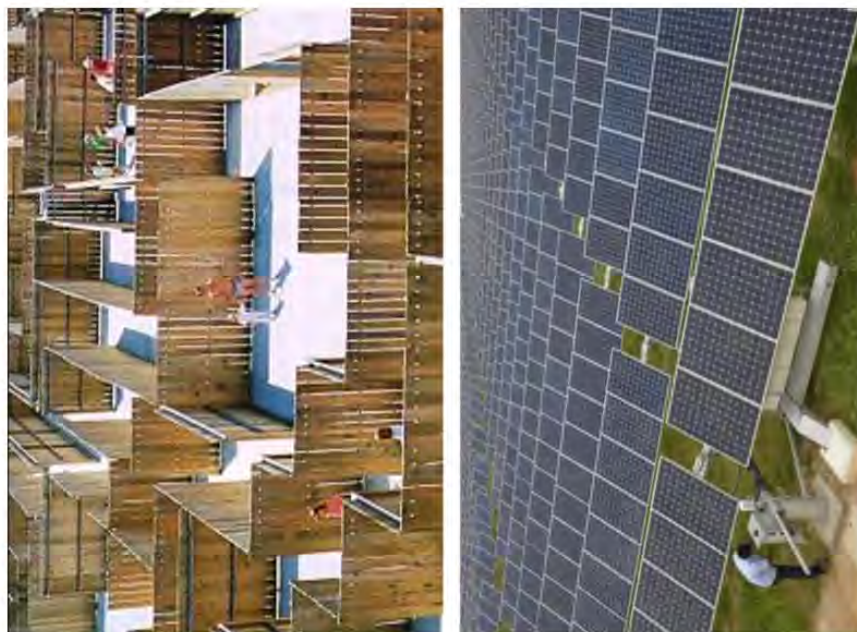
A regionally themed splash park is an excellent way to tell a story in a less direct but very immersive way – broadening the range of visitors that connect with a story.

Splash parks are typically established as part of aquatic centres and offer a fun and colourful way to get wet with other young friends and family members. There are two types of splash parks, elevated or on ground level. Elevated splash parks can be more impactful with slides and climbing equipment. However, to gain adequate public liability insurance, these parks need to have a lifeguard in attendance during opening hours. A ground level splash park can have zero standing water which does not trigger the requirement of a lifeguard.

Standard splash parks come from a standardised collection of elements that are pre-ordered as a package. Interactive features in splash parks include waterspouts, tipping buckets, push button activated water sprays, ground sprays, fixed water cannons and shower rings.

But a splash park that is part of ADAPT could be regionally themed. We found very few splash parks that do this. On entering, customers could read or listen to the set up of a story and a challenge, then enter the zone to take on the challenge. Some customised water components like those in the aerial obstacle course, would be made especially to help interpret a regional theme, story and the challenge. For example, a theme of sustainability could feature elements from renewable energy systems – wind turbines, solar panels and micro hydro systems, to interpret renewable energy, responsible use of water and recycling. The ADAPT regionally themed splash park could incorporate objects that connect with sustainability and have short stories on their sides for users to read. The challenge might be to get

Figure 4.15 Example of a 3D maze built with recycled timber, and a solar array



Shade structures could be erected for sun protection for both users and spectators. The splash park would include amenities close by that including a changing area, toilets, showers. A separate water tank, filtering system and a pump house would also be required. The splash park can utilise fully recycled and automatically treated water.

9. Regionally Themed 3D Maze

A regionally themed 3D maze is an excellent way to tell a story in a less direct but very immersive way – broadening the range of visitors that connect with a story.

Mazes have returned to some destinations as cost effective outdoor attractions – once they are built they are quite cheap to operate and maintain. The conventional maze has been built using hedges.

A 3D made at ADAPT could be really differentiated from all the other mazes, by, like the aerial obstacle course and splash park, being designed around a particular regional theme. A themed 3D maze could be constructed around a challenge to get to the end of the maze based on a real regional story, such as an explorer trying to find their way to fertile lands, or miner lost in an underground labyrinth trying to find the shaft to the surface, or a sustainability entrepreneur seeking a way to make their invention work.

The theme would inspire the material to make the maze from. For example, the renewable energy theme could have a 3D maze built from disused solar panels as the walls, and a goal of the maze experience could be constructed to challenge users on their energy consumption, or knowledge on energy sources with the aim of looking for the best source of renewable energy.

At the end of the maze, the customer could climb up a tower and join their friends that were watching them, and return via a boardwalk above the maze back to the start.

10. Regionally themed Accommodation

Regionally themed accommodation is an excellent way to tell a story in a less direct but very immersive way – broadening the range of visitors that connect with a story.

Many stakeholders in the visitor economy suggested that additional accommodation was needed that presented an experiential dimension; to act as a kind of attractor for more overnight visitors – especially leisure ones.

One or two tourism sources suggested that a caravan park could be a useful accommodation addition to Muswellbrook. However, while there is a supply of Grey Nomads for a few months, we are not sure that this proposition could be viable throughout the year, particularly in the hotter months. A separate accommodation study might be useful to explore demand and identify an optimum site. In addition, a caravan park is not typically regarded as a particularly attractive facility for people in ADAPT to view, and there is little topography or trees to screen it.

While there is a reasonable supply of motels and pub style accommodation in the Upper Hunter area, our consultation and accommodation audit identified that the business market books much of the quality product out Monday to Friday, causing occasional shortages for the business market. Our sources also suggested that some companies buy the entire week, even if the FIFO market is not staying on weekends. This creates a limited supply for the leisure market.

Consultation for this business case also identified a lack of differentiated accommodation, particularly in Muswellbrook. Several industry leaders suggested

that there is unmet demand for quality short stay accommodation that was themed. They also believed that accommodation could be sold through the education and training, corporate and leisure functions elements. In response, we believe that a cluster of small cabins, or better still, tiny houses (see Figure 4.16) could provide quality accommodation that was differentiated by individual regional theming.

Figure 4.16 Example of a cluster of tiny houses and potential design



For example, there could be tiny houses themed to Wanaruah people, various equine sectors, cattle dogs, mining, renewable energy etc. Photos, artworks and

objects could be displayed, and artists could be contracted to deliver creative themed functional items, such as lamps and furniture.

Check in could be operated from the customer service counter, dinner could be offered at the restaurant, and breakfast boxes could be placed in each room. The accommodation could be serviced by a contracted tourism operator. The room could have a queen sized bed, small and simple kitchenette to support breakfast, and clever fold out features to maximise space.

We have proposed a first stage of 12 units, and identified space for as many again, if demand warrants.

Matching regional themes to various elements

Table 4.2 suggests the relative degree that the various elements that make up ADAPT could interpret each regional theme. It should be stressed that the early settlement theme is the basis for a range of local museums and heritage village.

Each of these elements might have natural strength to interpret different regional themes, and to different degrees. **Table 4.2** proposes the potential matching of the regional elements to potential elements of ADAPT.

Table 4.2 Proposed matching of regional themes to potential elements of ADAPT (IZ – Interpretation zone)

Elements	Pre-settlement	Aboriginal	Early Settlement	Agriculture	Cattle dogs	Equine	Coal mining and electricity generation	Renewable energy
Regionally themed landscaping, arrival walk & sculpture								
Arrival area, café, gift shop / retail								
IZ–Timeline								
IZ–180 Theatre with 2 regional productions								
IZ–touchscreens								
IZ–static displays								
IZ–Simulators								
IZ–Escape Rooms								
Regionally themed Education and Training facilities								
Regionally themed Restaurant / functions								
Regionally themed Aerial Obstacle Course								
Regionally themed Splash Park								
Regionally themed 3D maze								
Regionally themed Accommodation								

Area allocations for elements

Area estimates were prepared to assist determine the overall amount of space required, and whether any elements might be constrained with the available sites. The estimates suggest that if all of the elements were developed, the proposal would need approximately 1.7 hectares, made up of 1.5 hectares for the outdoor elements and 1,711m² for the central building and its services (see **Table 4.3** and **Table 4.4**).

Table 4.3 Indicative high-level area allocations for the various outdoor elements

Outdoor Function	Area (m ²)
Themed splash park	577m ²
Picnic / outdoor birthday party facilities	500m ²
Themed aerial obstacle course	800m ²
Themed 3D maze	914m ²
Themed accommodation (12 units)	417m ²
Landscaping with themed outdoor sculpture	900m ²
Services (electrical 18m ² , general 10m ²)	28m ²
Parking (70 cars, 2 coaches, 4 disabled, accommodation)	3,500m ²
Outdoor deck	1,791m ²
Open space / landscaping in between elements	5,720m ²
Waste & water services (waste 27m ² , water 27m ²)	54m ²
Outdoor total	15,201m²

Table 4.4 Indicative high-level area allocations for the various elements in main building

Indoor Function	Subtotal	Area (m ²)
Arrival / lobby area / service counter / Orientation, VIC		270m ²
Interpretation zone (timeline, static exhibition, touchscreens)		609m ²
Timeline, static displays, touchscreens, simulator	461m ²	
180 degree theatre	111m ²	
Escape rooms (2)	37m ²	
Café (kitchen)		37m ²
Café dining area (50 pax)		51m ²
Gift shop / retail and store		43m ²
Restaurant (dining 60m, kitchen etc 41m)		101m ²
Corporate services / themed function rooms		371m ²
Offices (5)	76m ²	
Staff / tea	12m ²	
Education and training rooms / Meeting Room	83m ²	
Exhibition / Function room (100)	200m ²	
Toilets (access 16m, F 38m, M 40m)		94m ²
Storage (74m ² , course 11m ²)		85m ²
First aid		10m ²
Cleaners		13m ²
Maintenance		27m ²
Indoor total		1,711m²

Figure 4.17 Site plan for the proposed attraction 'ADAPT'



Figure 4.18 North and east elevation of the proposed attraction 'ADAPT'



Figure 4.19 South and west elevation the proposed attraction 'ADAPT'



The building

The concept

The proposed concept seeks to, through a considered program, form and materiality, create an interpretation of the regions diverse character and contribution to Australian, demonstrates the successes, challenges, embodied resilience, transition, adaptation and innovation. In doing so the built form creates a connected, grounded and meaningfully place, founded on the following conceptual ideas of:

- **The Shed** – a single grand space to bring together the diverse range of ideas and aspirations as a shared expression of the vision that the future journey is together. This is further reinforced by the aptness of the shed typology to resonate with rural and mining building vernacular and to blur the lines between inside and outside
- **Fractured form** – mimicking the coal stockpiles and open cut mine benching, as well as acknowledging that the journey will not be simple or unblemished
- **Sculptural and Iconic** – opportunity to be a strong and distinctive feature in a somewhat “plain” landscape
- **Timber** – to represent renewal and environmentally innovative structure. Be warmer in expression, softening the overall expression. Additionally, the timber frame creates a forest of trees which is a link to timber getting early industry of the Hunter and the timber that was cleared to make way for post-colonial settlement and industry
- **Steel** – which is **intrinsically connected** to the Hunter Valley, an expression of technical refinement in the connections and detailing
- **Tower elements** – further referencing the vernacular of mining and dairy farm structures

- **Power** – expression of transition in power generation by the inclusion of solar panels

The built features

These conceptual ideas are realised in the built form as:

1. An extended pedestrian arrival interpretation outdoor exhibit that physically expresses the journey of adaptation
2. Two main pavilions; one visitor and one corporate to provide distinct experiences and services, supported by two smaller pavilions; a Café and amenity pod to connect to the activity attractions and a service pod housing, power, water reuse waste management and maintenance facilities
3. An open building connected with the landscape, which reorients the visitor experience to the broader natural landscape
4. A low-pitched roof form that references the ubiquitous steel shed typology that houses the functions of agriculture and mining
5. The built form is located further down the site to access distinct view to the south and northwest
6. Create a relationship with the water feature, existing farm building and move away from the existing powerlines
7. Arranging the accommodation pods along a contour overlooking the water feature and with views to the south and north.

These organising elements manifest into a repeatable vernacular form that is able to integrate multiple diverse uses in one coherent architectural program and be grounded in the region and connected to the landscape.

Figure 4.20 Render of the site complex from the entrance



Figure 4.21 Render of the site complex from the south west



Figure 4.22 Render of the café overlooking the splash park



Figure 4.23 Render of the interpretation driven walk approach to the building



Figure 4.24 Render of main entrance



Figure 4.25 Render of the visitor centre / entry



Figure 4.26 Render second pavilion corporate section includes conference and training rooms



Figure 4.27 Corporate pavilion (left) and outdoor dining section of restaurant (right)

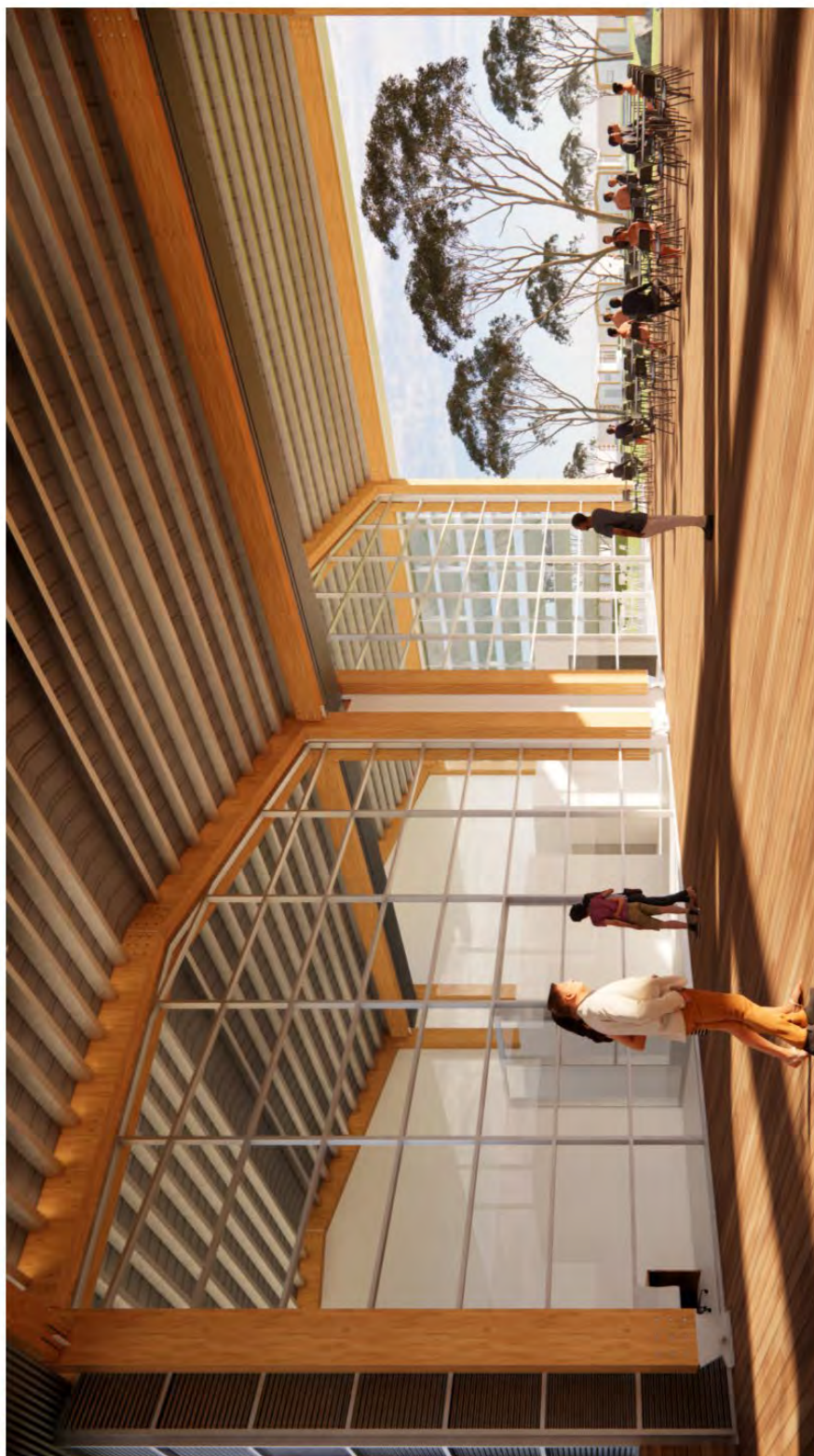


Figure 4.28 Render of the regional themed obstacle course

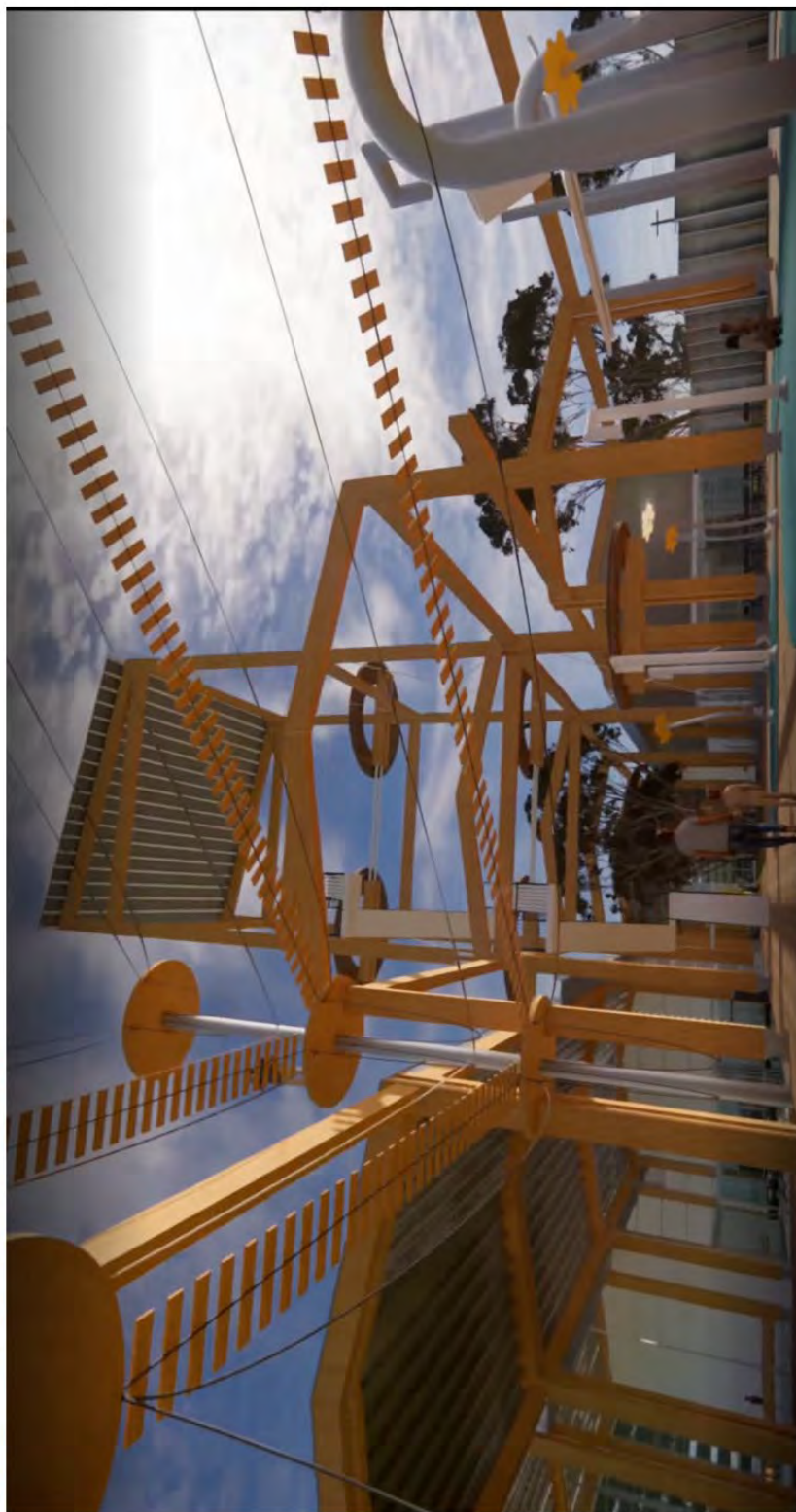


Figure 4.29 Render of regionally themed Splash Park and maze



4.5 Potential markets

ADAPT presents a real challenge to attract enough visitors to make the operation viable, and not predominantly ongoing dependence on subsidies, donations and grants. An analysis of the potential markets and what might be required to attract them is critical to the feasibility of this prospect. **Attachment B** provides a high-level analysis of the Upper Hunter Visitor economy.

This proposal needs to build its own visitor base and attract locals and business market, not just leisure visitors

In the four financial years pre-Covid, annual overnight domestic visitors averaged 122,000 to Muswellbrook and 536,000 to the Upper Hunter. This is a really low base, representing only 3% and 14% of total domestic overnight visitors to the Hunter Region in these years.

Table 4.5 shows that The Upper Hunter and Muswellbrook in particular has a heavy reliance on business and well below average reliance on holiday markets than visitation to the Hunter region as a whole.

Table 4.5 Four-year average visitation to the Upper Hunter and Muswellbrook (pre COVID, Source: TRA)

Travel purpose	Hunter Region	Upper Hunter	Muswellbrook	Upper Hunter	Muswellbrook
Holiday	41%	30%	160,800	23%	28,060
Visiting friends and relatives	38%	38%	203,680	39%	47,580
Business	16%	27%	144,720	31%	37,820
Other reason	4%	3%	4,680	2%	2,440
In transit	1%	4%	14,240	5%	6,100

A core challenge for ADAPT is that the Upper Hunter Region is not a major overnight or domestic day trip leisure destination and does not have sufficient attractions and related things to do that attract a base market from which this proposal can leverage off.

Tripadvisor.com.au provides an extensive listing of key things to do throughout Australia. By looking at a range of non-coastal NSW towns of similar population to Muswellbrook it is clear that other towns are much further ahead in attracting visitor interest. **Table 4.6** reports this comparison by also using local government area population data from the 2016 ABS Census.

Table 8.8

The Muswellbrook and other LGAs in the Upper Hunter have a comparative paucity of visitor attractions compared to other NSW LGAs of similar population.

LGA	Resident population	Tripadvisor Top 10 things to do	Most reviewed attraction	Tripadvisor reviews per head of resident population
Muswellbrook (A)	18,086	192	Hunter Belle Cheese (71)	1.2%
Singleton (A)	22,990	279	Australian Army Infantry Museum (92)	1.2%
Upper Hunter Shire (A)	14,112	120	Lake Glenbawn State Park (96)	0.9%
Parkes (A)	14,611	1,227	CSIRO Parks Observatory (833)	8.4%
Moree Plains (A)	13,158	390	Moree Artesian Aquatic Centre (292)	3.0%
Armidale Regional (A)	29,451	1,043	Waterfall Way Scenic Drive (355)	3.5%
Broken Hill	17,709	4,637	Broken Hill Sculptures and Living Desert (1,028)	26.2%
Walgett	6,112	2,474	Chambers of the Black Hand – Lightening Ridge (682)	40.5%

Source: Tripadvisor.com.au and ABS Tablebuilder for the 2016 Census

Consequently, this proposal will need to attract its own visitors, and this means being located in the optimal location, being highly differentiated and relevant in its stories, and offering a range of experiences that attract as many of the potential markets as possible.

Muswellbrook needs a major attraction to grow its visitor economy

Acknowledging existing attractions like the Muswellbrook Art Gallery and future small to modest attractions proposed but not yet built, Muswellbrook still needs a major attraction to grow its visitor economy.

The proposed road bypasses of Singleton and Muswellbrook make this project more urgent. The proposed Muswellbrook bypass is likely to reduce the visitor market to Muswellbrook. Many visitor economy businesses in these towns have relied on passing traffic stopping for a meal, overnight stopover or to buy supplies. So, a major tourist attraction that compensates for this would help these businesses. The highway bypass also raises the need to select a site where there is significant passing trade, or have to market even harder to attract visitors, and run the risk of not attracting enough paying visitors for the attraction to be viable.

Unmet demand for certain accommodation

The history of the Perth visitor accommodation market during the recent mining boom, highlighted the challenges for attracting leisure overnight stays when a major and high yielding industry has significant demand for visitor accommodation.

An even more extreme version of this situation has faced the Upper Hunter region in recent years. Over the four years pre-Covid ending in 2019, hotel/motel and similar property domestic visitor nights due to business visitors was 5.3 times that of holiday visitors in the Muswellbrook area and 3.4 times that of holiday visitors in the larger Upper Hunter region that includes Muswellbrook, Singleton and Scone areas. In contrast, across NSW as a whole and for the Hunter tourism region business

visitor nights in hotel/motel and similar properties was only 80% of visitor nights due to holiday visitors.

Potential target markets

Leisure target markets proposed are:

- Families with children aged 7 – 16 years, often on longer driving holidays;
- Couples aged 40 – 60;
- Grey nomads and wealthier seniors using New England Highway;
- Weddings; and
- Source markets: Hunter region, Central Coast and regional NSW.

Business target markets proposed are:

- Regional businesses requiring a differentiated education, training, meeting and modest sized exhibit venue with contemporary audio-visual support
- Business markets seeking a function space
- Source markets: regional mining and affiliated service providers

4.6 Proposed staging

Staged introduction

This proposal has been drafted to be built all at once. We believe that the business will work better with as many elements as possible creating maximum appeal to the market and helping to create an economy of scale that helps achieve profitability. We also believe that the funding potential from the Commonwealth is likely to be optimised in the short term, and that ADAPT would be cheaper to build in one stage.

Table 4.7 presents the proposed staging, suggesting that the earliest operations start-up date could be January 2025. Cost estimation and forecasts (visitation and financial) have used this staging.

Funding procurement should be achieved in 2022 through the use of this Business Case and work with the funding organisations to provide further information and secure the funds. With seed funding, there should be an opportunity to commence detailed design in the latter part of 2022. The construction and fitout period has been given 18 months to a turnkey delivery of a functioning building and site. Pre-opening should commence at least three months before construction is completed, allowing time for recruitment, training and marketing to raise market awareness and interest. The business could start in January 2025 with a soft opening and then a more formal and larger opening three months later, once operations have been smoothed over.

Table 4.7 Proposed staging plan

Phase	2022	2023	2024	2025
Funding procurement				
Detailed design and approvals		Nov	June	
Construction			July	December
Pre-opening				Oct - Dec
Opening				January

Nonetheless, funding for the full development may not be achieved in one tranche, and staging may have to be considered via a second or even third tranche of funding. In the worst-case scenario where two further rounds were required, creating a three staged approach, then we would recommend:

- Stage two: the outdoor recreation products – the aerial obstacle
- Stage three: accommodation

This staging would allow the full building to be constructed in one stage, thereby minimising cost escalation to building construction and minimising disruption to operations.

Expansion

If the market responds well to the first 12 tiny houses, there is potential to add an additional eight or more. There could be demand from the leisure family market, in which case a slightly larger building with additional beds could be developed. There is plenty of room and capacity within the service infrastructure.

5. Governance

5.1 Organisational structure

Introduction

Effective governance requires the structure and systems of an organisation being a good fit with the strategy of the organisation. The systems of an organisation include how the organisation makes decisions and how it manages stakeholder interaction. Governance options were evaluated as a key element of this business case.

Land ownership

A land agreement is currently being worked up between Bengalla Mining Company Pty Limited (Bengalla Mining) and UHRM Inc. The land that has been surveyed for the project and that is required for the development would be made available to UHRM Inc. as a lease. Bengalla Mining would maintain ownership of the land until the Bengalla Mine closed, at which time the ownership would pass to the UHRM Inc.

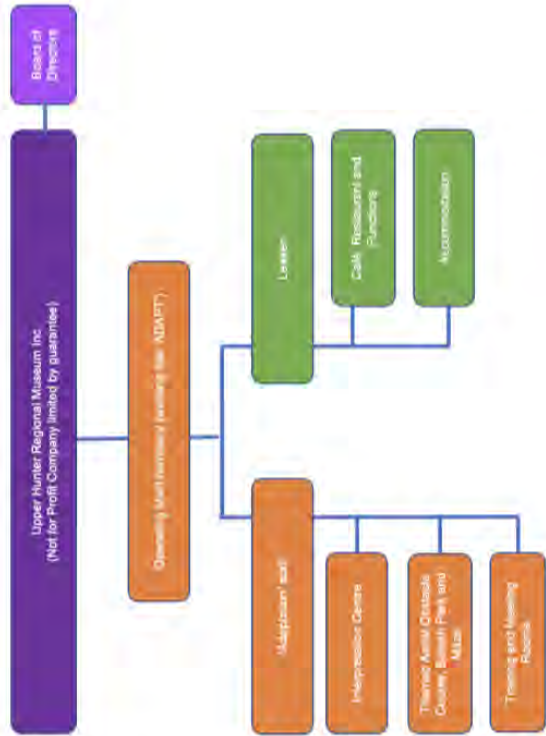
Separate land and buildings owner from operator

We recommend that the proposal has two entities – one for the lease for the Bengalla land and to own the buildings and related assets ('L&B entity', Upper Hunter Regional Museum Inc.) and a second structure to run the operations ('operations entity' working title ADAPT) (see Figure 5.1). Three key reasons behind this are:

- 1. The skill sets required for a Board for an L&B entity and an operations entity are different. This can offer the opportunity for high profile Chairpersons and Board members with the right networks to lead the fundraising efforts with vision and energy, perhaps donating significant funds themselves.

- 2. The operational viability of these types of projects are at a high risk, and therefore the commercial risk of operating needs to be separated away from the land and buildings investment.
- 3. Having a separate entity solely focused on fundraising can increase an entity's capacity to access private sector and Government funds. Further, dedicated staff or consultants with the right expertise can spend time nurturing relationships with donors.

Figure 5.1 Proposed organisational structure for this proposal



L & B entity

The L&B entity should be a not for profit company limited by guarantee. It should have a shareholder's agreement that deals with matters such as equity holding, Board appointments, etc.

It is imperative that the UHRM Inc is suitable for receiving direct funding rather than it having to be auspiced through another entity.

DGR status

The L&B entity should be able to provide income tax exemption or DGR status in its own right. When looking at contributions from a private company or philanthropic donor perspective, it is worth noting that the Australian Taxation Office (ATO) states a donation is an unconditional and voluntary transfer of money, property, assets or services to an organisation or individual. In order to constitute a gift under taxation law, a donation must be offered voluntarily and not as a result of a contractual obligation. The donor cannot receive any material benefit, nor can there be any expectation of a benefit in return.

When the individual or business providing the support receives something tangible or of commercial value in return, then the contribution is not a gift for taxation purposes. In these cases, contributions may be classified as sponsorship.

Sponsorship is a commercial agreement between an organisation and a sponsoring business with the aim of mutual benefit; both material and organisational. Sponsors can provide cash and/or in-kind support in exchange for such benefits as tickets to performances, access to new audiences and markets or naming rights. Unlike a donor, a sponsor is not entitled to a tax deduction for support provided as they are receiving a commercial benefit in exchange for their support. Supporting businesses can claim a tax deduction for legitimate business expenses.

Private operators and philanthropic groups should seek their own tax advice on how they structure their support.

Board composition

UHRM Inc has a start-up Board. Once development funding is procured and the development proceeds, there could be value in a change where the initial Board could expand and/or change to be representative of the new stakeholder / shareholders / investors that are attracted to ADAPT during the latter operational phase. In this sense, Directors could be sourced from: representatives of the principal public, private and NGO investors; regional Aboriginal organisations; the regional tourism organisation; and skills such as tourism; marketing, financial and legal expertise.

There could be value in the Board transitioning some of its members through the three phases of project development and implementation:

- Stage 1 – Fundraising & governance activation (Development Board)
- Stage 2 – Develop the Proposal (Development morphing into an Operations Board)
- Stage 3 – Commence full operations (Operation's Board)

Table 5.1 presents the evolving skills needed to match each phase of the implementation of the project.

On transitioning from a Phase Two Board to a Phase Three Board, the individual investor's representative Board may not meet the desired skill sets. On this basis, such skill sets would simply need to be contracted to the organisation as professional advisors, which would still achieve the same outcome.

Table 5.1 Evolving skills needed to match each phase of the implementation of the Proposal

Phase	Interstate overnight tourism	Notes
1. Sourcing Funding orientation	<ul style="list-style-type: none"> Fundraising and financial management Stakeholder consultation and partnering Land acquisition and property law 	The Board would need to contract a Project Manager to oversee activities, including the contracting of specialists
2. Development orientation	<ul style="list-style-type: none"> Project and consultation management Stakeholder consultation and partnering Legal and financial management Attraction development Curatorial and interpretation design 	The Board would need to recruit a Centre Manager, who would source lessees and recruit operational contractors, staff and volunteers
3. Operations orientation	<ul style="list-style-type: none"> Legal and financial management Business and lessee management Stakeholder consultation and partnering Human resource management Attraction marketing Attraction product reinvigoration 	

Operations Entity

The choice of structure for an operations entity could also be not-for-profit so that it too could be a charitable company limited by guarantee, with its sole member being the land and building holding entity or, with 100% of shares held by the land and buildings entity, a company / charitable trust structure. A sub-lease could be drawn up between the two entities. The lease to be either a peppercorn arrangement with the operations entity being responsible for maintaining a sinking fund and upgrading the asset, or the rent to allow for a sinking fund to be held by the land and buildings entity.

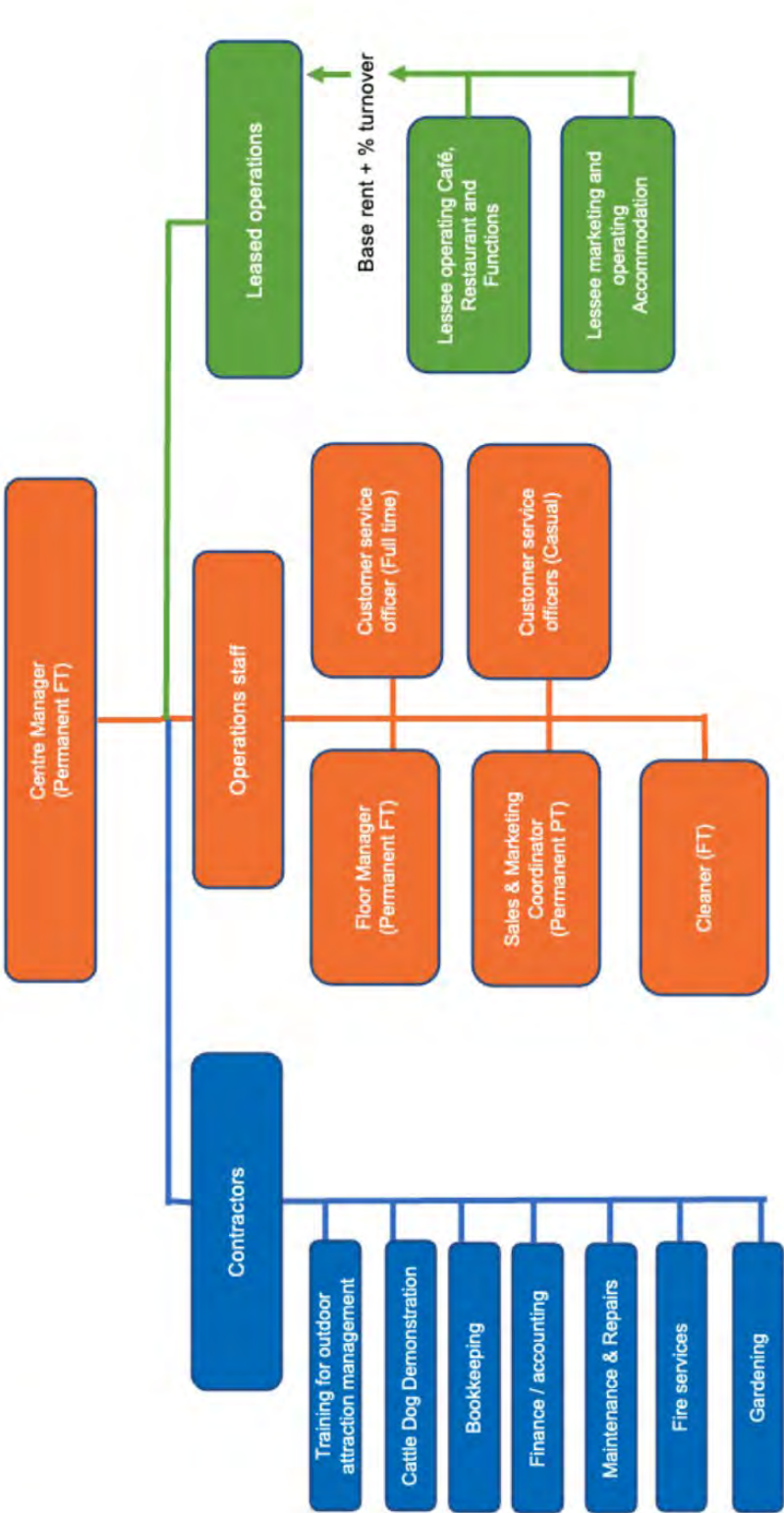
The day to day trading / operations entity (which we have tentatively named ADAPT as a working title for easy reference) would have some staff for core operations, and leases to other operations for non-core business.

In recognition that the following areas are outside of a standard small to medium sized attraction operation, it is proposed to seek operators to run the café / restaurant and functions, and an operator to run the accommodation. These operators would undertake their own marketing and pay a base rent plus a percentage of their turnover to the ADAPT operation. The staff that would be engaged to support the attraction, and the contracts that would be let to support the attraction, are shown in an organisational structure diagram, in **Figure 5.2**.

Stakeholder Advisory Group

It is recommended to establish a Stakeholder Advisory Group, reporting to the Board. The Group could assist with relationships, intellectual property and assuring benefits flowed through to the local community.

Figure 5.2 Operating structure for the proposed operation



6. Development costs and funding

6.1 Indicative development costs

Assumptions

- There is no cost for the acquisition of land on which the attraction would be built.
- The site works and building cost estimates have been prepared by Aaron Still Consulting, based on specifications of works provided by AMC Architectural drawings (location plan, site plan, ground floor building plan, roof plan and elevations (see **Section 4**).
- The interpretation fitout of the visitor centre and the outdoor attractions have been prepared by SMA Tourism, using benchmarking of comparable attractions (see **Attachment E** for case studies)
- Construction will occur between July 2023 and December 2024
- The pre-opening phase will include the following costs
 - Centre Manager employed 6 months prior to Centre opening to contribute to fitout decisions, set up business plan, operating systems (marketing, human resources, financial and stock management) and recruit staff and contractors
 - Sales and Marketing Co-ordinator employed 4 months prior to Centre opening to establish marketing plan, brand, marketing collateral and critical relationships
 - Floor Manager employed 2 months prior to Centre opening to set up reception and gift shop / retail

- Staff and contractors employed one week prior to Centre opening to allow for training
- Serviced office for Centre Manager and Floor Manager to work on prior to Centre opening
- Trainers to be engaged to train all staff for indoor and outdoor activities
- Insurance policies activated prior to Centre opening
- Leasing of motor vehicle for Q1
- Sundry includes staff uniforms, badges, offices supplies etc
- Cash float, to include advance salary and contract payments for first quarter of operational year

Forecast development costs

The proposal is forecast to cost \$34.4M excluding gst. **Table 6.1** presents a high-level breakdown of the key components. A detailed breakdown of the scope and subsequent costs can be found in **Attachment F**. The key costs are:

- \$8.1M Visitor centre / corporate facilities building;
- \$3.8M accommodation and its site works
- \$2.8M site works
- \$2.4M regionally themed aerial obstacle course;
- \$1.2M regionally themed splash park

The proposal differs from a standard regional city museum, in that it has slightly less floor space for traditional exhibition, but additional costs associated with an immersion theatre and two productions, as well as two major regionally themed outdoor attractions – the aerial obstacle course and splash park, and pre-opening costs, which are often forgotten.

Table 6.1 Development costs for upgrade of day use area

Item	Scope	Cost
Visitor Centre	New building works	\$8,126,800
	Site works	\$2,795,925
	External services	\$720,000
Outdoor Activities	Themed splash park	\$1,250,000
	Themed aerial obstacle course	\$2,450,000
	Themed 3D Maze	\$250,000
Accommodation Facilities	Building works	\$3,000,000
	Site works	\$366,850
	External services	\$426,000
Total of trade costs (excl GST)		\$19,385,575
Preliminaries, management and supervision, overheads and profits	Fixed preliminaries	\$872,351
	Management and supervision	\$1,356,990
	Overheads and builders' profit margin	\$969,279
	Rounding	\$15,805
Total of construction costs (excl GST)		\$22,600,000
Add on components	Speciality fitout components	\$3,545,000
	Furniture, fittings and equipment	\$90,000
	Professional fees	\$1,990,000
	Council fees and charges	\$395,000
	Escalation	\$1,605,000
	Contingencies	\$3,390,000
Total of project costs (excl GST)		\$33,615,000
Pre-opening costs		800,000
Total development costs		\$34,415,000

Comparative development costs

Table 6.2 presents some development costs for comparative proposals in comparative Australian regional settings and indicates that this build at \$34.4M (excl GST) is on par to them, and should be considered as a justifiable cost.

Table 6.2 Comparative development costs of ADAPT to similar proposals

Development and location	Development cost and date	Components
ADAPT Upper Hunter Region, NSW	\$34M 2022	New build Carpark, orientation exhibition, gift shop / retail, extensive interpretation exhibition, conference / function / training space, café, restaurant, themed aerial obstacle course, themed Splash Park, 12 unit accommodation, offices
Expansion of Bundanon Art Museum, South Coast NSW	\$34M 2021	Extension and refurbishment Exhibition space, Creative Learning Centre, café, art storage facility
Kimberley Cultural Centre, Broome Western Australia	\$36M 2018	New build Orientation exhibition, interpretation exhibition, theatre with two feature films, café / restaurant, children's indoor play area, offices
Warrnambool Art Gallery, West Coast Victoria	\$40M 2021	New build Extensive exhibition space, café, gift shop / retail, function space, art storage facility, offices
Tidbinbilla Visitor Centre	\$19.5M 2021	New build Carpark, orientation exhibition, theatre and two films, small interpretation exhibition space, café, education centre, offices
Waltzing Matilda Centre, Winton, Qld	\$21M 2017	Static and interactive museum and exhibition, art gallery and cafe

6.2 Potential funding sources

Most of the relevant funding programs open and close at the end or early months of each calendar year. Most also seek pre-approvals for the development and matching funding contributions from the proponent (or secured other funders).

Commonwealth government funding

This Business Case has been prepared to target the Commonwealth government in the lead up to the Federal election in the first half of 2022. The Federal seat is marginal and proponents for the seat are looking for community projects that will support diversification of the regional economy and rally innovation and job creation through a new brand and vision for the region.

Building Better Regions Fund Infrastructure Stream - Round 6

The most directly relevant Commonwealth funding program to this proposal is the Building Better Regions Fund Infrastructure Stream. The Infrastructure Projects Stream supports projects that provide economic and social benefits to regional and remote areas. The specific assessment criteria are:

1. Economic benefits of the project for the region (15 points)
2. Social benefits of the project for the region (15 points)
3. Capacity, capability and resources to deliver the project (5 points)
4. Impact of funding on the project (5 points)

The projects can be either construction of new infrastructure or the upgrade or extension of existing infrastructure. The Infrastructure Projects Stream only supports investment ready projects. Applicants can be an incorporated not for profit organisation or non-distributing co-operative.

The Program offers grants of between \$20,000 and \$10M, for between 50% or 75% of eligible project costs. However, location will determine the percentage of grant funding provided, and proponents can apply for a partial or full exemption to their contribution requirement if they can demonstrate that they are experiencing exceptional circumstances. In the case of the Upper Hunter, the reduction in coal mining and coal generated energy should be an example of this. We believe that this argument may be able to also increase the amount of funding.

Projects need to be located in a pre-approved regional area. This has been tested using the grant program map, which confirmed that the location is an included area (inner regional) Australia.

Projects need:

- confirmation of required approvals (are they in place or being sought);
- how goods and services will be procured;
- how will the project be delivered on time and on budget and to the required standards (e.g. who will manage the project and what governance arrangements are in place);
- details on the key risks (at least three) to your project and the mitigation or management strategies in place across the life of the project; and
- operational needs of the project into the future, a strategy to manage the project and to maintain the ongoing viability of the completed project.

A sound Business Case format addresses most of these requirements (except approvals).

Applications for the latest round closed on 10 February 2022, but are likely to reopen later in 2022 for the next round.

<https://www.grants.gov.au/Go/Show2Go?uid=c219a2fc-dd32-46a3-b19d-655dce335501>

<https://business.gov.au/grants-and-programs/building-better-regions-fund-infrastructure-projects-stream-round-6>

NSW government support

There is also an opportunity to increase available funds, or leverage alternative funds by attracting some NSW government support for ADAPT. The diverse objectives and benefits of ADAPT allow it to match several funding programs, and this combined with the scale of ADAPT may mean that it is considered as a stand-alone proposal. Due to the scale of this proposal, funding programs under \$150,000 have not been considered.

Experience Development Fund

The best match to this proposal is the Experience Development Fund, but the funding is limited to a modest \$80,000 to \$150,000 on a dollar for dollar basis. This fund is available to businesses that are proposing to develop a new attraction or experience in NSW that directly aligns with the NSW strengths identified in the Visitor Economy Strategy (VES) 2030. Industry Associations and new or existing tourism operators based and operating in NSW, including Greater Sydney, can apply.

Applications for the latest round closed on 16 January 2022, but are likely to reopen later in 2022 for the next round.

<https://www.destinationnsw.com.au/tourism/business-development-resources/funding-and-grants/tourism-product-development-fund#edf>

Creative Capital

Creative Capital grants are available to fund new infrastructure or to upgrade existing cultural infrastructure to make existing spaces fit for purpose, such as high performing museums, theatres, performance spaces, galleries, Aboriginal Cultural Centres, Keeping Places and language centres across NSW. The larger stream offers grants of between \$250,000 to \$5M, supported by a Business Case.

Applications for the current round close on 28 March 2022, but the next round is likely to open in December 2022.

<https://www.create.nsw.gov.au/create-infrastructure/creativecapital/>

This fund appears to have replaced the Infrastructure Grants: arts and culture program

<https://www.nsw.gov.au/grants-and-funding/clubgrants-infrastructure-arts>

Multi-Sport Community Facility Fund

While not a straight match, the provision of the Aerial Obstacle Course and Splash Park could be argued to be community sport and recreation facilities worth funding under the Multi-Sport Community Facility Fund. This fund is offering \$1M to \$5M on a dollar for dollar basis. An argument would need to be developed that while the proposed facilities are not purely targeted at sport, they do deliver physical and technical recreation and sporting skills for the local community that are not currently present. Similarly, an argument would need to be created that while the proponent does not have sport and recreation as the only objective, it is one of its objectives. Among others, this fund is available to: organisations providing sport and recreation programs that benefit the community, and Private enterprises (for-profit organisations).

Eligible projects include: aquatic and leisure centres; construction of new or significantly improved walking, running, fixed outdoor exercise equipment, or off-road cycling trails that are an integral component of the sport facility development; and amenity buildings.

Applications for the current round close 25 February 2022 but the next round is likely to open late November 2022.

<https://www.sport.nsw.gov.au/grants/multi-sport-community-facility-fund>

6.3 Potential funding mix

It is recommended that funding this project should start with the private sector, followed by the Commonwealth, and then the NSW government.

Table 6.3 presents the proposed breakdown of how all of the development costs could be funded. The development costs of project are \$37.8M (\$34.4M excl GST) (see Section 6.1) . The value of the land, indicative value of major objects for display/interpretation and costs to date are proposed to be funded by the private sector. Table 6.3 specifically identifies that the private sector is likely to contribute 5% (\$1.97M) in kind and cash, the Commonwealth might contribute 81% (\$30M) and the NSW government 5% (\$5M). Our recommended approach is a staged approach as follows:

1. Phase One (March / April), source seed fund leverage from private sector

- Land for the site, legal and commercial arrangements with Bengalla Mine to be finalised.
 - Major objects for display / interpretation from various regional entities

2. Phase Two (April / May) source a commitment for the majority of development funds from the Commonwealth

- Visitor Centre building, infrastructure, landscaping, Preopening on-costs
3. Phase Three (June - September) secure funds from the Commonwealth and source a pledge from the NSW government

- NSW government fund outdoor attractions and accommodation
4. Phase Four (October - December) secure funds from the NSW government

Table 6.3 Proposed breakdown of funding to support this project

Major elements	Private sector	Commonwealth government	NSW government
Land for the site	\$500,000		
Major objects for display / interpretation	\$1,250,000		
Visitor Centre building, infrastructure, landscaping (spent to date)	\$220,000	\$14,000,000	
Outdoor attractions		\$6,000,000	
Accommodation			\$5,000,000
Preopening and on-costs		\$1,000,000	
Add on components		\$9,000,000	
Total contribution (rounded)	\$1,970,000	\$30,000,000	\$5,000,000
Proportion of total	5%	81%	14%

The following sections explore the potential sources and suggest how to approach each of these funding sectors.

7. Visitation & financial performance

7.1 Assumptions for visitation

We have made the following assumptions in estimating visitation to the proposed new attraction:

- 1. The development is as outlined in **Section 4** of this report, with a strong focus on providing engaging experiences
- 2. There is a supportive funding commitment from the Commonwealth government in 2022 for all of the proposal, or the vast majority with the NSW government meeting the gap
- 3. Construction of the development occurs in July 2023
- 4. The full proposal becomes operational January 2025 financial year. This rapid timeframe for development is important in boosting visitation to the facility, as it gives the facility more time to establish its market profile before the New England Highway bypass of Muswellbrook opens
- 5. The Muswellbrook bypass on the New England Highway opens in mid 2026
- 6. The location of the facility as a 5 - 7 minute diversion from the New England Highway to the south of Muswellbrook reduces visitation significantly compared to sites on the Highway or the bypass of Muswellbrook

¹¹ Guardian Australia reported that about 60% of Australia's electricity over the past year came from burning coal. That proportion is gradually diminishing and the country's coal power stations are ageing, but under current closure schedules Australia will continue to use coal power until the late 2040s. This article also

- 7. COVID impacts on domestic interstate, international inbound and outbound travel are overcome by the start of 2024
- 8. Political debate about the future of coal mining and coal power in Australia becomes increasingly contentious with strong views on both sides¹¹. Visitor attractions which provide education about the coal industry's benefits, including substituting for more polluting overseas mined coal, as well as environmental costs are rare in Australia, and this attraction is forecast to appeal proportionally more to regional than city-based Australians
- 9. A key measure of success for the new attraction is achieved with strongly positive social media reviews of the attraction including those on TripAdvisor and Google highlighting its quality, interactivity and value for money. The following forecasts recognise that increasingly social media reviews drive destination and attraction choice in Australian tourism. A concern for this attraction is that the political sensitivity of many potential visitors to coal mining may influence the average ratings in social media commentary.

reported that Australia has the world's highest per capita greenhouse gas emissions from burning coal for power <https://www.theguardian.com/environment/2021/nov/12/australia-shown-to-have-highest-greenhouse-gas-emissions-from-coal-in-world-on-per-capita-basis>

7.2 Using tourism data to estimate pre-COVID passing through and Upper Hunter visitation markets

The high traffic volumes on the New England Highway and comparative lack of reasons to visit and particularly stay in the Upper Hunter mean that this area currently largely competes as a stopover on the way to elsewhere rather than as an overnight destination.

This section estimates the scale of the potential markets to a new attraction of those coming to Muswellbrook to stay or visit and those passing through Muswellbrook on the New England Highway.

The Transport for NSW website for the Muswellbrook bypass notes that the New England highway carries between 11,000 and 20,000 vehicles through the township (including intra-Muswellbrook traffic) each day, about 13 per cent being heavy vehicles. Put in annualised terms and the scale of the vehicle traffic in light vehicles is estimated to carry between 3.1 and 5.7 million adult travellers per year. These estimates were made after excluding heavy vehicle passengers and allowing for an average of 1.8 adult visitors per light vehicle and two-way flows through Muswellbrook.

Looking at TRA data for 2019 and the major sources of these adult traveller flows through Muswellbrook is estimated to be:

- 400,000 adult overnight travellers to the New England and North-West Region of NSW by self-drive vehicle from a combination of Sydney (48%), Hunter region (41%) and Central Coast region (11%);

- 280,000 adult overnight travellers from the New England and North-West region of NSW by self-drive vehicle to a combination of Sydney (43%), Hunter region (51%) and Central Coast region (6%);
- 190,000 adult overnight travellers to Queensland by self-drive vehicle from a combination of Sydney (43%), Hunter region (51%) and Central Coast region (6%). This is estimated by assuming that a quarter of this travel flow by self-drive vehicle takes the New England Highway through Muswellbrook, with the Pacific Highway being the more common route;
- 140,000 adult overnight travellers from Queensland by self-drive vehicle to a combination of Sydney (43%), Hunter region (51%) and Central Coast region (6%). This is estimated by assuming that a quarter of this travel flow by self-drive vehicle takes the New England Highway through Muswellbrook, with the Pacific Highway being the more common route.
- 200,000 adult overnight travellers staying in the Hunter region from anywhere in Australia but outside the Upper Hunter area passing through Muswellbrook during their overnight stay in the region. It is assumed that only one in 16 of the overnight visitors to other areas of the Hunter pass through Muswellbrook during their stay in other areas of the Hunter region.

In addition, to these major source markets travelling through Muswellbrook there are a range of other smaller self-drive markets such as visitors from Victoria and other areas of regional NSW who travel through Muswellbrook on their way to the New England and North-West region or Queensland. In addition, there will be travellers from the New England and North-West region or Queensland travelling to Victoria and other areas of regional NSW through Muswellbrook.

If we sum these markets who don't stay, day trip to or live in the Upper Hunter area we estimate that there were approximately 1.9 million adult overnight visitors per annum passing through Muswellbrook in 2019.

In addition, looking at tourism to the Upper Hunter area in TRA data for 2019:

- 400,000 adult overnight travellers from the Upper Hunter area (Muswellbrook, Scone and Singleton plus surrounding areas). With many of these overnight stayers in the area making multiple trips through Muswellbrook on their stay in the region; and
- 400,000 adult day trip visitors to the Upper Hunter area or around 60% of total domestic day trip visitors to this area, as around a third travel to Singleton and its surrounding area.

The passing through the Upper Hunter market on a longer trip is around 1.9 million per annum or nearly three times the size of the market in 2019 who were staying in or focussing a day trip in this area (640,000 pa), after assuming that around 40% of the overnight visitors to the Upper Hunter are passing through Muswellbrook on a longer trip.

To reconcile this analysis with the higher count of estimated adult passengers in light vehicles on the New England Highway it is necessary to also include two major classes of travel by Upper Hunter locals that provide vehicle travel on the New England Highway at Muswellbrook. The first and larger category is expected to be Upper Hunter locals travelling within 25 kms of home and this is not counted in Tourism Research Australia travel data and can't be estimated. The second category is the domestic overnight trips and domestic day trips by Upper Hunter locals:

- 310,000 adult overnight travellers who live in the Upper Hunter area (Muswellbrook, Scone and Singleton plus surrounding areas) make overnight trips by self-drive vehicle to other areas of Australia of which 150,000 are assumed to travel through Muswellbrook; and
- 740,000 adult day trip visitors who live in the Upper Hunter area made day trips by self-drive vehicle to other areas of Australia of which 350,000 are assumed to travel through Muswellbrook.

Therefore, in summary, analysis of TRA data has produced an estimate of total adult domestic tourism passengers in self-drive light vehicles travelling through Muswellbrook on the New England Highway of 3 million per annum. Locals only travelling within Muswellbrook (population 16,000 in 2016) on their trips are assumed to the remaining difference with the estimate of total adult passengers in light vehicles per annum on this road of between 3.1 and 5.7 million (average of 4.4 million). If the average Muswellbrook adult between 15 and 80 years of age (12,000 in 2016) made 120 trips per annum on the New England Highway total local road use for local trips would be 1.4 million per annum and total adult passengers in light vehicles in Muswellbrook would 4.4 million per annum.

Dubbo zoo as a case study of a regional attraction success

The Taronga Western Plains Zoo provides a case study of what a highly successful regional tourist attraction can achieve and is used here because of its location similarities as being close to a major highway seeking this passing trade as much as unique visitors. The Zoo is the number one inland regional attraction in NSW receiving between 200,000 and 300,000 visitors per annum. It receives visits from around 38% of all domestic overnight visitors to the Dubbo local council area but

only 2% of all domestic day trip visitors. It is an outstanding regional tourism success that is estimated to directly generate:

- 325 direct jobs in the Dubbo Regional Council LGA area;
- 134 indirect jobs in the Dubbo Regional Council LGA area; and
- 459 total jobs in the Dubbo Regional Council LGA area.

The Zoo opened to the public on 28th February 1977 and was the first zoo in Australia to be constructed on the open range principle. Over the last 45 years it has been financially backed by major state government investment and annual operating subsidies has transformed the Dubbo visitor economy from a reliance on through traffic, like Muswellbrook is now, to a strong regional visitor economy providing a third more jobs in the large geographic area of the local government area than manufacturing or the sum of agriculture, forestry and fishing.

As with other tourist attractions the major regional economic benefits are from businesses benefiting from increased visitation to the attraction such as accommodation, food and beverage services and retail services.

7.3 Forecasting visitation by eight key target markets

The following target markets for the Muswellbrook visitor attraction are analysed:

1. Capture of the pre-existing through Muswellbrook travel market that does not have Muswellbrook as a destination
2. Capture of the pre-existing domestic overnight visitor market staying in the Upper Hunter region

3. Capture of the pre-existing domestic day trip market to the Upper Hunter region
4. Generation of additional domestic overnight visits to the Upper Hunter region
5. Generation of additional domestic day trip visits to the Upper Hunter region
6. Capture of the local and visitor business/training facility user market
7. Capture of locals for the recreational experiences in the new attraction
8. Capture of local education students to the new attraction.

In assessing each of these target markets the assumptions at the beginning of this section are used. Across all tourist markets (1 to 5 in the list above), the major potential sub-markets are: families with children; singles, couples, grey nomads and wealthier retirees.

Table 7.1 summarises the visitation forecasts for adults (15 years old and above) for ADAPT by the seven target markets. These forecasts are explained in sub-sections 7.3.1 to 7.3.7. On average after the first year, just over 163 adult visitors per day on average are expected at the attraction, with the expectation that warmer months, weekends and school holiday periods have well above this number of daily adult visitors.

Table 7.2 summarises the corresponding visitation forecasts for children (14 years old and younger) by the seven target markets. Visitation by children will be much more seasonal than that of adults and more focussed on school holidays and weekends. Child visitors in the seven categories were respectively assumed to be the following shares of adult visitors: one-third (through traffic); one-fifth of the existing overnight and day trip market; one-third of the generated overnight and day trip visits; no business/training visits and 100% of the local resident adult visits. Forecasts were not developed for the school education market.

Table 7.1 Forecasts for attraction visitation of adults (15 years and older) from the eight target markets from 2024-2033

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1. Capture of the pre-existing through Muswellbrook travel market that does not have Muswellbrook as a destination	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
2. Capture of the pre-existing domestic overnight visitor market staying in the Upper Hunter region	12,700	12,700	12,700	12,700	12,700	12,700	12,700	12,700	12,700	12,700
3. Capture of the pre-existing domestic day trip market to the Upper Hunter region	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300
4. Generation of additional domestic overnight visits to the Upper Hunter region	6,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
5. Generation of additional domestic day trip visits to the Upper Hunter region	6,000	10,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
6. Capture of the local and visitor business / training facility user market	6,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
7. Capture of locals for the recreational experiences in the new attraction	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
8. Capture of local education students to the new attraction	0	0	0	0	0	0	0	0	0	0
Total visitation	47,500	57,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500

Table 7.2 Corresponding forecasts for attraction visitation of children (14 years and younger) from the eight target markets from 2024-2033

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1. Capture of the pre-existing through Muswellbrook travel market that does not have Muswellbrook as a destination	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125
2. Capture of the pre-existing domestic overnight visitor market staying in the Upper Hunter region	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540
3. Capture of the pre-existing domestic day trip market to the Upper Hunter region	860	860	860	860	860	860	860	860	860	860
4. Generation of additional domestic overnight visits to the Upper Hunter region	2,000	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667
5. Generation of additional domestic day trip visits to the Upper Hunter region	2,000	3,333	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
6. Capture of the local and visitor business / training facility user market	0	0	0	0	0	0	0	0	0	0
7. Capture of locals for the recreational experiences in the new attraction	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
8. Capture of local education students to the new attraction	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total visitation	14,450	16,725	17,392	17,392	17,392	17,392	17,392	17,392	17,392	17,392

7.3.1 Capture of the pre-existing through Muswellbrook travel market that does not have Muswellbrook as a destination

This is the largest potential market with a total of 1.9 million adult domestic overnight visitors estimated to pass through Muswellbrook each year, before the bypass is built.

The capture rate that is forecast assumes prominent signage directing traffic to the attraction on the New England Highway and later on the Muswellbrook bypass. An example of the assumed signage is that used to promote the Hunter Valley Gardens on the Hunter Motorway.

It is expected that average capture rates will be lower from travellers from Sydney (400,000) at 0.75 per cent than from the rest of Australia at 1% (1,500,000). Putting these numbers together gives 3,000 visitors to the attraction from Sydney and 15,000 visitors from other areas of Australia who are on their way through but not otherwise making the Upper Hunter a destination (for an overnight stopover or as a domestic day trip) for their travel.

7.3.2 Capture of the pre-existing domestic overnight visitor market staying in the Upper Hunter region

Domestic overnight visitors to the Muswellbrook and Muswellbrook Region SA2 are expected to commonly visit the new attraction. Without the strong profile of the Dubbo Zoo it is expected that 10% of these adult visitors are expected to visit the new attraction during their overnight stay in this destination. Table 7.3 indicates that overnight visitors staying in the neighbouring areas of the Upper Hunter Region of

the Scone+Scone SA2s and Singleton+Singleton SA2s are significantly less likely to visit the attraction.

Table 7.3 Forecasts for attraction visitation by pre-existing adult domestic overnight visitors to the areas in the Upper Hunter region

	Overnight domestic annual visitor for average of four years pre COVID	Capture rate	Total visits to the attraction
Muswellbrook & Muswellbrook region	122,000	10%	12,200
Scone & Scone region	123,000	4%	4,920
Singleton & Singleton region	169,000	3%	5,070
Total Upper Hunter region	411,000	0.0%	22,000

7.3.3 Capture of the pre-existing domestic day trip market to the Upper Hunter region

Existing domestic day trip visitors to the Muswellbrook and Muswellbrook Region SA2 are expected to less commonly visit the new attraction. This reflects the limited time available on day trips to fit in a further activity, as well as more sensitivity to access driving times and timing visitors to the new attraction around the core purpose of making the day trip.

Table 7.4 indicates that domestic day trip visitors to the neighbouring areas of the Upper Hunter Region of the Scone+Scone SA2s and Singleton+Singleton SA2s are significantly less likely to visit the attraction than day trip visitors to Muswellbrook and Muswellbrook Region SA2s.

Table 7.4 Forecasts for attraction visitation by pre-existing adult domestic day trip visitors to the areas in the Upper Hunter region

	Domestic day trip annual visitor for average of four years pre COVID	Capture rate	Total visits to the attraction
Muswellbrook & Muswellbrook region	196,000	2.5%	4,900
Scone & Scone region	160,000	1.0%	1,600
Singleton & Singleton region	282,000	0.36%	1,692
Total Upper Hunter region	638,000	1.3%	8,000

7.3.4 Generation of additional domestic overnight visits to the Upper Hunter region

Attracting new overnight visits to an attraction's region is what drives the largest regional economic contribution from a new attraction. This reflects that these visitors bring not just returns to the attraction but normally much larger incremental visitor spending to the region's visitor accommodation, food and beverage and retail service businesses.

The level of this generation is heavily influenced by the following key factors:

- the uniqueness of the offered experiences and how they are reported by social media;
- the length of time required to visit the experience;
- its timing in the day (night attractions have typically larger regional economic benefits per visitor);
- the competitiveness of the overall visitor experience portfolio available in the destination; and

- the competitiveness of the visitor accommodation available in the destination
- the travel costs facing the major source markets in reaching the attraction.

The experiences of the proposed attraction suggest an average duration of stay of around 2 hours. The low competitiveness of the overall visitor experience portfolio in the destination, implies reduced generation of incremental overnight stays.

There are two types of generation of new additional regional domestic overnight visits with a new attraction. Around half are assumed to be of longer duration trips passing through Muswellbrook that with the new attraction are shifted into overnight stays in the area. This portion of visitors to the attraction was already captured as a part of the first of the seven categories of visitors.

Whereas conversion of existing visitor markets to see a new attraction can happen comparatively quickly, generation of additional domestic overnight visits that otherwise would not pass through the region tends to take longer.

As shown in Table 7.1, there is an assumed progressive build up in the generated incremental overnight visitor stays from this attraction with an estimated half of these numbers being also included within the first category of target market as visitors on existing longer haul overnight self-drive trips. For example, in total for the first year of operations of 2024 the attraction is estimated to generate 8,000 adult overnight visitors to the Upper Hunter of visitors who would not otherwise come through this area as well as 9,000 additional overnight stays in the Upper Hunter of visitors who were otherwise travelling through the Upper Hunter region without staying overnight. Therefore, in this year, 24% of visitors to the proposed attraction are forecast to stay overnight in the Upper Hunter region who would not otherwise have done so.

7.3.5 Generation of additional domestic day trip visits to the Upper Hunter region

Attracting new domestic day trips to Muswellbrook is a key market opportunity for the proposed attraction. This will be influenced by social media commentary on the available experiences.

7.3.6 Capture of the local and visitor business/training facility user market

It is assumed that the training and seminar facilities find a ready market that builds quickly over the first two years with the mining and other employers in the area. If an average of 40 training and seminar visitors come to the facility per weekday, this generates around 10,000 annual visitors. It is also noted that many of these visitors may return to explore other experiences as local residents, domestic day trip or overnight stay visitors in Muswellbrook.

7.3.7 Capture of locals for the visitor centre

With a local population of around 12,000 adults from 15 to 80 years old in the Muswellbrook local government area it is assumed that in the first year that the average capture rate of the new facility will be 33%. This is expected to remain constant for the first three years after which it could decrease by 2% per annum as the market becomes saturated and repeat visitation less likely. Visitation to the café, restaurant, private functions and outdoor paid experiences attracts a portion of this market as well as some unique visitors.

7.3.8 Capture of regional school students

Bengalla Mine currently tracks approximately 240 school students per annum and this market does not leave the bus during the tour and would therefore very much

appreciate use of the visitor centre nearby for amenities. The development of a curricular based education program at the visitor centre would easily convert the existing mine tour students into paying customers at a concession rate. There is a larger education pool to tap into given that there are approximately 6,000 students in any one year from government high schools in the Upper Hunter, Lower Hunter, Maitland and Port Stephens, Newcastle and Lake Macquarie region. We have assumed a capture rate of these schools at 20% from students somewhere between the school years five to eight, which equates to approximately 1,200 students. In addition there is a private school student market that could increase this number further and is often more likely to take school excursions that public schools, but which has not been factored into our forecast.

7.3.9 Additional potential visitation from Mine Open Day Tours

The Bengalla Mine reports approximately 4,000-5,000 visitors engage in the Biannual Community Open Day. It is highly likely that the Open Day could be based at the facility and tours leave from there and people would become part of the visitor centre / museum paying visitation. We have not estimated a capture rate of this market and so not included potential additional revenue from this market.

7.3.10 Visitation to comparative regional centres

Another way to consider potential visitation to the visitor centre is to identify visitation to comparable regional centres. This can be useful as a final cross-check.

Table 7.5 presents visitation to visitor centres before and after they were reinvigorated / expanded and for new developments of greenfield sites (except for The National ANZAC Centre and Hunter Valley Gardens). These figures suggest

that a regional centre like that proposed typically attracts between 40,000 to 80,000 visitors per annum. Our forecast of 60,000 sits in the middle of this variance.

Table 7.5 Comparative visitation to regional visitor centres

Comparable operations	Old	New
Waltzing Matilda Centre	Pre fire 22,000	30,000
Australian Age of Dinosaurs	12,000	37,000
Hunter Valley Gardens		300,000 5 years later
The National ANZAC Centre	70,000	78,000
Newcastle Museum	40,000	140,000
Proposed visitation to visitor centre		61,025

market proposed a price between \$15 to \$19 for adults as the most acceptable price point. The market testing also suggested that the greatest price sensitivity for this charge was in the 26-46 age group.

Table 7.6 Entry pricing for comparable regional visitor centres

Comparable operations	Adult	Child
Waltzing Matilda Centre	\$32	\$29
Australian Age of Dinosaurs	\$38	\$20
Slim Dusty Centre	\$23.50	\$9.50
The National ANZAC Centre	\$25	\$11
Proposed entry fee for visitor centre	\$20	\$12

Table 7.7 Market testing of visitor centre entry fee pricing

	20-25	26-35	37-46	47-56	56+
Wouldn't pay	13	14	11	2	4
Under \$10	13	17	13	1	3
\$10 - \$14	13	22	14	3	8
\$15 - \$19	16	21	14	6	12
\$20+	21	18	13	4	2

We have subsequently made the following assumptions for entry revenue:

- Capture rate for the visitor centre is based on the visitation forecast and the assumptions for this are provided in **Section 7.1 – 7.3**
- Adult entry fee \$20
- Child 5 – 17 years entry fee \$12
- Student centre entry fee \$8

7.4 Assumptions for revenue

This section presents the assumptions and calculated revenue for each of the Upper Hunter Experience business units.

Visitor Centre Entry Fee

We have proposed an entry fee for the visitor centre / museum of \$20 for adults and \$12 for children, which includes use of the outdoor themed maze. This price was determined via benchmarking comparable centres and market testing the potential target market. The proposed pricing sits at the lower end of achievable price, should be well received and should not generate significant push back.

Table 7.6 presents the results of benchmarking four centres and suggests entry pricing for adults ranged between \$23.50 to \$38 for an adult and \$9.50 to \$29 for children. Table 7.7 presents the results of market testing, which indicated the target

Simulator

We have made the following assumptions for simulator revenue:

- Capture rate of 10% total adult visitors to the centre at a charge of \$15
- Capture rate of 5% for child visitors to the centre at a charge of \$10
- Duration of experience 15 minutes
- Maximum number of experiences per day is 32
- Charge increasing by 6% every three years

Regionally themed escape rooms

We have proposed a charge for use of the Regionally Themed Escape Room of \$35 per person. This allows for a simpler forecast with a fixed price for one person rather than multiple pricing structure for additional users. We have assumed four players per experience. The \$35 price was determined via benchmarking comparable Escape Rooms and market testing the potential target market. The proposed pricing sits at the lower end of the benchmarked pricing and in the middle of the market testing achievable price. The \$35 price should be well received and should not generate significant push back.

Table 7.8 presents the results of benchmarking five Escape Room operations in regional NSW and suggests pricing for adults ranged between \$30 to \$50 per person. **Table 7.9** presents the results of market testing, which indicated a slightly lower price point than the benchmarking of \$20 to \$30, with the greatest cost sensitivity in the 47+ age groups.

- Entry charges increasing by 6% every three years
- Residents of Muswellbrook (locals) would receive an annual pass with their first entry to the Centre

Note: No concessions or family passes have been used in these assumptions

Regionally themed cafe

We have made the following assumptions for the cafe revenue:

- Capture rate of 60% of adult visitors to the centre with an average spend of \$15
- Capture rate of 60% of child visitors to the centre with an average spend of \$7
- Capture rate of 5% of business users with an average spend of \$15
- 12,000 annual unique local visitors to the cafe with an average spend of \$15
- Catering for training with morning tea only 1,000 guests at \$10 each
- Catering for training with lunch only 1,680 guests at \$25 each
- Catering for training with morning tea and lunch 5,100 guests at \$35 each
- Spend increasing by 6% every three years

Gift shop / retail

We have made the following assumptions for the gift shop / retail revenue:

- Capture rate of 20% of adult visitors to the centre with an average spend of \$20
- Capture rate of 60% of child visitors to the centre with an average spend of \$8
- Capture rate of 5% of adult local resident with an average spend of \$20
- Capture rate of 5% of child local residents with an average spend of \$8
- Spend increasing by 6% every three years
- No local unique visitors were considered, if this occurs this will add a small amount of revenue

Table 7.8 Entry pricing for comparable regional escape rooms

Escape room	Per person
Get Out Escape Rooms, Maitland Gaol	\$50
Escape Zone, Broadmeadow	\$35
Escape Reality, Newcastle	\$45 for 2 \$39 for 4 \$40 for 2
Dubbo Escape Rooms	\$33 for 3 \$30 for 4 \$50 for 2
Wine Escape Rooms, Hunter Valley	\$40 for 3 or more
Proposed charge for ADAPT Escape Room	\$35

Table 7.9 Market testing of escape rooms pricing

	20-25	26-35	37-46	47-56	56+
Not interested	4	10	12	1	5
Wouldn't pay	13	16	6	2	6
Under \$20	9	12	15	2	6
\$21-\$30	13	17	11	4	4
\$31-\$40	13	17	9	3	2
\$41-\$50	10	11	5	2	4
\$51+	14	9	7	2	2

We have subsequently made the following assumptions for escape room revenue:

- Capture rate of 15% total adult visitors to the centre at a charge of \$35
- Capture rate of 10% for business visitors to the centre at a charge of \$35
- Duration of experience 1 hour
- Maximum number of experiences per day is six
- Average number of visitors per experience is three

Offices

We have made the following assumptions for office revenue:

- Long term lease of three of the six offices at \$13,000 pa (\$250 per week)
- Two offices used by visitor centre management at no revenue
- One office used by café / restaurant lease at no revenue
- Rent increasing by 6% every three years

Regionally themed restaurant

We have made the following assumptions for restaurant revenue:

- Capture rate of local adults residing in Muswellbrook (15 – 80 years) 15% with an average spend of \$75
- Capture rate business functions is 100% at an average spend of \$55
- Capture rate of private functions is 100% with an average spend of \$110
- Capture rate of accommodation guests is 70% with an average spend of \$55
- Average spend per customer \$75 (entrée, main meal, half bottle of wine), increasing by 6% every three years
- Number of visits per annum by local adults in Muswellbrook (15-80 years) three
- Number of seats in restaurant 70
- Number of operating nights 5 per week (including functions)
- Dinner service only
- Average number of guests per night 34 (doesn't include business or private functions)
- Number of catered private functions per year is 24 with an average of 110 guests

Table 7.10 Pricing for comparable training and conference facilities in Muswellbrook

Property	Capacity	Charges
Silks Function Centre, Muswellbrook Race Club	Seats approx. 100 theatre style	Full day charge \$495 Evening function \$495 Early start, \$575 (before 8am)
Muswellbrook Race Club	Full day charge \$385 Early start, \$410	Seats approx. 40 people
The Spires Room Muswellbrook & District Workers Club	Maximum 24	Half day \$129 Full Day \$179
The Atherstone Room, Upper Hunter Conservatorium of Music	Seats approx. 140, standing 200	\$90 hr; \$600 day
Function Room 2, Upper Hunter Conservatorium of Music	10-12	\$50/hr; \$350/day
Proposed rate for ADAPT Training and Education Centre	25 – 100 pax	Full day \$200 25 pax, \$300 50 pax \$400 100 pax

We have made the following assumptions for education and training revenue:

- The level of use was determined through a proposal of use from Bengalla Mine and doubling this forecast for overall usage.
- Education and training room with 25 pax booked 20 days per annum, increasing by 2% per annum
- Education and training room with up to 50 pax booked for 32 times in Year one, increasing by 2% per annum
- Education and training with up to 100 pax booked for 20 times in Year one, increased by 2% per annum

- Number of catered business functions per year is six with an average of 160 guests

Education and training rooms

We have proposed a pricing structure that is an average between half and full day usage but has three tiers based on the number of people using the venue. Pricing starts at \$200 for up to 25 attendees, \$300 for 25 to 50 and \$400 for 50 to 100 participants. This pricing is competitive, particularly given the unique venue and contemporary fitout and audio-visual equipment.

The pricing was determined by benchmarking pricing of comparable venues in Muswellbrook, as shown in Table 7.10. Benchmarking the pricing across this sector is complicated because each supplier is offering quite different packages in terms of how they charge and what they offer, and because the quality of audio-visual equipment and support is not explained. Table 7.10 suggests high variation in pricing, and lower costing at the Clubs. Averaged prices appear to be half day \$200 - \$400 and full day \$350 to \$500. We have set a full day charge of \$200 to \$400, depending on the scale of the room required.

Regionally themed aerial obstacle course

We have proposed a charge for the Regionally Themed Aerial Obstacle Course of \$49 per person. The price was determined via benchmarking comparable aerial obstacle courses and market testing the potential target market. The proposed pricing sits at the lower end of the benchmarked pricing and the market testing achievable price. The \$49 price should be well received and should not generate significant push back.

It is very difficult to benchmark pricing for aerial obstacle course entry because the dominant model is a simpler and higher replicated version in trees. This product is themed, which has not really been introduced to the market, and is positioned higher up (more adventure).

Table 7.11 presents the results of benchmarking three aerial obstacle course operations and suggests pricing for adults ranged between \$35 and \$125 per person. The closest match to the proposed product is the West Beach Adventure in Adelaide, priced at \$55.

Table 7.12 presents the results of market testing, which showed a range of \$30 to \$59, and a greater preparedness to pay by younger age groups.

Table 7.11 Entry pricing for comparable aerial obstacle courses

Obstacle course	Adult	Child
Next Level, Marchoodydore	\$35	\$27
West Beach Adventure, Adelaide	\$55	
Hollybank Tree Tops Adventure	\$125	
Proposed charge for ADAPT Aerial Obstacle Course	\$49	

- Charge for Education and training room for up to 25 pax \$200
- Charge for education and training room for up to 50 pax \$300
- Charge for education and training room for up to 100 pax \$400
- Education and training room charge increases by 6% every three years

Function / exhibition room

Table 7.10 presents some of the charges for functions in Muswellbrook (room rate only). We note limited supply for larger venue capacity, and limited theming to differentiate the offer. Again, inconsistent pricing models makes it very difficult to present clear comparisons on pricing. Consequently, we have used regional industry pricing in addition to the local pricing we found.

We have made the following assumptions for function / exhibition revenue by doubling the frequency of functions and numbers of guests provided by Bengalla Mine:

- Maximum number of adults per function / exhibitions 200
- Exhibition space rate of \$300 (does not include catering) increasing by 6% every three years
- Function space rate of \$600 (does not include catering) increasing by 6% every three years
- 40 exhibitions per year
- Six business functions per year with an average of 160 guests per function
- 24 private functions per year with an average of 110 guests
- Exhibition catering is provided by café (assumed a day event)
- Function catering provided by restaurant (assumed evening event)

Table 7.12 Market testing of obstacle course pricing

	20-25	26-35	37-45	47-55	56+
Under \$20	12	17	12	6	13
\$20-\$29	10	16	9	3	4
\$30-\$39	13	18	12	1	6
\$40-\$49	11	17	12	0	2
\$50-\$59	14	17	11	3	2
\$60+	16	7	9	3	2

We have made the following assumptions for aerial obstacle course revenue:

- Capture rate of 10% total adult visitors to the centre at a charge of \$49
- Capture rate of 2% for business visitors to the centre at a charge of \$49
- Number of unique visitors to use the aerial obstacle course 3,630 per year (ten per day) at a charge of \$49
- There is no child rate due to age restrictions to reflect capability to undertake this adventure

Regionally themed splash park

We have proposed a charge for the Regionally Themed Splash Park of \$15 per child, and no charge for adults. The price was determined via benchmarking comparable splash parks and market testing the potential target market. The proposed pricing sits at the lower end of the benchmarked pricing and the market testing achievable price. The \$15 price should be well received and should not generate significant push back.

It is very difficult to source pricing because the dominant model is provided free or is part of a broader offer (eg. wildlife park). **Table 7.13** presents pricing for entry to two

splash parks and indicates that the price varied between \$15 and \$25 for a child. **Table 7.14** presents the results of market testing and suggests a price point of \$20 to \$29 was quite acceptable. The younger age groups were prepared to pay a higher price than has been proposed.

Table 7.13 Entry pricing for splash parks in Australia

Splash parks	Child
Symbio Wildlife Park includes Splash Park, Sydney	\$25
Barossa Valley Discovery Park	\$15
Proposed ADAPT Splash Park entry fee	\$15

Table 7.14 Market testing of splash park pricing

	20-25	26-35	37-45	47-55	56+
Under \$20	12	16	15	6	11
\$20-\$29	19	29	17	2	7
\$30-\$39	17	14	8	4	5
\$40-\$49	14	21	14	2	4
\$50+	14	12	11	2	2

We have made the following assumptions for splash park revenue:

- Capture rate of child visitors is 50% to the centre with a charge of \$15
- Capture rate of local child is 70% with a charge of \$15
- No charge for adults accompanying children
- Entry fee increasing by 6% every three years
- Spectators will not be charged and for this reason a family pass that includes adults is not required

Themed accommodation

Table 7.15 presents pricing for tiny house then local accommodation. Benchmarking tiny house pricing is complicated because most are sold as one unit on one block of land – not as a cluster and not linked to an attraction or restaurant. Table 7.15 suggests that tiny houses in the Hunter Valley (double / queen only) are being priced at \$280 per night. These are generating a premium value add of \$50 to \$100 due to their high-quality setting and privacy. Table 7.15 also presents pricing for some of the local accommodation in Muswellbrook, and suggests the conventional motel is priced at around \$160 and the higher standard Remington is priced at \$230. We have priced the themed tiny houses at \$200, which includes a boxed breakfast in the room.

Table 7.15 Pricing for tiny houses and local accommodation

Tiny House accommodation		Nightly tariff
Tiny House 888, Hunter Valley		\$280
Tiny House Charlotte, Hunter Valley		\$280
In2thewild, Francisco, Hunter Valley		\$279
Local accommodation		Nightly tariff
The Remington		\$230
John Hunter Motel		\$143
Noah's Mid City Inn		\$159
Muswellbrook Motor Inn		\$160
Proposed ADAPT accommodation rate		\$200

We have made the following assumptions for the accommodation revenue:

- Number of rooms 12

- Maximum room nights 4,380
- Queen bed only (targeting business and couples)
- Density rate of 1.5 per room
- Nightly tariff for up to two people \$200 increasing by 5% per annum, includes a boxed breakfast
- Occupancy rate starts at 40% and increases by 5% per annum

7.5 Assumptions for expenses
Staffing

We have allowed a \$0.7M per annum budget for staffing the ADAPT operations, which is broken down in Table 7.16.

It is proposed that the operation be run by staffing structure as shown in Section 5. The management team would consist of two full time positions, the Centre Manager and the Floor Manager. These two positions would cover a seven day roster and relieve each other for leave entitlements. These two positions would be support by:

- Part Time Sales and Marketing Manager
- Full Time Customer Service Officer
- Casual Customer Service Officers
- Full Time Adventure Course Duty Manager
- Full Time Adventure Course Sky Guide
- Full Time Cleaner

Sundry

Sundry includes a collection of minor costs not large enough to justify bookkeeping categories of their own. Sundry also includes costs associated with a monitoring system supporting a Benefit Realisation Plan (see **Section 11.4**)

Table 7.16 Staffing structure and operational splits to determine annual staff direct costs for business elements

ADAPT proposed staff	Status	Salary	Salary + on costs (16.9%)	Visitor Centre	Simulator	Escape rooms	Gift shop / retail	Obstacle course	Splash Park	Exhibit/n/ Function	Educational Training rooms	Offices	Indirect time
Centre Manager	FT	\$100,000	\$118,900	20%	5%	5%	5%	0%	0%	0%	0%	0%	65%
Floor Manager	FT	\$70,000	\$83,230	40%	5%	15%	5%	10%	10%	5%	5%	0%	5%
Customer Service Officer	FT	\$60,000	\$71,340	40%	5%	15%	5%	15%	5%	5%	5%	0%	5%
Customer Service Officers	C	\$100,000	\$118,900	40%	5%	10%	10%	15%	5%	5%	5%	0%	5%
Adventure Course Duty Manager	FT	\$70,000	\$83,230	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
Adventure Course Assistant	FT	\$55,000	\$65,395	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
Sales & Marketing Coordinator	PT	\$50,000	\$59,450	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Cleaners	FT	\$80,000	\$95,120	50%	5%	5%	0%	5%	15%	5%	5%	10%	0%
Total Direct staff costs		\$585,000	\$695,565										

Table 7.17 Weekly staffing model

Weekly staffing model	Employment	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Centre Manager	FT							
Floor Manager	FT							
Customer Service Officer	FT							
Customer Service Officers	C							
Adventure course Duty Manager	FT							
Adventure Course Sky Guide	FT							
Sales & Marketing Coordinator	PT							
Cleaners	FT							

<p>Table 7.17 is an example of a weekly staffing model with the Centre Manager or Floor Manager on 7 days per week rotation. The Customer Service positions would be trained to move between the visitor centre and the obstacle course as needed and work with either the Adventure Course Duty Manager or the Adventure Course Sky Guide to ensure 2 staff on the obstacle course over a 7 day roster. Indirect staff costs increasing by 3% per annum.</p> <p>Visitor Centre</p> <p>The visitor centre staffing is shown in Table 7.17 The Centre Manager and Floor Manager positions would be interchangeable for weekends and leave entitlements. The Floor Manager, Customer Service Officers (FT and casual) would all multi-task between front desk, selling tickets for entry to centre, simulator, escape rooms, obstacle course, splash park and gift shop / retail. These positions would also be trained brief escape room groups, reset the escape rooms, and fill in and assist the Adventure Course Duty Manager or the Adventure Course Sky Guide with training and harnessing for the obstacle course.</p> <ul style="list-style-type: none">Specialised display cleaning and repairs \$20,000 per annum increasing by 3% per annum	<ul style="list-style-type: none">Lease fee assumed at 20% of revenue which is higher than a standard rate to cover the higher than normal costs of water and energy, which would not be metred and paid for by the lesseePublic liability insurance would be covered by the centreLessee would be responsible for gas usage <p>Gift shop / retail</p> <ul style="list-style-type: none">Staff time allocated to selling retail is shown in Table 7.16Cost of merchandise, 50% of revenue <p>Simulator</p> <ul style="list-style-type: none">Staff time allocated to the simulator is shown in Table 7.16Maintenance costs of the simulator 5% of revenue <p>Regionally themed restaurant</p> <p>The restaurant would be leased out to a suitable food and beverage operator. The lessee would be responsible for cleaning the restaurant kitchen and internal dining area. The outdoor dining area would be cleaned by the centre cleaner.</p> <ul style="list-style-type: none">Lease fee is 20% of revenue which is higher than a standard rate to cover the higher than normal costs of water and energy, which would not be metred and paid for by the lesseePublic liability insurance would be covered by the centreLessee is responsible for gas usage <p>Regionally themed escape rooms</p> <ul style="list-style-type: none">Staff time allocated to the escape rooms is shown in Table 7.16
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Regionally themed accommodation

The accommodation would be leased out to a suitable food and beverage operator. Lease fee assumed at 20% of revenue which is higher than a standard rate to cover the higher than normal costs of water and energy, which would not be metred and paid for by the lessee

- Public liability insurance would be the responsibility of the lessee

Depreciation

- The building and its infrastructure and outdoor recreation assets have been depreciated over a 24 year life
- The depreciation method was the reducing cumulative cost method as 10% Year 1 (\$2.1M) and Year 2 (\$1.9M), then 9% at Year 3, 8% Year 4, 7% Year 5 and so on, until Year 8 reached 3%, where it stayed as a flat rate until the \$21.2M building construction value had been extinguished

Indirect expenses

Indirect expenses not listed below are increasing by 3% per annum

- Bank fees, credit card fees calculated at 2% of revenue
- Software licenses and offices supplies include Point of Sale system, printing, stationary, postage, computer system software packages eg Microsoft, increasing by 3% per annum
- Landline call costs / line rental includes digital data, increasing by 3% per annum

- Maintenance costs for the escape rooms is 2% of revenue

Offices

- Staff time allocated to managing leased offices is shown in **Table 7.16**

Regionally themed aerial obstacle course

- Staff time allocated to the simulator is shown in **Table 7.16**
- Maintenance costs of the aerial obstacle course is \$32,000 increasing by 5% per annum (cost sourced from similar obstacle course operating costs)
- Insurance costs \$30,000 increasing by 6% per annum (cost sourced from similar obstacle course operating costs)

Regionally themed splash park

- Staff time allocated to selling retail is shown in **Table 7.16**
- Insurance \$20,000 per annum increasing by 6% per annum
- Water and energy usage \$25,000 per annum increasing by 3% per annum
- Maintenance (including chemicals) \$20,000 per annum increasing by 3% per annum

Education and training rooms

- Staff time allocated to selling retail is shown in **Table 7.16** is for bookings and management of the room as well as setting up prior to functions

Regionally themed function and exhibition room

- Staff time allocated to selling retail is shown in **Table 7.16** is for bookings and management of the room as well as setting up prior to functions

- Regionally Themed Aerial Obstacle Course (15% of revenue @ \$0.4M in Year 1); and
- Escape Rooms (14% of total revenue @ \$0.35M in Year 1).

Gross Operating Profit

Table 7.18 shows direct expenses for each business unit and subsequent Gross Operating Profit for each business unit and suggests that the attraction could generate \$1.9M in Year 1 and increase to \$2.9M by Year 10. The lead generators of GoP are:

- Entry fees to the Visitor Centre (\$0.8M in Yr 1 increasing to \$1.1M in Yr 10);
- Regionally Themed Escape Rooms (\$0.3M in Yr 1 increasing to \$0.6M in Yr 10).

The most profitable business units (retaining the largest proportions of their revenue as GoP) are:

- Entry fees to the Visitor Centre (retaining 82% of its revenue in Year 1);
- Regionally Themed Escape Rooms (retaining 90% of its revenue in Year 1);
- Leased offices (retaining 75% of its revenue in Year 1).

Indirect expenses

Indirect expenses are estimated to be approximately \$1M in Year 1 and increase to \$1.5M by Year 10 – with the largest increase being incurred with insurances. The largest indirect expenses incurred by the business are indirect staff costs (\$150,000 in Year 1), Energy (\$126,000 in Year 1) and Insurances (\$238,000 in Year 1).

- Sales and marketing expenses includes website maintenance and updates collateral printing, public relations and advertising, increasing by 3% per annum
- Energy costs increasing by 3% per annum, could be reduced with the introduction of solar power
- Building and infrastructure repairs & maintenance increasing by 25% per annum
- Staff sundry includes tea room supplies and uniforms, increasing by 3% per annum
- Sundry includes a monitoring and reporting system, and the total expenses increases by 3% per annum
- FF&E reserve (to reinvigorate the product) was set at 5% of revenue

7.6 Forecast Profit and Loss

Using the forecast visitation and assumptions in the previous sections, a 10 year Profit and Loss forecast has been prepared to test the financial viability of the operation (starting in 2025). Table 7.18 presents this forecast and indicates that the business could be operated on a financially viable basis.

Forecast revenue

Table 7.18 shows that the attraction could generate \$2.6M in Year 1 and lift to \$3.9M by Year 10. The lead generators of revenue for the operation are:

- Entry fees to the Visitor Centre (37% of total revenue @ \$1M in Year 1);

Table 7.18 Forecast Profit and Loss for the attraction (2025 – 2034)

Revenue	Year 1 2025	% of revenue	Year 2 2026	% of Year 2 revenue	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2032	Year 9 2033	Year 10 2034
Entry Fee to Centre	1,001,900	39%	1,145,900	37%	1,153,904	1,218,642	1,224,667	1,227,331	1,295,537	1,301,542	1,304,369	1,379,296
Simulator	69,013	3%	79,013	3%	79,346	84,107	84,906	84,906	90,000	90,465	90,465	95,893
Themed Escape rooms	355,279	14%	582,808	19%	582,808	632,763	632,763	632,763	670,729	670,729	670,729	749,325
Gift shop / retail	163,220	6%	188,820	6%	189,354	199,673	199,673	199,673	212,306	209,992	209,992	229,211
Café	169,061	7%	182,532	6%	183,530	204,106	204,720	204,956	221,411	221,411	221,411	253,910
Themed Restaurant	177,234	7%	180,683	6%	184,133	199,630	203,462	207,142	223,815	227,621	231,530	245,241
Themed Aerial Obstacle course	387,100	15%	420,420	14%	420,420	445,645	446,160	446,160	472,930	471,900	471,900	514,800
Themed Splash Park	113,438	4%	128,438	4%	133,440	141,446	142,336	142,336	151,232	151,232	151,232	160,128
Exhibition / Function rooms	30,000	1%	30,000	1%	30,000	31,260	31,260	31,260	33,136	33,130	33,130	35,118
Education and training rooms	21,600	1%	22,032	1%	22,473	24,297	24,805	25,279	27,688	28,262	28,828	30,905
Leased offices	39,000	2%	39,780	1%	40,576	43,870	44,748	45,643	49,349	50,337	51,343	55,512
Themed short stay accommodation	70,080	3%	78,840	3%	87,600	102,142	111,427	120,713	137,970	147,825	157,680	164,688
Total Revenue	\$2,596,924	100%	\$3,079,266	100%	\$3,107,582	\$3,327,582	\$3,350,927	\$3,368,161	\$3,586,102	\$3,604,447	\$3,622,609	\$3,914,027

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Direct expenses	Year 1 2025	% of revenue	Year 2 2026	% of Year 2 revenue	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2032	Year 9 2033	Year 10 2034
Entry Fee to Centre	180,728	25%	206,750	28%	212,952	219,341	225,921	232,899	239,680	246,870	254,276	261,905
Simulator	27,825	4%	28,729	4%	29,663	30,629	31,628	32,661	33,729	34,833	35,975	37,156
Escape rooms	52,882	7%	58,806	7%	60,220	62,676	64,177	65,723	68,074	69,714	71,403	74,714
Gift shop / retail	107,174	15%	120,740	15%	121,797	127,770	128,608	129,472	136,677	136,436	137,379	147,980
Café	0	0%	0	0%	0	0	0	0	0	0	0	0
Restaurant	0	0%	0	0%	0	0	0	0	0	0	0	0
Obstacle course	222,821	30%	231,141	29%	239,801	248,817	258,204	267,980	278,162	288,769	299,819	311,334
Splash park	94,131	13%	97,554	12%	100,481	103,495	106,600	109,798	113,092	116,485	119,980	123,579
Exhibition / Function rooms	18,430	3%	18,982	2%	19,552	20,138	20,743	21,365	22,006	22,666	23,346	24,046
Education and training rooms	18,430	3%	18,982	2%	19,552	20,138	20,743	21,365	22,006	22,666	23,346	24,046
Leased offices	9,512	1%	9,797		10,091	10,394	10,706	11,027	11,358	11,699	12,050	12,411
Accommodation		0%		0%								
Total Direct expenses	\$731,931	100%	\$791,482	99%	\$814,110	\$843,400	\$867,330	\$892,089	\$924,783	\$950,137	\$977,574	\$1,017,152
Gross Operating Profit	Year 1 2025	% of revenue	Year 2 2026	% of Year 2 revenue	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2032	Year 9 2033	Year 10 2034
Entry Fee to Centre	821,172	82%	939,150	82%	940,952	999,301	998,746	994,632	1,055,857	1,054,672	1,050,093	1,117,391
Simulator	41,187	60%	50,284	64%	49,683	53,478	53,278	52,245	56,271	55,632	54,490	58,737
Escape rooms	302,397	85%	524,002	90%	522,588	570,087	568,586	567,040	602,655	601,015	599,326	674,610
Gift shop / retail	56,047	34%	68,080	36%	67,556	71,902	71,064	70,201	75,629	73,556	72,613	81,251
Café	169,061	100%	182,532	100%	183,530	204,106	204,720	204,956	221,411	221,411	221,411	253,910
Restaurant	177,234	100%	180,683	100%	184,133	199,630	203,462	207,142	223,815	227,621	231,530	245,241
Obstacle course	164,279	42%	189,279	45%	180,619	196,829	187,956	178,180	194,768	183,131	172,081	203,466
Splash Park	19,307	17%	30,883	24%	32,959	37,951	35,736	32,538	38,140	34,747	31,252	36,549
Exhibition / Function rooms	11,571	39%	11,018	37%	10,448	11,122	10,517	9,895	11,130	10,464	9,784	11,071
Education and training rooms	3,171	15%	3,050	14%	2,921	4,159	4,062	3,914	5,682	5,596	5,482	6,859
Leased offices	29,488	76%	29,983	75%	30,484	33,476	34,042	34,616	37,991	38,638	39,294	43,101
Accommodation	70,080	100%	78,840	100%	87,600	102,142	111,427	120,713	137,970	147,825	157,680	164,688
Total Gross Operating Profit	\$1,864,993		\$2,287,783		\$2,293,472	\$2,484,182	\$2,483,598	\$2,476,072	\$2,661,319	\$2,654,310	\$2,645,036	\$2,896,875

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Indirect expenses	Year 1 2025	% of revenue	Year 2 2026	% of Year 2 revenue	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2032	Year 9 2033	Year 10 2034
Bank fees, credit card fees	51,938	2.0%	61,585	2%	62,152	66,552	67,019	67,363	71,722	72,089	72,452	78,281
Software licenses and office supplies	19,400	0.7%	20,000	1%	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335
Landline call costs / line rental	4,850	0.2%	5,000	0%	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334
Sales and Marketing expenses	43,650	1.7%	45,000	1%	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005
Legal expenses	14,550	0.6%	15,000	0%	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002
Energy	126,100	4.9%	130,000	4%	133,900	137,917	142,055	146,316	150,706	155,227	159,884	164,680
Fire services and essential safety measures	19,400	0.7%	20,000	1%	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335
Security and pest control	14,550	0.6%	15,000	0%	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002
Rates & Water	67,900	2.6%	70,000	2%	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674
Building and infrastructure repairs & maintenance	11,640	0.4%	12,000	0%	15,000	18,750	22,500	27,000	32,400	38,880	46,656	55,987
Gardening and outdoor maintenance	38,800	1.5%	40,000	1%	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671
Indirect staff costs	150,409	5.8%	154,921	5%	159,568	164,355	169,286	174,365	179,596	184,983	190,533	196,249
Training & volunteer support	29,100	1.1%	30,000	1%	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003
Motor vehicle leasing and operating costs	11,640	0.4%	12,000	0%	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201
Staff sundry	19,400	0.7%	20,000	1%	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335
Accounting and audit fees	19,400	0.7%	20,000	1%	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335
Insurance (building, contents)	199,820	7.7%	206,000	7%	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955
Public liability insurance	38,800	1.5%	40,000	1%	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671
Sundry	10,049	0.4%	10,360	0%	10,671	10,991	11,321	11,660	12,010	12,370	12,741	13,124
Waste removal	11,640	0.4%	12,000	0%	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201
FF&E reserve (5% revenue)	129,846	5.0%	153,963	5%	155,379	166,379	167,546	168,408	179,305	180,222	181,130	195,701
Total Indirect expenses	\$1,032,882	40%	\$1,092,829	35%	\$1,123,770	\$1,169,657	\$1,202,581	\$1,236,652	\$1,286,525	\$1,324,382	\$1,364,425	\$1,426,081

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	Year 1 2025	% of revenue	Year 2 2026	% of Year 2 revenue	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2032	Year 9 2033	Year 10 2034
EBITDA	\$532,110		\$1,194,954		\$1,169,702	\$1,314,525	\$1,281,017	\$1,239,420	\$1,374,794	\$1,329,928	\$1,280,611	\$1,470,794
GST	\$259,692		\$307,927		\$310,758	\$332,758	\$335,093	\$336,816	\$358,610	\$360,445	\$362,261	\$391,403
Depreciation on \$30M construction cost	\$2,120,000		\$1,908,000		\$1,545,480	\$1,250,122	\$1,150,112	\$1,058,103	\$851,773	\$678,985	\$531,871	\$404,222

Earnings Before Interest, Taxation Depreciation and Amortisation (EBITDA)

Assuming the proposal is built as scoped and Preopening marketing and training activities are undertaken as scoped, the Proposal has been forecast to generate a financially self-sufficient business from the first year in operation. **Table 7.18** suggests that the attraction could be able to generate an EBITDA of \$832,110 in Year 1 and increase this to \$1.5M by Year 10. The financial forecast suggests sufficient profitability to sufficiently market its offer, meet all costs, cover its taxation obligations set aside funds for continuous renewal. However, the book value cost of building depreciation will in the short term be a significant drawback to profitability.

The EBITDA could also be saved up to fund the expansion of the accommodation as tentatively discussed earlier, to around 20 units, achieving a much higher economy of scale for the operator.

The financial analysis therefore confirms that the proposal is financially viable.

8. Economic and social benefits

8.1 Why the sum of economic and social benefits is greater than ADAPT profits

8.1.1 A wider range of benefits is considered

Understanding economic and social benefits to the Upper Hunter region over the period to end 2034 requires a different perspective than that of the previous section which was focussed on the financial profitability of ADAPT to its owner/operator.

The NSW Government guidelines for business cases calls for a cost benefit analysis. Central to this analysis is comparison with a base case of no further action to address the three inter-related problems identified in **Section 2** (the Case for Change) as:

- Problem 1: The region's character and national contribution is widely misunderstood
- Problem 2: The region needs to drive economic diversification and attract new investment and jobs
- Problem 3: The region's visitor economy is under-developed, fragmented and over reliant on basic business tourism

The nature of the three problems being addressed mandates a focus on the Upper Hunter Region when valuing benefits. Valuation of the benefits from addressing these three problems requires a range of assumptions that are outlined in this

chapter and explicitly set on a conservative basis so as to ensure that minimum expected benefits are robustly estimated.

Economic benefits arise from ADAPT addressing Problem 3 and to a lesser extent Problem 2. Social benefits arise from ADAPT addressing Problem 1 with implications for addressing Problem 2.

8.1.2 Recognising market failure in developing visitor attractions

A key challenge with visitor attractions is that they tend, as in this case, to have much better economic returns for the local region than financial returns for the owner/ operator. In economist language, there is a market failure in development of visitor attractions, which explains why so many only arise with capital investment support from the public sector, and in many cases are run by governments at a loss.

Typically, economic benefits spread to other businesses, beyond the operator of the attraction, who free ride on the attraction investment by providing other services required by visitors brought to the region by the attraction.

Commonly, where visitor attraction investments are profitable, they tend to have a very large neighbouring or passing market, be highly unique, or be in a destination with many other existing visitor attractions. Unfortunately, only the large passing market (though with a diversion of around seven minutes driving each way) and the degree of project uniqueness apply for this project.

8.1.3 Discounting is used to convert benefits and costs in later years to 2022-dollar values

The nature of visitor attraction projects is that the major costs are for construction in the two years before ADAPT opens (assumed to be the beginning of 2025) while net benefits only accrue progressively in later years. This explains why the assumption of the real discount rate is a key influence on whether a project is assessed to be in the public interest. A higher real discount rate (as shown later in the sensitivity analysis) will reduce calculated net community benefits significantly.

Mathematically, the assumption of the real discount rate allows the calculation of one number to summarise community returns from major public investments over the many years of the life of a project. In this case the economic net benefits of ADAPT are discounted to 2022-dollar values and summed over the two years of construction (2023 and 2024), ten years from 2025 to 2034 of operations and allow for a depreciated and discounted terminal value of the asset at the end of 2034.

Discount rates for local government infrastructure projects in NSW are set by IPART. As at the end of July 2021, the IPART recommended nominal local government discount rate is 2.9% and the real discount rate is 0.6%.¹² This implies an assumption of 2.3% inflation. This nominal discount rate of 2.9% implies that in the calculations of economic benefit in this study one dollar of revenue in 2034 is worth 71 cents in 2022 real dollars.

¹² <https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/Local-Infrastructure-Contributions-Plans/Local-Government-discount-rate>. Every six months, IPART publishes the discount rate they recommend councils apply if they are using a net present value (NPV) approach to calculating local infrastructure contributions.

Supporting the use of a low real discount rate is consideration of the low real costs of government borrowing as well as the long-term challenges facing governments in addressing climate change.

At 7 February 2022 (when this analysis was undertaken), the interest rate (yield to maturity) on 10-year Australian Government bonds was 2.0% per annum, or below IPART expected inflation of 2.3% per annum. From December 2013 to February 2022 the interest rate on Commonwealth Government bonds before inflation fell from 4.3% to 2.0%. After allowing for inflation that is assumed to average 2.3% pa the Commonwealth is now able to borrow at a negative real interest rate of nearly -0.3% and so borrow money today and pay back less after inflation than was borrowed when the bond becomes due for repayment in ten years.

Supporting economic diversification of regional communities dependent on coal mining is an aspect of the policy response to climate change. A range of authors have argued that climate change policies should be evaluated with low discount rates to encourage early action. The results of a survey of economists published in 2015 and reported by the London School of Economics indicate that most favour a low rate in evaluating climate change policies: more than three-quarters of the 200 experts were comfortable with a median social discount rate of 2%.¹³

¹³ <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2015/06/Working-Paper-172-Drupp-et-al.pdf>

8.2 Sources of economic benefits

Beyond the construction and profits of operating ADAPT, there are further direct and indirect economic benefits to the region and NSW.

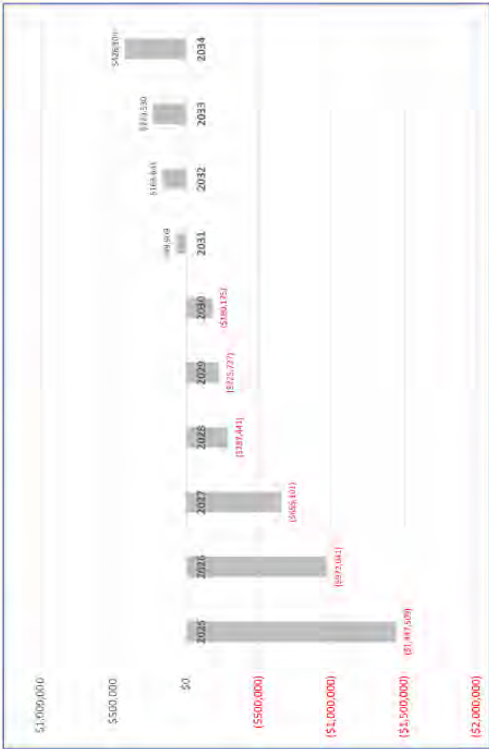
Other direct benefits include ADAPT staff costs and local purchases at both the construction stage and when operating.

Indirect economic benefits include other visitor spending within the region and NSW beyond ADAPT. For ADAPT the indirect economic benefits are expected to be mainly to other businesses providing visitor accommodation for forecast increases in overnight visitors and extra spending from the expected increase in overnight and day visitors to the attraction for the local sellers of food and beverage, fuel and groceries.

8.2.1 Profit for the operator/owner

The total discounted profit for the attraction operator sums to a loss of \$2.9 million over the ten years to end 2034, assuming that the owner/operator is not responsible for capital costs. This was calculated using the financial data from figure 7.14, deducting GST and depreciation from the EBITDA and discounting at 2.9% per annum. Figure 8.1 illustrates how the discounted profit after GST and depreciation grows over the operating period.

Figure 8.1 Discounted forecast profit and loss for the attraction after GST and depreciation from 2025 to 2034



8.2.2 Direct economic benefits from construction

The proposed construction approach is aimed at a highly cost-effective investment. Cost analysis indicates that of the total development cost of \$34.4 million construction costs are \$22.6 million. We assume two thirds of this construction cost or \$15.1 million goes to local regional workers or suppliers, with half spent in each of 2023 and 2024. With discounting the present value of this benefit is \$14.5 million. This calculation was based on a review of the Upper Hunter regional

content likely given that this region has a strong capability in major construction and infrastructure projects.

In 2019/20 across Australia around \$200bn in construction work was done with 1.1 million workers, so each job in the sector was supported annually by just over \$180,000 in spending which is slightly lower spending per job than for jobs due to visitor spending. The estimate of \$15.1 million in local spending therefore suggests around 84 jobs are created for a year within the Shire. While construction-based jobs in the region are numerous, they are short lived and less significant when compared to ongoing employment expected from operating the facility and the jobs due to incremental visitor spending brought to the region beyond that spent in the facility.

8.2.3 Other direct economic benefits from operating the facility

Direct staffing costs are a direct benefit for the region. Ongoing annual staffing costs of ADAPT were estimated at \$700,000 per annum in **Table 7.14**. This was for the eight jobs detailed, of which six were full time and two part time. Over the ten years of operation and with discounting this creates a regional economic benefit of \$4.9 million or nearly three times the discounted profit to the operator. It is not unusual for visitor economy businesses to have higher direct labour costs than profitability, and this is one obvious way the community benefits from ADAPT.

Total direct non-staff expenses summed to \$1.2M per annum in 2025 as shown from using information in **Tables 7.14 and 7.18**. Of this total the major non-staff items are insurances, energy and rates. It is assumed that of this spending \$600,000 per annum or half is spent on Upper Hunter region goods and services.

This spending is expected to generate three jobs in the region. Over the ten years of operation and with discounting this creates a regional economic benefit of \$4.9 million. If we assume that each \$200,000 per annum of this spending creates one regional job, then non-staff expenses are estimated to create three ongoing jobs in the region.

8.2.4 Indirect economic benefits from increased visitor spending due to the attraction but with other businesses

This is commonly the major form of regional economic benefit with visitor attractions, reflecting the free rider issue which sees most of the visitor spending brought to a region by the attraction accrue to businesses outside the attraction.

A number of steps are necessary to estimate this source of economic benefit to both the region and separately, with more restrictive assumptions, to NSW.

Key data sources used

Tourism Research Australia (TRA) publishes visitor spending estimates for most local government areas in Australia. These provide a starting point for making assumptions on visitor spending within the Muswellbrook Shire of domestic day trip and domestic overnight visitors, though data on the small share of international visitors is not published.

Unfortunately, this TRA economic contribution data for the Muswellbrook Shire does not include day trip visits to the Shire when either international or domestic overnight visitors stay outside the Shire, but in passing through the Shire have visitor spending. The total annual average visitor spending in the Hinchinbrook

Shire for the two main forms of tourism over the 2016-19 period is \$39 million for domestic overnight trips and \$20 for domestic day trips.

Other published key TRA data on visitor spending for the Muswellbrook Shire pre-COVID (average 2016-19 data) were estimates of:

- average Shire day-trip spending of \$96 per trip;
- average Shire domestic overnight visit spending of \$129 per night;
- 88 tourism dependent employing businesses in the Shire; and
- of the share of domestic overnight visitors staying in the Shire - two thirds are from within NSW and one third interstate visitors.

In the regional tourism satellite account for the Hunter region in 2018-19, there was \$3.5 billion of visitor spending that directly supported 15,800 jobs. This implies that each job in the visitor economy in this region was supported by \$222,000 in visitor spending.

Regional spending beyond ADAPT for the different visitors to the attraction

The major regional economic contribution comes from incremental overnight visitors to the Upper Hunter region. **Table 7.1 and Section 7.2** included forecasts of the number of visitors to the attraction who are:

- additional domestic overnight visitors to the Upper Hunter region;
- among the pre-existing domestic overnight visitor market staying in the Upper Hunter region; and
- pre-existing through Muswellbrook travel market that decide to visit this attraction and as a result rather than drive through stay overnight in the Upper Hunter region.

As noted in **Section 7.2**, 20% of the adult visitors to the proposed attraction are forecast to stay overnight in the Upper Hunter region who would not otherwise have done so.

Other key assumptions to calculate increased domestic overnight visitor spending in the Upper Hunter region are:

- Generated incremental overnight adult visitors in the region due to the attraction stay 1.5 nights on average in the region and spend an average of \$100 per night spent in the region;
- Of the attraction visitors who would stay in the region anyway it encourages an extra 0.3 nights average extra stay at \$100 per night spent in the region;
- Of the attraction visitors who were otherwise passing through the region without staying (4,000 per annum), these visitors spend 1.2 nights average stay in the region at \$100 per night spent in the region outside the attraction.

These forecasts and assumptions imply an additional just over \$2 million per annum in overnight visitor spending in the region from the second year of the attraction.

The sum of additional overnight visitor spending in the region due to the attraction but outside the attraction when discounted sums to \$16.4 million over the ten-year operating period.

A smaller incremental regional economic contribution comes from incremental day trip visitor spending to the Upper Hunter region. **Table 7.1 and Section 7.2**

included forecasts of the number of day trip visitors to the attraction who are:

- Captured from existing day trip visitors to the region – a group assumed to make no incremental addition to visitor spending in the region;

upkeep and experience enhancements. Over the ten-year operating period a total of \$11.5 million is invested by the operator for depreciation expenses.

For this reason, it is assumed that the nominal dollar value of the facility with its development cost of \$34.4 million remains unchanged over the ten-year operating period. The discounted value of \$34.4 million at the end of 2034 is \$24.4 million in 2022 dollars.

8.2.5 Summary of incremental economic benefits to the Shire from ADAPT

ADAPT has the impact of adding the incremental construction and visitor spending to the Shire economy as shown in **Table 8.1**. As shown in this table the spill-over economic benefits to other businesses in the Upper Hunter Region are greater than the direct spending at ADAPT when operating.

- Generated incremental adult day trip visitors to the region – a group assumed to spend an average of \$40 outside the attraction in the region;
- Generated local and visitor business / training facility user market of which one third is assumed to be visitors from beyond the region each spending an average of \$40 outside the attraction in the region.

The sum of this incremental adult day trip spending is estimated at just over \$600,000 per annum, which has a discounted value over the ten-year operating period of \$4.6 million.

Being day trips, these visitors are assumed to all be from within NSW and therefore their spending is assumed to not provide any incremental economic benefit to the State.

In total therefore the extra annual visitor spending in the Upper Hunter region due to ADAPT sum to \$2.4 million from the third year. This is expected at \$220,000 per job to create 11 ongoing jobs.

In total indirect economic benefits from increased visitor spending due to the attraction but spent with other businesses brings a discounted regional economic benefit of \$21 million (\$16.4 million + \$4.6 million).

8.2.4 Terminal value of the facility at the end of 2034

The facility finances include a significant commitment to covering depreciation costs as shown in **Table 7.18**. Depreciation expense is used to preserve the value of the constructed buildings and upgrade the fit out of the experiences to ensure they retain market appeal. Too many visitor attractions neglect investing in building

8.3 Social benefits

Introduction

This visitor attraction has a purpose beyond the usual function of injecting new experiences, spending and encouragement for follow on visitor economy investment. This is a tourism development proposal designed to help galvanise an evolving regional identity and catalyse new business development across a far broader range of industries.

For a long time, the Upper Hunter has been the economic powerhouse of NSW, and a major generator of Australia's export income. However, the strong profile of huge scale coal mining and coal fired power generation has dominated the region's brand and economy. This is despite major developments in agriculture and the equine industry across the Upper Hunter, and a burgeoning of wine, tourism and events sectors in the Hunter Valley. There has been little remaining 'space' in the Upper Hunter to develop tourism experiences that interpret its wider diversity.

Over time, the demand for even the high-grade thermal coal of the Upper Hunter will diminish, and coal fired power stations will close down. There is time to start diversifying the Upper Hunter economy, but the region's businesses, workers and residents need to believe that they can do this to fully make it happen. As the ending of coal mining becomes a greater prospect over time it will be increasingly important to provide residents of coal mining regions hope for the future. This belief starts with a solid idea of the wider achievements and character of the region, and the showcasing of its capability to adapt and reinvent itself. Seeing is believing. Believing creates adaptation.

Table 8.1 Incremental economic benefits for the Upper Hunter region due to ADAPT

Form of spending	Discounted present value (\$2022)	Associated jobs in the Upper Hunter Region
Direct spending impacts from ADAPT		
Construction spending that flows to businesses in the Upper Hunter Region	\$14,500,000	84 one-year jobs
Profits to the operator after GST and depreciation	-\$2,700,000	
Staff working in ADAPT	\$4,900,000	8 ongoing jobs
Other costs of ADAPT operation spent in the Upper Hunter Region	\$4,900,000	3 ongoing jobs
Indirect incremental visitor spending elsewhere in the region from ADAPT	\$21,000,000	11 ongoing jobs
Terminal value of the attraction at the end of 2034	\$22,600,000	N/A
Total net present value of economic benefits	\$69,700,000	22 ongoing jobs

Beyond these benefits ADAPT is expected to be a catalyst for further visitor economy investments in the Upper Hunter Region.

A more politically sensitive visitor attraction

This proposal is designed to be a beacon for the adaptation of the Hunter. As a centralised attraction, people can come and learn, contemplate and discuss regional adaptation and what role they might play.

To ensure this attraction appeals to a wide range of stakeholders, it goes beyond a museum, and even beyond a highly interactive visitor centre, to deliver a mix of outdoor themed challenging experiences. These experiences require their customers to face off challenges that are linked to the challenges of the region as physical, cognitive and fun challenges.

In addition, this proposal can pilot adaptation for other similar coal mining regions facing the need to adapt, needing encouragement and inspiration.

Varying valuations of the social benefits of ADAPT will often be influenced by the political perspectives of the valuer on the issue of coal mining and global warming. This section attempts to develop a valuation of social benefits that is built from objective analysis using conservative assumptions that are spelt out clearly.

In cost benefit analysis of social benefits, the gold standard methodology is to estimate willingness to pay using carefully constructed survey analysis to avoid people understating their willingness to pay for fear they will be asked to pay. This approach proved beyond the scope of this business case, but this section outlines who receives social and environmental benefits from ADAPT, and conservatively estimates these benefits.

Most regional visitor centres limit themselves to safe topics and safe interpretation. ADAPT is a very rare visitor attraction in that it is taking on more than just given historical content. The earlier **Section 4.2** on themes identified that some of the

themes have potentially contentious and politically sensitive elements. More importantly, there is limited awareness of key challenges facing the regions' heavily dependent on coal mining when mining ends, including loss of their major economic support and the need for best practice environmentally sensitive mine rehabilitation.

Moreover, the interpretation is taking on current and future challenges, interpreting among many issues, the regional economic costs of ending coal mining and need to develop other industry sectors, through the interpretive thread of adaptation. This initiative is being done with the well-intentioned goal of making a difference to its regional stakeholders, and its visitors.

But this interpretation thread will benefit other regions facing similar challenges, including Latrobe Valley and coal mining regions in Queensland.

Ideally, it would be possible to run detailed willingness to pay survey research of local Upper Hunter Region residents and the residents of other coal mining regions of the benefits they see from a new visitor attraction that improves awareness of the economic importance of coal mining nationally and particularly in coal mining regions. However, this research is beyond the scope of this business case, as well as having significant methodological challenges.

Over the first ten years of operation, the forecast is that around 500,000 Australians from outside the Upper Hunter Region will visit the attraction. It is expected that

- around 350,000 of these visitors will be first time visitors, with the other 150,000 repeat visitors.
- Beyond the direct visitation, it is expected that there will be extensive social media and media commentary about the attraction given the political issues involved.
- With 53,000 residents in the Upper Hunter Region, 73,000 in the Latrobe City at the heart of the Victorian coal fields and around a similar number in other strong coal mining areas (lower Hunter, south coast NSW and various areas of Queensland) – we assume there are around 260,000 Australians in regions that are heavily reliant on coal mining.
- In the absence of extensive willingness to pay surveying we very conservatively assume each of the Upper Hunter region residents on average was willing to pay \$1 per week (or \$52 per annum) to see the attraction go ahead. This willingness to pay is not due to the visitor economic benefits the attraction is expected to bring to the region but solely relates to how the attraction will:
- Address Problem 1: The region's character and national contribution is widely misunderstood
 - Address Problem 2: The region needs to drive economic diversification and attract new investment and jobs
- We also assume that residents of other coal mining areas would be willing to pay \$0.20 cents per week (or \$10 per annum) to support greater knowledge of the five key takeaways relevant to social benefits of this project of:
1. Coal mining and associated power generation are very large industries in Australia providing significant export earnings, electricity generation, high wage employment and revenue to governments
 2. Coal mining and associated power generation currently dominate employment and incomes in the Upper Hunter economy and will continue to do so for decades to come
 3. This region has a diversified economy with strong interaction between different business types. This project aims to further enhance collaboration, understanding of how the various industries interact and contribute to rich and vibrant Upper Hunter Valley which makes strong contributions to the Hunter, New South Wales and Australian economy
 4. Coal mining and associated power generation in Australia use sophisticated technologies
 5. Australian coal mining produces cleaner coal with less moisture content, which produces less greenhouse gases than major alternative coal sources – so cutting Australian coal production for export that only leads to substitution of other less clean coal would lead to increased global warming emissions
- The conservative assumptions of social benefits to coal mining dominated communities imply a social benefit of \$2.8 million per annum for Upper Hunter Region residents and \$2.1 million per annum for residents of other coal mining areas of Australia.
- This total social benefit of \$4.9 million per annum with discounting over ten years sums to a present value of \$39.3 million in 2022 dollars made up of a social benefit

to the Upper Hunter Region of \$22.3 million and to residents of other coal mining dominated regions of \$17 million.

One other way this social benefit estimate is conservative is that it does not include any valuation of the willingness to pay for this attraction by the 37% of Australians who do not support a ban on new coal mines opening in Australia (Lowy Institute Survey) not including the estimated 1% of Australians who live in coal mining dominated regions. However, this social benefit estimate also ignores the possible willingness to pay of some Australians not to have ADAPT proceed and communicate its key takeaway messages.

Benefits to youth and people needing re-skilling

The development of a training and education facility will provide contemporary facilities and equipment within an inspiring landscape for the training and reskilling of the regions youth, under employed and unemployed. Given that we can expect any increase in training programs for the region such a facility will undoubtedly be needed. The conference and exhibition facilities will be able to highlight innovation and adaptation across the regional economy and its community, providing a beacon of inspiration for others to follow suit. No quantitative valuation of this social benefit is included in the cost benefit analysis estimates.

Benefits to local Aboriginal people

ADAPT offers a number of benefits to local Aboriginal people.

Keeping culture alive

Consultation with local Aboriginal people for this project identified a strong desire to keep local culture alive, share the Storylines of the main families learn how to use

the local language and teach self-respect. Interpretation of local Aboriginal culture will help with this. ADAPT offers an opportunity for Aboriginal storytelling that celebrates an adapting culture that has played a major role in its survival. Some of the techniques that could help with this include:

- offering a Welcome to Country at the entry area and in person for functions;
- producing videos of local Aboriginal traditions being practices;
- incorporating stories of achievement into the challenge activities (eg. 3D maze and aerial obstacle course);
- attracting schools that could participate in Aboriginal education programs on the site; and
- introducing Indigenous planted garden and artwork to suggest what the country looked like before European settlement.

Going beyond the conventional content

In addition to exploring talking about Aboriginal culture pre-settlement, there is an opportunity to take on topics that have not been widely shared through public interpretation. ADAPT could cover aspects such as:

- integrating Aboriginal perspectives and stories not only within local Aboriginal content, but as Aboriginal perspectives on non-Aboriginal content;
- tell some of the darker stories associated with early pioneering and conflict and displacement of local Aboriginal people;
- explore the challenge of generating more employment for local Aboriginal people in the major employing sectors of the Upper Hunter;

Technical Guidelines commonly recommend a higher real discount rate of 4% for projects where the project is not viable as a purely privately funded project and where it provides major social benefits that can be articulated but are not easily translated to monetary terms. This equates to a roughly 6.3% pa nominal interest rate before inflation is deducted. This higher discount rate implies that in the calculations of economic benefit in this study one dollar of revenue in 2034 is only worth 48 cents in 2022 after discounting dollars.

The estimated net present value of economic and social benefits with the alternative discount rates are shown in **Table 8.2**.

- share how local Aboriginal people have learnt how to cut deals with major developments designed to not only protect their sites but invest in their communities

Few people know about this content. Sharing this content will enrich understanding of what local Aboriginal people have endured, overcome, and still face.

The Training and Education facilities and programs at ADAPT could engage local Aboriginal people to re-skill and become more employable.

Direct economic benefits to local Aboriginal people

The gift shop offers the opportunity to drive retail sales of locally made Aboriginal art.

The development of education programs could be delivered by local Aboriginal people.

The success of ADAPT could also catalyse the development of Aboriginal tours to sites, supporting employment of local Aboriginal people and driving the potential development of an Aboriginal owned business.

All of these initiatives would be subject to the input and approval of Traditional Owners. No quantitative valuation is attempted in this cost benefit analysis of this source of benefits.

Sensitivity Testing

For sensitivity testing this report also considers application of an alternative and higher nominal discount rate than the 0.6% real and 2.9% nominal rate recommended by IPART for local government projects. Other State Government

8.4 Conclusions from the Cost Benefit Analysis

The cost benefit analysis finds that ADAPT addresses the three key problems it was designed to.

In terms of a visitor economy ADAPT stacks up as a worthwhile investment due to its economic benefits.

But ADAPT also promises significant social benefits. The Upper Hunter Region economy and community is heavily exposed to risks from a shutdown of coal mining. In this event, this and other coal mining regions face prolonged economic depression with major implications for the mental health of these communities. ADAPT promises to kindle more optimism about opportunities to grow other industries among local residents and increase understanding among other Australians of the associated need for significant regional development assistance.

ADAPT has a positive net present value of \$56.1M for the Upper Hunter Region after development costs of \$34.4M (\$33.0 million after discounting). ADAPT also brings an additional \$17M present value benefit to residents of other coal mining areas of Australia.

The benefit to cost ratio of ADAPT for the Upper Hunter Region is 2.7 to 1 and a benefit to cost ratio including benefits to other coal mining areas of Australia of 3.2 to 1.

Table 8.2 Incremental economic and social benefits under two alternative discount rates

Benefit	Discounted present value at 2.9% nominal discount rate (\$2022)	Discounted present value at 6.3% nominal discount rate (\$2022)
Construction spending that flows to businesses in the Upper Hunter Region	\$14,500,000	\$13,800,000
Profits to the operator	(\$2,900,000)	(\$2,700,000)
Staff working in ADAPT	\$4,900,000	\$3,900,000
Other costs of ADAPT operation spent in the Upper Hunter Region	\$4,900,000	\$3,900,000
Indirect incremental visitor spending elsewhere in the region from ADAPT	\$21,000,000	\$16,500,000
Terminal value of the attraction at the end of 2034	\$24,400,000	\$16,500,000
Total present value of economic benefits to the Upper Hunter Region	\$66,800,000	\$51,900,000
Present value of social benefits to the Upper Hunter Region	\$22,300,000	\$17,700,000
Total Present Value of Upper Hunter Region benefits	\$89,100,000	\$69,600,000
Net present value of social benefits to the residents of other coal mining areas of Australia	\$17,000,000	\$13,500,000
Total Present Value of all benefits	\$106,100,000	\$83,100,000

9. Procurement, risk mitigation, stakeholder consultation and benefit delivery plans

9.1 Procurement

Key considerations

Table 9.1 provides a summary of key considerations for procurement.

Table 9.1 Summary of the key considerations in assessing the procurement options

Category	Considerations
Market capacity and appetite	<ul style="list-style-type: none">Size of projectSpecialisation neededSkills in design managementMarket demand for like sized / type of projects
Funding	<ul style="list-style-type: none">Project value and funding sources – need to work toward a fixed price to ensure capped investment is adequateAdequacy of budget including contingencies
Timeliness	<ul style="list-style-type: none">TimelinesProject milestones – potential need for overlapping activities to meet proposed completion date
Work type	<ul style="list-style-type: none">Early works / enabling works package (potential for utilities enhancements)Some specialist inputs could be contracted to regional partnersMany specialist inputs for outdoor experiences and interpretation centre will need to be sourced outside region (probably NSW or Victoria)
Opportunities for innovation	<ul style="list-style-type: none">Design excellence inputOpportunities during design development, procurement and construction, could be a design competition

Delivery Contractor Procurement Options

A review of procurement options has been undertaken to provide:

- an orderly program to deliver ADAPT so that services can be delivered as soon as possible to meet the needs of the community;
- earliest commencement of construction works (subject to funding), optimising project efficiencies and reducing escalation through program and project cash flow whilst controlling risk to ensure the delivery and commissioning of the facility in all respects; and
- management of design risk and flexibility to accommodate community concerns, UHRM Inc. principles, budget limitations and environmental considerations.

NSW Government procurement policy recognises several delivery contractor options; including:

- Traditional design and construct – the Agency develops a full and final design to the contractor to deliver the works
- Design finalisation and construct (DF&C) – the contractor develops the design from a concept or preliminary design provided by the Agency and documents its requirements for procurement to deliver the works
- Design and construct (D&C) – the contractor prepares a design based on the principal's documents (e.g. performance brief, functional brief, schematic design) and delivers the works

- These positions would be funded through the Development Budget Project Management allocation. To minimise risk, it is recommended that the Board contract the Project Manager (company), and that they in turn subcontract the Tourism Development Specialist and Curator.
- It is recommended that procurement of the main interpretation centre works elements of ADAPT be done through a D&C form of procurement. The rationale for this choice is:
- The program does not permit full design prior to contractor procurement
 - Pre-qualified Tier 1 and 2 contractors are skilled in providing build ability inputs and potential inputs to specialist and key project elements, and need to be engaged early enough in the design program to efficiently provide this
 - The UHRM Inc. Board (or their delegated project manager) will consider principal nominated suppliers, whose integration into the design for specialist interpretation design elements requires design to be completed by the builder
 - Site constraints/opportunities are likely to require value engineering at various stages in ADAPT's design finalisation.
- This approach would be subject to a detailed review on completion of the site master plan and building design, and preparation of the development application, in the context of the project program, should any early packages of work be identified, to minimise project risk. In this case, the Project may be initiated under an ECI form of contract before reverting to a D&C contract for the main works.
4. Managing contractor (MC) – engagement of a delivery contractor to support the management of scope definition, design, documentation and construction of the works, based on preliminaries, overheads and margin
 5. Early Contractor Involvement (ECI) – where the contractor tenders a fixed price on preliminaries and overheads and margin and works through the design process to both develop the design, impart build ability inputs to the process, and develops a fixed price for the delivery of ADAPT.
- Preferred procurement method (staged)**
Project management
- It is proposed that as soon as possible after funding is procured, the UHRM Inc. Board establish its governance structure (see **Section 5**) and then use this to contract a project manager consultancy to develop and oversee a proposed development schedule. The key skills / positions required of ADAPT management consultancy would be:
1. Project Manager (FT), covering project, contract, budget and fundraising management
 2. Special Interest Tourism and Interpretation consultant (FT), covering the development and operation of interpretation centres, special interest tourism product development and some degree of tourism marketing
 3. Curator (PT / Casual), sourcing / conserving and exhibiting interpretation content (stories, artefacts and artworks) and interpretation centres

Pre-Opening

Pre-Opening refers to the warming up phase of the operation, allowing it to commence as soon as construction and fitout is completed. Pre-Opening includes elements such as:

- recruitment, training and employment of managerial positions, followed by other staff;
- development of operating systems (marketing, financial, human resource management, stock control etc);
- development of marketing collateral and promotions to stimulate market awareness;
- establishment of critical insurances to commence from the opening date; and
- overseeing operational fitout and testing the equipment prior to ADAPT Manager signing off fit for purpose completion certificates.

Before the Pre-Opening Phase can commence, the operational company should be activated so that staff, insurances and non-fixed assets like a vehicle and computer equipment can be processed through and allocated to it as operational costs.

A Pre-Opening budget has been established as a below the line development cost and should be managed by the Project Manager and Centre Manager (once they are employed).

Cost of procurement

Procurement costs, relating to site investigations, due diligence, estimator confirmation of costs and concept design, are within the development budget. The

budget includes all consultancy costs consistent with a project of this size and type. The procurement risks associated with this project are primarily:

- the sourcing of suitable content for the interpretation centre that is interesting and supports the adaptation thread; and
- the participation of specialist contractors for the interpretation centre and outdoor experiences (which would be subcontracted by the main D&C contractor).

The NSW government (and particularly its museums) has contacts for suitably qualified curators, interpretation writers, designers and display production, and the outdoor experiences that have been profiled in this business case can be contacted for recommended suppliers to be invited to quote. The procurement plan should specifically identify these elements within design and tender documents, and selection criteria will recognise them in making contractor selection.

Probity Plan

Due to the value of ADAPT, the UHRM Inc. Board (or its delegated appointment) should develop a probity plan that sets out the principles and processes adopted by the Board in its advertising, assessment, selection and contracting of consultants, operators and construction contractors. In its commercial dealings, the Board will need to observe the highest standards of probity. The business must be fair, open and demonstrate the highest levels of integrity consistent with public interest. The key probity principles supporting all stages of ADAPT should be:

- fairness and impartiality;

- use of competitive process;
- consistency and transparency of process;
- security and confidentiality; and
- identification and resolution of conflicts of interest.

9.2 Risk analysis and mitigation

Table 9.2 presents the risk rating summary used for this Business Case relating to the development and early operating periods. The risk assessment aligns with the principles of AS/NZS ISO 3100. Table 9.3 presents 10 top risks – other risks that received a Negligible rating were not presented. Table 9.3 indicates that following the interplay of rating the likelihood and consequence, there is one risk rated as Extreme, one as Severe, five as moderate and three as low risk.

The Extreme risk is the inability to secure the majority of funding from one major source (Commonwealth). A single funder provides the opportunity for greater product focus and integration, whereas a diverse patchwork mix of moderate funders pulls the project in too many different directions needed to support a myriad of funding objectives, resulting in a disaggregated product.

Table 9.2 Risk categorisation used for ADAPT

Risk	Description
Extreme	Risk requires immediate treatment; may need to consider halting ADAPT if risk cannot be mitigated
Severe	Risk should be treated to reduce it to a more acceptable level
Moderate	Risk has the capacity to cause some disruption; treat if possible
Mild	Rating of little concern but risk does need to be monitored
Negligible	Rating represents no concern - risk does not need to be monitored or reported, barring significant change

The severe risk is insufficient creative input to the proposal, which sometimes happens during procurement when a contractor(s) is chosen for lower price or sells beyond their real capability. A dumbed down offer that fails to integrate theming, develop interesting and relative stories and interactive experiences will not be adequately differentiated to attract the forecast visitation and subsequent market and financial success.

Table 9.4 presents potential mitigative measures to reduce the risk rating of each risk. Some of the measures for the top three severe risks are currently being applied during the Business Case Phase. It is recommended that on receipt of funding, these mitigative measures be expanded into a more detailed Risk Management Plan.

Table 9.3 Top 10 risks facing the implementation of ADAPT (listed from highest to lowest)

Risk type	Description of risk	Consequence	Likelihood	Risk rating
1. Core funding	Inability to secure the majority of funding from one major source (Commonwealth) to avoid patching	Major	Moderate	Extreme
2. Insufficient creative input	Contractor for interpretation and flout lacks creativity to source and develop stories and experiences that adequately differentiate the attraction and rive visitation	Major	Moderate	Severe
3. Land security	Inability to secure long term tenure for the site to enable development funding and long-term financial security	Major	Low	Moderate
4. Late delivery	Delays due to poor planning, approvals, contractor and materials availability causes cost escalation	Moderate	Moderate	Moderate
5. Cost escalations	Contractor and materials availability causes cost escalation that cannot be funded and requires scope reduction	Moderate	Moderate	Moderate
6. Approvals	Inability to secure development approvals (eg. zoning) causes change in scope, late delivery & cost escalation	Moderate	Low	Moderate
7. Suitable lessee	Expressions of interest fail to attract a suitable lessee that has the entrepreneurial skills, capital to invest in the business, vision and ability to closely work with the rest of the operation	Moderate	Low	Moderate
8. Poor visitation	Potentially caused by ongoing pandemic restrictions, economic contractions or bypass reduces visitation	Moderate	Low	Low
9. Mismanagement	Poor management decisions relating to finances, staff, risk, or fraud destabilises operation and reputation	Moderate	Low	Low
10. Accident	Accident triggers litigation and widespread negative publicity	Moderate	Low	Low

Table 9.4 Mitigative measures to address top 10 risks facing the implementation of ADAPT (listed from highest to lowest)

Risk type	Description of risk	Mitigation strategies
1. Core funding	Inability to secure the majority of funding from one major source (Commonwealth) to avoid patching	<ul style="list-style-type: none"> To support this business case, prepare a prospectus for stakeholders, a supporting presentation and a video to provide a high-level visual pitch that motivates potential funding support Conduct frequent briefings and thoroughly support the information needs of potential funders Identify and cultivate a high-level respected champion of the proposal to act as the public face Communicate the proposal and its benefits with Upper Hunter stakeholders to gain their support
2. Insufficient creative input	Contractor for interpretation and flout lacks creativity to source and develop stories and experiences that adequately differentiate the attraction and drive visitation	<ul style="list-style-type: none"> Set aside budget and engage a special interest tourism and interpretation expert to shape the technical aspects of contractor procurement for interpretation flout (indoor and outdoor) and maintain them throughout the development and pre-opening phase to ensure a consistent and creative approach
3. Land security	Inability to secure long term tenure for the site to enable development funding and long-term financial security	<ul style="list-style-type: none"> Develop draft lease documentation that explicitly gives long term security of the land to the UHRM Inc immediately after this business case that can be signed off and shared with major potential funder(s)
4. Late delivery	Delays due to poor planning, approvals, contractor and materials availability causes cost escalation	<ul style="list-style-type: none"> Engage a Project Manager to program all tasks into project management software
5. Cost escalations	Contractor and materials availability causes cost escalation that cannot be funded and requires scope reduction	<ul style="list-style-type: none"> Allocate substantial contingency and regional cost allowance in business case development budget Write into development contracts the requirement to choose materials and fittings that can be delivered in the project timeframe, and for products at risk, purchase in advance where possible
6. Approvals	Inability to secure development approvals (eg. zoning) causes change in scope, late delivery & cost escalation	<ul style="list-style-type: none"> Engage suitable planning and approval expertise to assist design the proposal to mitigate issues Involve local government in concept development and design to address potential issues before approvals
7. Suitable lessee	Expressions of Interest fail to attract a suitable lessee that has the entrepreneurial skills, capital to invest in the business, vision and ability to closely work with the rest of the operation	<ul style="list-style-type: none"> Soon after completing this business case, commence direct informal approaches to potential operators Initiate an Expression of Interest process to select the ideal proponent and use the special interest tourism and interpretation expert to assist
8. Poor visitation	Potentially caused by ongoing pandemic restrictions, economic contractions or bypass reduces visitation	<ul style="list-style-type: none"> Use the pre-opening and operational marketing budgets to raise and hold market interest Negotiate with the NSW Department of Roads to install sculptures and signage along the Muswellbrook bypass to raise visitation interest of passing traffic
9. Mismanagement	Poor management decisions relating to finances, staff, risk, or fraud de-stabilises operation and reputation	<ul style="list-style-type: none"> Establish a thorough and transparent governance structure and supporting policies for the Board and staff Use the independent financial auditor to also annually review major decision-making processes and records
10. Accident	Accident triggers litigation and widespread negative publicity	<ul style="list-style-type: none"> Prepare thorough OH&S policies and training procedures, conduct surprise audits

Attraction website

The attraction will need its own website to service the operation. The domain for this should be secured and used to build a temporary platform that services the development phase. The role of the development phase of the website could be to:

1. Fully explain the proposal and its benefits
2. Stockpile Newsletter Updates
3. Stockpile key reports supporting ADAPT that can be made public
4. Sign up to receive Project Updates
5. Provide a contact for more information
6. Generating pre-opening marketing for the forthcoming interpretation centre

During the Pre-Opening Phase, the website will need to be adjusted to balance the emerging operational requirements, so that when the attraction opens, it not only repositions the content from what is going to be, to what is, but also to provide booking and pre-payment systems supporting the interpretation centre operation.

Social Media

It is recommended to utilise social media such as a Facebook page as the continuous communication method for posting project updates and responding to day to day questions. Stories, images and videos can be uploaded to widen the stakeholder mix and more frequently engage them in ADAPT. Any significant issues should quickly trigger stakeholder briefings that allow two way communication to fully hear and respond to the issue before it becomes amplified or distorted.

9.3 Stakeholder management

Communications Plan

It is recommended that early in Phase One, a Communications Plan is prepared for the development period. The Communications Plan should include:

- key messages to communicate to stakeholders, supported by a Question and Answer suite that anticipates risks and issues;
- the primary contacts to make public statements about ADAPT (which could include a Champion for raising support and a Board representative / Project Manager for general consultation and issues management;
- the proposed methods of stakeholder engagement to explain ADAPT, provide updates and handle questions and issues;
- a program of initiatives linked to project milestones that trigger communications releases; and
- a stakeholder database to be used for:
 - recording name, organisation and contact details of stakeholders wishing to be communicated with about ADAPT;
 - generating electronic mailouts (using Mailchimp); and
 - recording what communication and consultation stakeholders have received.

Stakeholder briefings

It is recommended to conduct stakeholder briefings that provide face to face question and answer and discussion as their focus. A personal and accessible format of these briefings will build trust and support for ADAPT. In some instances, specialised briefings should be made for key stakeholder organisations responsible for approvals, funding and other support.

**9.4 Benefit realisation plan
Monitoring system**

It is recommended to implement a monitoring system to check on and report on how ADAPT delivers the promised benefits. **Table 9.5** presents a Draft Monitoring system for the proposal that proposes 11 Key Performance Indicators to monitor the proposed three benefits of the proposal.

The monitoring system would start from the proposed opening of the attraction in 2025. The small cost of monitoring to report on benefit realisation is a part of Sundry costs in **Section 6**.

Reporting on benefit realisation

In April each year, after collating the data from the monitoring, a summary report should be prepared. The Report would include the calendar year data that becomes available and should be presented to the Board and included in annual reports so that wider stakeholders can view it.

The data on the nine KPIs should be supplemented by monitoring of more timely data from internal operations of the attraction including:

- visitation breakdowns for entry and business units;
- Profit and Loss metrics, including revenue, direct cost and Gross Operating Profit breakdowns by business unit area, overall gross profit and Net Profit;
- number of local people employed / contracted;
- number of enquiries and bookings, and value of bookings made for regional products processed by the attraction (if a booking system is adopted).

These evaluations will use the routine data collected from the nine KPIs and the annual benefit realisation reports along with special purpose data collections to better evaluate the benefit realisation resulting from the attraction's operation.

Table 9.5 Proposed monitoring system to assist delivery of a Benefit Realisation Plan for operating the attraction

Benefits	Key Performance Indicators	Monitoring method	Annual cost
1. Greater awareness and support for the diverse character and achievements of the Upper Hunter	1) Awareness among the region's community	Annual automated telephone survey of Upper Hunter residents	\$5,000
	2) Degree of pride and commitment to achieve more in the region's community	Annual automated telephone survey of Upper Hunter residents	Included in above cost
	3) Awareness among visitors to the region	Annual surveys of visitors to the attraction	Included in attraction visitor survey
2. Diversified and growing regional economy	4) Increased private sector investment in new industry sectors	Data from Upper Hunter Development Corporation	No cost
	5) Increased number of jobs	Annual data published in REMPLAN	No cost
	6) Net migration into and out of region	Australian Bureau of Statistics, Regional population	No cost
	7) Number of tourism jobs in the Upper Hunter	Annual data published in REMPLAN	No cost
	8) Increased visitation to region from leisure market	Data collected by Tourism Research Australia	No cost
3. Increased visitor economy benefits for the region	9) Increased accommodation room occupancy on weekends	Data collated and distributed by STR Global for Hunter Tourism	No cost
	10) Increased total visitor spend in region per trip	Data collected by Tourism Research Australia and published by REMPLAN	No cost
	11) Increased total visitor spend in region per night	Data collected by Tourism Research Australia and published by REMPLAN	No cost
Total			\$5,000

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10. Recommendations

The following recommendations are proposed to move this Business Case forward:

1. Prepare a summary Prospectus, presentation and video to provide a high-level depiction of the proposal and its benefits
2. Appoint a spokesperson for the Proposal and seek an Ambassador to champion the project and raise public support
3. Consolidate governance arrangements Bengalla Mining Company so that the proposed land is secured with UHRM Inc. and any other significant commitments are documented at the same time.
4. Develop suitable governance vehicles beyond UHRM Inc. to manage the development and latter operational functions
5. Prepare a Communications Plan and use it to share the proposal with key stakeholders and build their support and potential partnering roles
6. Approach candidates for the Federal seat of Hunter to present the proposal to them and seek their feedback and potential support
7. Approach the State government Treasury to brief them and submit the Business Case to them for review and feedback.
8. Approach candidates for the State seat of Upper Hunter to present the proposal to them and seek their feedback and potential support

11. Attachments

11.1 Attachment A – Regional Stakeholder engagement

Mining Companies	
Name / position	Company
Tony Moriarty	Bengalla Mining Co
*Fiona Hartin	Bengalla Mining Co
Grant Clouten	Muswellbrook Coal Company
Ngarie Baker	Mach Energy Mount Pleasant Operations
Anneke Grosser (for Jacob Hundertmark)	Glencore – Mangoola Coal
James Johnson / Corrine	Malabar Resources
Katie Weaver	BHP Mount Arthur
Power Generation Companies	
Name / position	Company
*Rob Cooper	AGL Liddell / Bayswater
Julian Kasby	Euron - Solar & Wind
Simon Currie	Energy Estate (alternative site and \$ for prospectus)
Equine organisations	
Name / position	Company
Julianne Christopher	Hunter Thoroughbred Breeders Association HTBA
Christine Brooker	Australian Stock Horse Association
Lindsay Vonbun	St Heliers Heavy Horse Field Days

RSL Muswellbrook Subbranch	
Historical Associations	
Name / position	Company
Lionel Ahearn	Muswellbrook Shire Local & Family History Society Inc
Carolyn Carter	Scone & Upper Hunter Historical Society
Des Dugan	Murrumbidgee Historical Society
Dianne Walmsley	Upper Hunter Museum of Rural Life
Catherine Reddish	Denman Historical Village
TBC	Merrima Historical Society
Aboriginal Land Councils for Upper Hunter	
Name / position	Company
Laurie Perry	Wonnarua Nation Aboriginal Corporation
Tim Miller	Wanaruah Local Aboriginal Land Council
*Glen Morris	Muswellbrook Local Elder
Cattle Dog Association	
Name / position	Company
*Narelle Hammond	Muswellbrook United Cattle Dog Club
*Guy Hull	Cattle Dog History Expert and Author
Agriculture Associations	
Name / position	Company
Emma Newton	Upper Hunter Winemakers Association
Raphael family	Glen Eden Holsteins Dairy Farm
Keith Googe	Agricultural Show Society

Local Government Stakeholders	
Name / position	Company
Matthew Lysaught	Muswellbrook Shire Council – Major Projects
Susanne Tobin	Muswellbrook Shire Council - Tourism and Events
Kim Manwaring	Muswellbrook Shire Council – Manager Community Services
Elissa Emerson	Muswellbrook Shire Council - Regional Arts Centre
Sharon Pope	Muswellbrook Shire Council - Building, Planning and Development
*Rebecca Morrison	Upper Hunter Shire Council – Tourism & Events
Tourism / Economic Development Stakeholders	
Name / position	Company
Shaelee Welchman	Upper Hunter Economic Development Corporation
*Wayne Toms	Upper Hunter Country Tourism Association
*Michael Forster	Destination Sydney Surrounds North
Montana Mephram	The Remington
*Patrick Brennan	John Hunter Motel

11.2 Attachment B – Current regional

visitation analysis

Executive Summary – 8 key insights

1. The visitor economy provides around 7% of total jobs in the Muswellbrook and Upper Hunter areas. Mining and agriculture are the leading job providers.
2. The larger Hunter region had a good Covid crisis in 2020/21 particularly for visitor spending. However, there are good reasons for thinking that regional visitor spending in 2020/21 was an aberration rather than the new normal. Accommodation data from Smith Travel Research for the Hunter region shows an increase in REVPAR of 26% in 2020/21 over the less Covid affected year of 2019/20. Demand for rooms in this region increased by 17%, and slightly more of the growth in REVPAR was due to increases in occupancy (to 64%) than increases in average daily rates (up 11%).
3. The Muswellbrook (Muswellbrook and surrounds) area, in contrast had a poor 2020/21 for domestic overnight visitors with a fall of 34% compared to the average of the four financial years prior to Covid. In contrast, the equivalent estimates for the Hunter region and Upper Hunter area (the Muswellbrook, Singleton and Scone townships and their surrounding areas) had 0.7% growth and a 5% fall respectively.
4. A core challenge for ADAPT is that the Muswellbrook area is not a major overnight or domestic day trip destination and does not have popular things to do (Tripadvisor ratings). This area had only 3% of total Hunter region domestic overnight and day trip visitors over the four financial years pre Covid (2015/16 to 2018/19). Similarly, the larger Upper Hunter area had only 11% of total Hunter region domestic overnight visitors and 9% of domestic day trip visitors over the four financial years pre Covid.
5. The Muswellbrook area and Upper Hunter area were less heavily reliant on holiday domestic overnight and domestic day trip visitors and more reliant on visiting friends and relatives, business and in-transit purpose overnight visitors than the Hunter region. Holiday visitors have much higher interest in and visitation to attractions than do visitors

to an area who have the purpose of visiting friends and relatives of travelling on business.

6. Visitor attractions often rely on domestic day trippers as well as domestic overnight travellers passing through the region but not staying overnight as much as they do overnight visitors who stay in the region or local area. This is particularly the case as for Muswellbrook where there is a large resident population base within 100kms of the attraction and as a town that lies on a major drive route (the New England Highway).
7. The Muswellbrook and Upper Hunter areas and even the Hunter region as a whole are not fertile ground for a traditional museum. These areas have much lower visitation by overnight domestic and domestic day trip visitors to museums and art galleries than nearly all other regions of NSW.
8. The prospective New England Highway bypasses of Muswellbrook and Singleton make ADAPT more urgent. Many visitor economy businesses in these towns have relied on passing traffic stopping for a meal or to buy supplies. The highway bypasses also raise the issue of where a new tourist attraction is best located. "Fishing where the fish are" suggests locating an attraction on the highway bypass that acts as the promoter of leaving the highway to visit town attractions.

Industry of employment in Muswellbrook and Upper Hunter LGAs

The mining and agricultural sectors are major employers in the Muswellbrook and Upper Hunter areas as shown in **Figure 11.2.1**.

However, the major sector in the visitor economy of Accommodation and Food Services is also a significant employer with 438 jobs in the Muswellbrook LGA and 1,655 jobs across the three Upper Hunter LGAs.

Figure 11.2.1 ABS 1-digital industry of employment in the Muswellbrook and Upper Hunter LGAs in 2016

	Mining	Agriculture, Forestry and Fishing	Health Care and Social Assistance	Retail Trade	Accommodation and Food Services	Education and Training	Construction	Public Administration and Safety	11 remaining one-digit ABS industries
Muswellbrook (A)	23%	7%	8%	9%	7%	6%	5%	5%	30%
Upper Hunter Shire (A)	24%	4%	8%	8%	8%	7%	7%	7%	29%
Upper Hunter Shire (A)	22%	10%	8%	8%	8%	7%	6%	7%	27%
Total Upper Hunter Area	21%	9%	8%	8%	7%	7%	6%	6%	29%

Source: ABS Census in 2016, extracted using ABS Censusbuilder

STR accommodation data

Figure 11.2.2, 2020/21 STR (Smith Travel Research) results for regions in NSW

	Occupancy	ADR \$	RevPAR \$
North Coast NSW	67.6	211.90	143.26
Central NSW	66.9	157.66	105.52
Hunter	63.8	197.79	126.28
Central Coast	62.2	232.16	144.29
Riverina	61.6	138.41	85.29
South Coast	59.1	196.05	115.79
Blue Mountains	56.1	285.28	160.02
New England North West	54.7	147.51	80.62
Capital Country	53.3	147.99	78.82
Snowy Mountains	52.6	206.13	108.48
The Murray	51.3	133.20	68.37
Sydney	41.3	175.05	72.27
Total for New South Wales	47.4	181.83	86.14

Figure 11.2.3, 2020/21 STR (Smith Travel Research) results for regions in NSW

	Supply % Chg	Demand % Chg	Occ % Chg	ADR % Chg	RevPAR % Chg
Snowy Mountains	1.0	43.4	42.0	4.6	48.5
Central NSW	1.3	30.5	28.9	6.2	37.0
Blue Mountains	0.2	25.7	25.5	24.6	56.3
North Coast NSW	0.6	22.4	21.8	14.6	39.5
New England North West	0.0	18.7	18.7	-0.3	18.3
Hunter	3.0	17.3	13.9	10.6	25.9
Capital Country	1.7	13.1	11.2	-1.0	10.1
Central Coast	1.1	10.6	9.3	18.0	29.0
South Coast	0.6	8.4	7.7	14.5	23.4
Riverina	0.0	4.3	4.3	2.2	6.6
The Murray	0.5	0.9	0.4	-1.0	-0.6
Sydney	1.9	-35.5	-36.7	-17.5	-47.8
Total for New South Wales	1.4	-22.1	-23.2	-10.1	-31.0

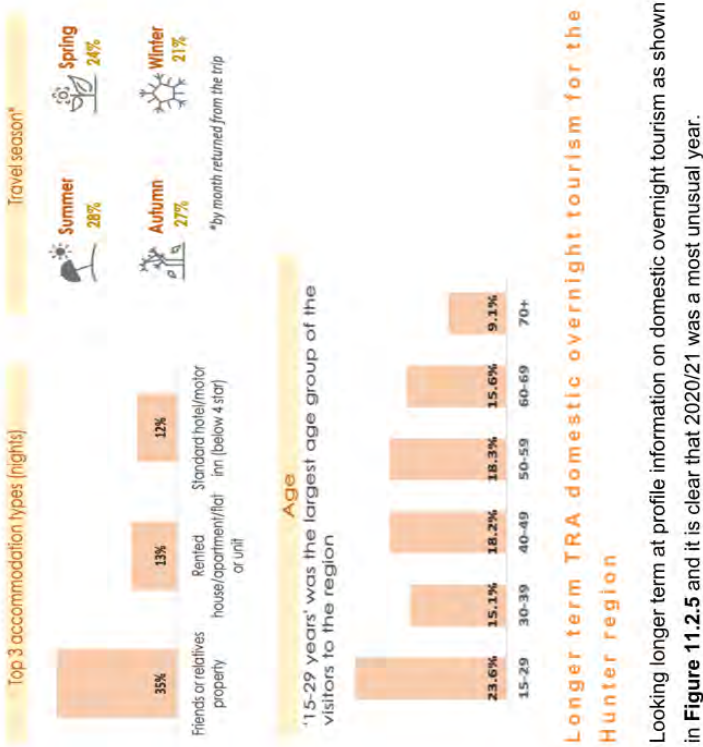
Source: Australian-accommodation-monitor-data-files-2020-2021

- Hunter region data is available for 2020/21 from STR with a sample of 30% of establishments and 51% of rooms (presumably with a lower share from the upper Hunter areas including Muswellbrook).

TRA domestic tourism 2020/21 for the Hunter region

(From Destination NSW regional summary)

- Overnight domestic spending was the largest contributor to total Hunter region domestic visitor expenditure in 2020/21 (see Figure 11.2.3).
- Overnight visitors, visitor nights and spend all increased strongly in 2020/21 – day trip spend also increased as international spend disappeared.
- Holiday visitors provided nearly half of overnight visitation and two thirds of Hunter region visitor expenditure in 2020/21 (see Figure 11.2.4).
- Winter is the low season and visitor accommodation is dominated by friends or relatives' property.



- Hunter region is heavily reliant on under 30 visitors who are a tough audience for museums as they more heavily demand interactivity.
- Hunter region is heavily reliant on under 30 visitors. It had nearly 50% more reliance on under 30s than the neighbouring wine region of Central NSW which had around 20% more reliance on the over 60s.

Figures 11.2.4 Profile information on domestic overnight visitors to the Hunter Region in 2020/21 from TRA (Source: Destination NSW)



OVERVIEW												
Domestic - overnight & daytrip												
VE Jan 2010	VE Jan 2013	VE Jan 2014	VE Jan 2015	VE Jan 2016	VE Jan 2017	VE Jan 2018	VE Jan 2019	VE Jan 2020	VE Jan 2021	VE Jan 2022	VE Jan 2023	% change VE Jan 2010
2,486	2,946	3,028	3,028	3,831	3,518	3,518	3,568	3,653	15,101	24,961	30,898	1,244%
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0%
\$1,047	\$1,937	\$1,834	\$1,834	\$2,436	\$2,394	\$2,394	\$2,458	\$2,553	\$10,101	\$16,961	\$20,898	2,000%
Domestic - overnight & daytrip												
VE Jan 2010	VE Jan 2013	VE Jan 2014	VE Jan 2015	VE Jan 2016	VE Jan 2017	VE Jan 2018	VE Jan 2019	VE Jan 2020	VE Jan 2021	VE Jan 2022	VE Jan 2023	% change VE Jan 2010
2,486	2,946	3,028	3,028	3,831	3,518	3,518	3,568	3,653	15,101	24,961	30,898	1,244%
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0%
\$1,047	\$1,937	\$1,834	\$1,834	\$2,436	\$2,394	\$2,394	\$2,458	\$2,553	\$10,101	\$16,961	\$20,898	2,000%
Domestic - overnight & daytrip												
VE Jan 2010	VE Jan 2013	VE Jan 2014	VE Jan 2015	VE Jan 2016	VE Jan 2017	VE Jan 2018	VE Jan 2019	VE Jan 2020	VE Jan 2021	VE Jan 2022	VE Jan 2023	% change VE Jan 2010
2,486	2,946	3,028	3,028	3,831	3,518	3,518	3,568	3,653	15,101	24,961	30,898	1,244%
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0%
\$1,047	\$1,937	\$1,834	\$1,834	\$2,436	\$2,394	\$2,394	\$2,458	\$2,553	\$10,101	\$16,961	\$20,898	2,000%
Domestic - overnight & daytrip												
VE Jan 2010	VE Jan 2013	VE Jan 2014	VE Jan 2015	VE Jan 2016	VE Jan 2017	VE Jan 2018	VE Jan 2019	VE Jan 2020	VE Jan 2021	VE Jan 2022	VE Jan 2023	% change VE Jan 2010
2,486	2,946	3,028	3,028	3,831	3,518	3,518	3,568	3,653	15,101	24,961	30,898	1,244%
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0%
\$1,047	\$1,937	\$1,834	\$1,834	\$2,436	\$2,394	\$2,394	\$2,458	\$2,553	\$10,101	\$16,961	\$20,898	2,000%
Domestic - overnight & daytrip												
VE Jan 2010	VE Jan 2013	VE Jan 2014	VE Jan 2015	VE Jan 2016	VE Jan 2017	VE Jan 2018	VE Jan 2019	VE Jan 2020	VE Jan 2021	VE Jan 2022	VE Jan 2023	% change VE Jan 2010
2,486	2,946	3,028	3,028	3,831	3,518	3,518	3,568	3,653	15,101	24,961	30,898	1,244%
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0%
\$1,047	\$1,937	\$1,834	\$1,834	\$2,436	\$2,394	\$2,394	\$2,458	\$2,553	\$10,101	\$16,961	\$20,898	2,000%
Domestic - overnight & daytrip												
VE Jan 2010	VE Jan 2013	VE Jan 2014	VE Jan 2015	VE Jan 2016	VE Jan 2017	VE Jan 2018	VE Jan 2019	VE Jan 2020	VE Jan 2021	VE Jan 2022	VE Jan 2023	% change VE Jan 2010
2,486	2,946	3,028	3,028	3,831	3,518	3,518	3,568	3,653	15,101	24,961	30,898	1,244%
1,000	1,											

Longer term TRA domestic day trip tourism for the Hunter region

(From Destination NSW regional summary)

Figure 11.2.6. Profile information on domestic day trips to the Hunter Region in 2020/21

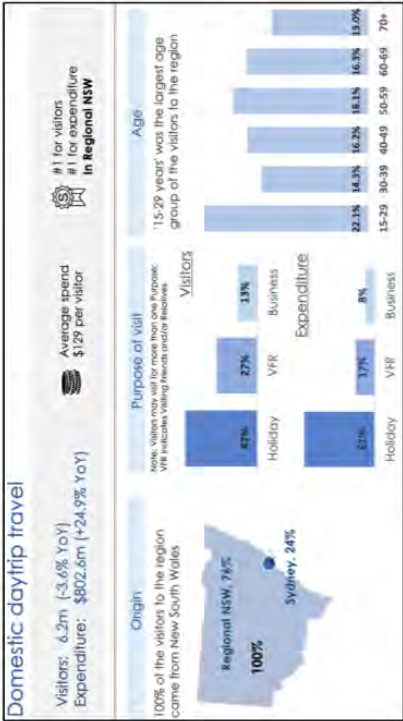


Figure 11.2.7. Longer term profile information on domestic day trips to the Hunter Region

DOMESTIC DAYTRIP TRAVEL												
Visitors and Expenditure												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	% change VE Jun20 vs VE Jun21	% change VE Jun20 vs VE Jun21
Visitors (000)	6,168	5,401	5,724	5,115	5,525	5,668	5,813	5,138	5,430	5,205	-4.7%	-17.8%
Expenditure (\$ million)	802.6	802.6	802.6	802.6	802.6	802.6	802.6	802.6	802.6	802.6	-	-
Spent per visitor (\$)	130.1	148.8	138.7	158.9	145.4	141.6	136.3	156.2	147.8	154.4	-5.3%	-17.8%
Annual Percentage of Total												
Visitors (000)												
Holiday	2,915	2,398	2,444	2,388	2,585	2,688	2,737	2,448	2,585	2,406	-5.7%	-17.8%
VFR	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	-	-
Business	802	802	802	802	802	802	802	802	802	802	-	-
Total	5,517	5,000	5,046	5,000	5,187	5,290	5,339	5,050	5,187	5,008	-3.5%	-17.8%
Expenditure (\$ million)												
Holiday	2,915	2,398	2,444	2,388	2,585	2,688	2,737	2,448	2,585	2,406	-5.7%	-17.8%
VFR	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	-	-
Business	802	802	802	802	802	802	802	802	802	802	-	-
Total	5,517	5,000	5,046	5,000	5,187	5,290	5,339	5,050	5,187	5,008	-3.5%	-17.8%
Spent per visitor (\$)												
Holiday	130.1	148.8	138.7	158.9	145.4	141.6	136.3	156.2	147.8	154.4	-5.3%	-17.8%
VFR	130.1	148.8	138.7	158.9	145.4	141.6	136.3	156.2	147.8	154.4	-5.3%	-17.8%
Business	130.1	148.8	138.7	158.9	145.4	141.6	136.3	156.2	147.8	154.4	-5.3%	-17.8%
Total	130.1	148.8	138.7	158.9	145.4	141.6	136.3	156.2	147.8	154.4	-5.3%	-17.8%

Younger visitors are also the major domestic day trip market for the Hunter region.

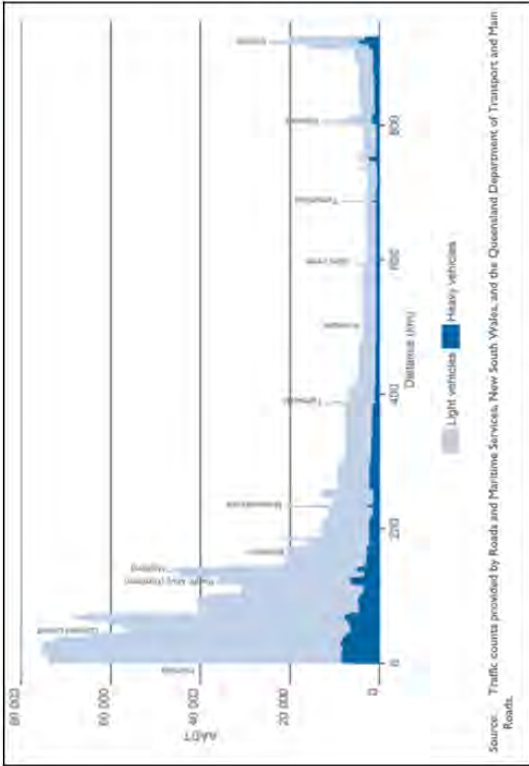
New England Highway bypasses of Muswellbrook and Singleton

With both Muswellbrook and Singleton townships to have New England Highway bypasses built both these towns visitor economies urgently need an attraction that encourages traffic to get off the highway and visit the towns.

With around 8 million vehicles a year (including local traffic and heavy vehicles) on the New England Highway at Muswellbrook, the bypasses represent a significant loss of visitation and spending to the towns. Figure 8 below indicates that around half the vehicle traffic measured at Muswellbrook is through rather than local traffic.

In comparison, the Pacific Highway at Hexham had around 36,000 vehicles per day or 13 million a day in 2011/12. While **Figure 11.2.8** does not provide a vehicle count on the F3 heading north before it joins the Hunter Motorway, this is presumably around 40,000 per day or around 15 million per year.

Figure 11.2.8 Estimates of vehicle traffic on the Sydney-Brisbane road corridor from 2011/12



Revised plans for the \$266 million Muswellbrook bypass were released for community feedback and consultation on Monday, November 8. Upper Hunter MP, Mr Layzell said the concept design for the bypass includes nine kilometres of new highway with initial works set to commence by the end of 2022. "The design

includes five bridges and features a 367-metre-long bridge spanning Sandy Creek Road, Sandy Creek and the Main North railway line, as well as adjustments to local roads, including Burtons Lane, Koolbury Flats Row, Milpera Drive and Muscle Creek Road," Mr Layzell said.

The website for the Singleton bypass notes that the highway currently passes through the centre of Singleton and carries around 26,000 vehicles, including more than 3700 heavy vehicles, each day. Traffic volumes are predicted to increase in the next 25 years. The planned bypass of Singleton would improve the movement of freight and journeys for current and future traffic demands. A preferred option for the bypass was announced in 2016 and involves building a new section of highway west of Singleton across the floodplain, starting near Newington Lane and rejoining the New England Highway north of McDougalls Hill. The project was approved in August 2020 and is set to be built with funding contributions of \$560 million from the Federal Government and \$140 million from the NSW Government.

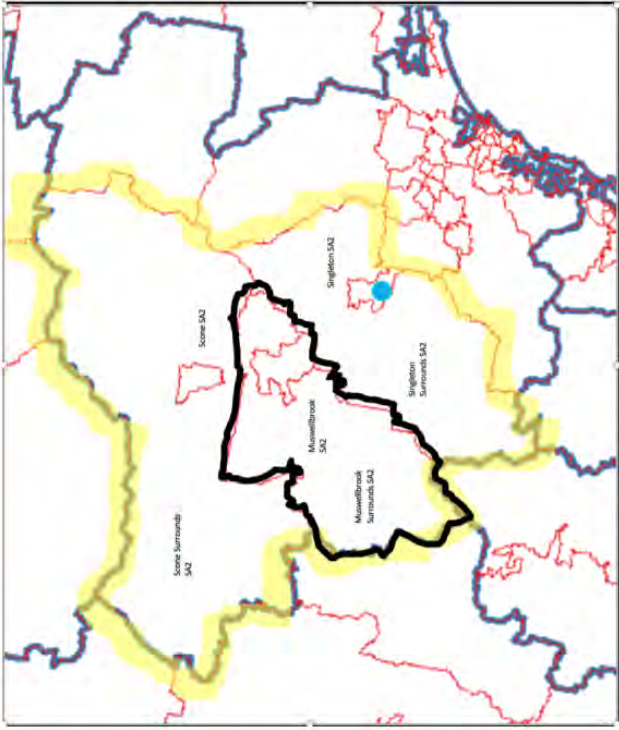
One of the issues for the feasibility study is whether a new visitor attraction for the Muswellbrook area is best built in the town or on the bypass aimed at fostering visitation to the town. Other alternative locations for an attraction to encourage visiting the Muswellbrook/Singleton area are on the Singleton bypass or even on the F3 (in the Federal seat of Hunter) where it might be more of a Hunter Valley Experience centre before traffic decides whether to head toward Brisbane on the Hunter Motorway or by the coastal route.

Muswellbrook area and Upper Hunter area domestic overnight and day trip tourism performance

ABS and TRA use the following map to classify local area (statistical area level 2) data to various areas. Over the top of the statistical area level 2 areas, I have

aggregated Muswellbrook SA2 and Muswellbrook Surround SA2 to form Muswellbrook Area (the black border in **Figure 11.2.9**) and this area with Scone SA2, Scone Surrounds SA2, Singleton SA2 and Singleton Surround SA2 to form the Upper Hunter Area (with the yellow border in **Figure 11.2.9**).

Figure 11.2.9. Map showing the Muswellbrook and Upper Hunter areas used for analysis



Source: ABS Geography Maps

Overnight domestic visitors to the Muswellbrook and Upper Hunter areas in the four financial years pre-Covid averaged 122,000 and 536,000 per annum respectively. However, this represented only 3% and 14% of total domestic overnight visitors to the Hunter Region in these years.

Domestic overnight visitation to the Muswellbrook and Upper Hunter areas has noticeably less holiday focus than visitation to the Hunter region as a whole, as shown in **Figure 11.2.10**.

Figure 11.2.10. The Muswellbrook and Upper Hunter areas have a lower share of domestic overnight visitors with a holiday purpose for stopping over

	Hunter Region	Upper Hunter Area	Muswellbrook Area
Holiday	41%	30%	23%
Visiting friends and relatives	38%	38%	39%
Business	16%	27%	31%
Other reason	4%	3%	2%
In transit	1%	4%	5%

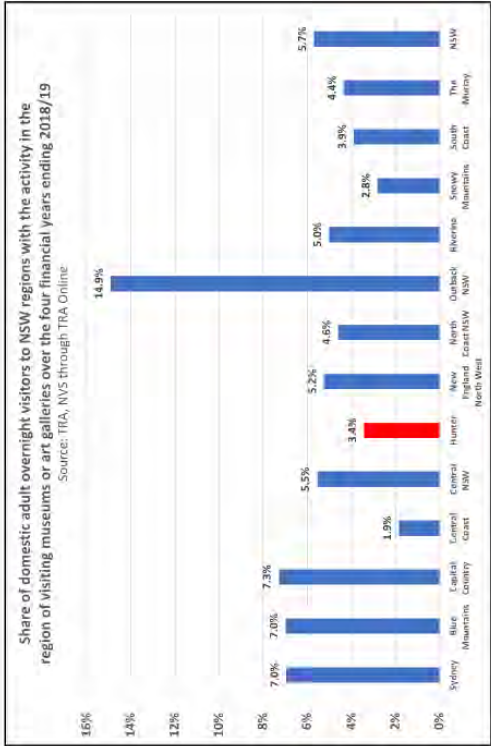
Source: TRA, NVS extracted using TRA Online

A high share of overnight visitors on holiday rather than for other purposes as a major plus for developing a new visitor attraction.

The Hunter region and Muswellbrook area has a below average share of domestic overnight visitors who visit museums or art galleries

Averaged over the four financial years pre-Covid the Hunter region has a well below NSW regional average reliance on museums and art galleries as activities undertaken by domestic overnight visitors. This comparison highlights that a traditional museum would face a major struggle to win visitation in this region.

Figure 11.2.11: The Hunter region is less reliant on visitation to museums and art galleries than most areas of NSW



The Muswellbrook area (1.6%) and Upper Hunter areas (1.7%) both have lower reliance on visitation to museums and art galleries by overnight domestic tourists than any tourism region in NSW.

Domestic day trip visitation to the Muswellbrook and Upper Hunter areas

The Muswellbrook area received an average of nearly 200,000 domestic day trip visitors per annum over the four financial years pre-Covid. Of these visitors only 30% or an average of 60,000 per annum were on holiday purpose day trips. This represented only 3% and 2% of total and holiday day trips to the Hunter region over this period.

The Upper Hunter area received an average of 638,000 domestic day trip visitors per annum over the four financial years pre-Covid. Of these visitors only 37% or an average of 236,000 per annum were on holiday purpose day trips. This represented only 9% and 7% of total and holiday day trips to the Hunter region over this period.

There were also no TRA recorded domestic day trips with the activity of visiting a museum or art gallery in the Muswellbrook area in the four financial years pre-Covid. Similarly, there was only an annual average of 2,750 domestic day trips to the Upper Hunter area with the activity of visiting a museum or art gallery in the four financial years pre-Covid.

Across the Hunter region as a whole there were an annual average of 120,000 domestic day trips with the activity of visiting a museum or art gallery in the four financial years pre-Covid, so only 1.7% of total domestic day trip visitors had this activity.

Tripadvisor Reviews per head of resident population
– highlight paucity of Muswellbrook and Upper
Hunter area visitor attractions

Tripadvisor.com.au provides an extensive listing of key things to do throughout Australia. By looking at a range of non-coastal NSW towns of similar population to Muswellbrook it is clear that other towns are much further ahead in attracting visitor interest. **Figure 11.2.12** reports this comparison by also using local government area population data from the 2016 ABS Census.

Figure 11.2.12. The Muswellbrook and other LGAs in the Upper Hunter have a comparative paucity of visitor attractions compared to other NSW LGAs of similar population

LGA	Resident Population	Tripadvisor Reviews of Top 10 things to do	Most reviewed attraction	Trip advisor reviews per head of resident population
Muswellbrook (A)	16,086	192	Hunter Belle Cheese (71)	1.2%
Singleton (A)	22,990	279	Australian Army Infantry Museum (92)	1.2%
Upper Hunter Shire (A)	14,112	120	Lake Glenbawn State Park (96)	0.9%
Parkes (A)	14,611	1,227	CSIRO Parkes Observatory (833)	8.4%
Moree Plains (A)	13,158	390	Moree Artesian Aquatic Centre (292)	3.0%
Armidale Regional (A)	29,451	1,043	Waterfall Way Scenic Drive (355)	3.5%
Broken Hill	17,709	4,637	Broken Hill Sculptures and Living Desert (1,028)	26.2%
Wagga	6,112	2474	Chambers of the Black Hand - Lightning Ridge (682)	40.5%

Source: Tripadvisor.com.au and ABS Tablebuilder for the 2016 Census

11.3 Attachment C – Competitor analysis

Each element needs to be competitive. The first way that competitiveness can be considered is by identifying whether there is much in the marketplace already or in the progress of being developed, and how similar it is to what is proposed. **Table 11.3.1** presents a competitor analysis for the main visitor centre and **Table 11.3.2** presents an assessment for the outside elements. This high level and visual summary draws from a combination of stakeholder consultation (**Attachment A**) and desktop audit work.

Tables 11.3.1 and 11.3.2 suggest that:

- the proposal should avoid a focus on a museum and not use the name museum;
- minimise using static exhibits associated with early settlement (farming equipment and residential life);
- recognise that there is a competitive environment for Escape Rooms quality / themed restaurant, corporate services / themed function rooms / splash park and accommodation;
- recognise there is a blue sky opportunity for a visitor centre featuring touchscreens, 180-degree theatre, simulator and café, but these elements require an investment in quality and the café requires a good view of the surrounding area; and
- recognise there is a blue sky opportunity for a themed aerial obstacle course, 3D maze and cattle dog demonstration area, especially if they have quality interpretation dimension added.

In considering the options it is also relevant to note that the expected heavy reliance on passing traffic along the New England Highway favours experiences

that provide an opportunity to move about, refuel bodies and vehicles and foster exciting opportunities for children.

There is more specific tuning suggestions to enhance competitive positioning provided in **Tables 11.3.1 and 11.3.2**.

We also note two developments driven by Muswellbrook Council that are related but not direct competitors to the potential elements:

- Gateway facility on the southern edge of Muswellbrook to provide a Visitor Information Centre and retailer of local produce, which does not deliver any of the proposed elements; and
- Performance and Convention Centre within Muswellbrook township (Brook Street) providing 500 seat fixed theatre seating for performances and a multi-purpose 'studio' seating 50 – 60 people. (May pay to check the status of this project which may reduce the competitive tension)

Table 11.3.1 Competitor analysis for potential elements within the visitor centre (red shading means competitive environment, yellow means semi-competitive (be careful) and green means minimal to no competition so differentiated)

Visitor Centre elements	Presence in Upper Hunter	Subsequent response in Proposal
Static displays	Current: Crowded market dominated by small local museums (Scone & Upper Hunter Historical Society, Murrumbidgee Museum, Denman and Merriwa Colonial Museum and Historical Society, Upper Hunter Museum for Rural Life at Lake Glenbawn closed since 1986) and Newcastle Museum. Pipeline: upgrade to the Denham Heritage Village / Museum (DA sited, no business case, funded), Warbird Visitor Attraction and Horse Centre of Australia (no docs sited), both in Scone, proposed upgrade to Railway Museum and Visitor Information Centre, (drawings sited, no interpretation plan or business case sited, extension to Muswellbrook Art Gallery (no docs sited)	Avoid a focus on a museum and do not use the name. Minimise coverage of early settlement. Minimise using static exhibits associated with farming equipment and residential life. Limit extent of text panels. Avoid using objects not presented with regionally significant stories. Target large images and objects.
Touchscreens	Current: Nothing found in Upper Hunter, small use in Newcastle Museum Pipeline: Nothing identified	Blue sky opportunity. Ensure a good budget to produce quality productions and ability to simply update some content over time
180-degree theatre	Current: Nothing found in Upper Hunter or the wider Hunter Pipeline: Nothing identified	Blue sky opportunity. Ensure a good budget to produce a quality production and consider alternative uses of the venue, such as to show other relevant documentary films linked to the theme
Simulator	Current: No land transport simulator, one flight simulator in Newcastle Pipeline: Nothing identified	Blue sky opportunity. Design so people can watch behind the driver, so more people can enjoy same time. Use a booking system, chargeable experience
Escape rooms	Current: Nothing found in Upper Hunter. Three operators in Newcastle (only one locally themed – Pasha Bulka shipwreck), one in Pokolbin (wine themed), one in East Maitland (jail escape) that could be a developer operator for this proposal Pipeline: Nothing identified	Competitive environment but regional operators are differentiating themselves with local story theming and high-quality sets and challenges, and are financially viable. Local theming and high quality for this proposal is essential. Could be used as team building / leadership activity for education and training.
Café at an outdoor attraction	Current: Hunter Belle (Muswellbrook), Pukara Tasting Room Pipeline: Nothing identified	Blue sky opportunity. Offer quality local food in a dining environment that features a view of surrounding area, and perhaps also a view of an attraction that children are using for parents to feel connected
Quality / themed restaurant	Current: The Remington (Muswellbrook) quality offer and service with strong business and special occasion market. Hollydene (30km from Muswellbrook) quality localised food and wine offer but no dinners. Stone and Wood Restaurant (John Hunter Motel) gets good Google reviews In pipeline: expanded first floor function room (from 100 to 250 people) and new bar and bistro at Muswellbrook Race Club (concept plan sited, no business case sited), Cedar Mill Hunter Valley is building a hatted restaurant as part of a larger development in Lower Hunter	Competitive environment. Limited market requires a new entrant to be careful with opening hours and costs
Corporate services / themed function rooms	Competitive small venues (<100 pax) with many hotels offering modest meeting rooms and small function facilities. Hollydene strongest competitor being set in vines. Limited larger facilities (eg. Muswellbrook Race Club, Muswellbrook RSL Bowling Club, and Upper Hunter Conservatorium of Music) providing limited differentiation and views In pipeline: expanded first floor function room (from 100 to 250 people) and new bar and bistro at Muswellbrook Race Club (concept plan sited, no business case sited)	Competitive environment among smaller scale venues, but there is unmet demand for quality larger venues with differentiation / theme. Design as a multi-use space that can be made into smaller spaces, position to capture views, avoid reliance on large groups, package with activities and photo opportunities on other parts of the attraction

Table 11.3.2 Competitor analysis for potential outdoors elements (red shading means competitive environment, yellow means semi-competitive (be careful) and green means minimal to no competition so differentiated)

Outdoor elements	Competitiveness in Upper Hunter	
Themed aerial obstacle course	Current: None in region, closest is a conventional ropes course in Murrumbidgee (Newcastle). Conventional ropes course product is becoming crowded. The only aerial obstacle course is in Adelaide Pipeline: Nothing identified	Blue sky opportunity for an aerial obstacle course, and one that is locally themed will have no competitor duplication. Excellent addition to education and training rooms, meeting rooms and corporate activities to use for team building. If located and lit up appropriately, can become a symbol and sign that attracts visitors to the overall attraction
Splash Park	Current: None in region, though Muswellbrook outdoor pool provides blow up elements in summer. Closest Splash Parks are a small one Maitland (part of local aquatic centre) and in Newcastle (part of Lambton Aquatic Centre) Pipeline: Muswellbrook Aquatic Centre is establishing a children's wet play area as part of an overall refurbishment	Limited competitive environment for an outdoor themed Splash Park Consider solar heated water to increase operating season from Summer to include Spring and Autumn
3D Maze	Current: None in region. Closest is Wyong Creek (Central Coast) that is part of a fun park featuring animals, and winery at Bago (south of Port Macquarie) Pipeline: Nothing identified	Blue sky opportunity, especially for a maze not built with a hedge but from a locally themed material, and featuring a locally themed story
Cattle dog demonstration area	Current: No regular opportunity in region. Annual opportunity to view a cattle dog demonstration as part of Muswellbrook Show Pipeline: Annual Great Cattle Dog Muster will provide three-day event of cattle dog exhibition demonstrations (herding trials, obedience trials, tricks and property classes)	Blue sky opportunity for a smaller model demonstration on forecast days throughout the year that provide close viewing of dogs doing obedience and tricks. Perhaps do not operate during the period of the annual Show and Great Cattle Dog Muster, unless offer is sufficiently differentiated
Accommodation	Current: in Muswellbrook predominantly motels and hotels priced at \$100 – 160 (except Remington). Unmet demand for quality differentiated accommodation beyond hotels and motels from leisure and business sector. Occasional periods where there is no quality accommodation due to business sector booking it out. Pipeline: Denman Tourist Park and Thermal Baths Master Plan proposes new cabins, backpacker accommodation and RV services and three hot tubs, no business case identified	Limited competitive environment Opportunity for themed four-star accommodation targeting business travellers associated with meetings, conferences, education and training, and leisure visitors seeking a more unusual style of accommodation than what is offered, as well as guests to on-site functions that would like to avoid driving back into town. Development could be staged to test market and refine offer

Table 11.3.3 Muswellbrook short stay accommodation properties

Property	Nightly tariff	Google Reviews	Number of rooms
The Remington	\$230	4.5 stars from 173 reviews	
The Hermitage	\$109	3.5 stars from 59 reviews	
John Hunter Motel	\$143	4.0 stars from 82 reviews	
Wayfarer Motel	\$81	3.5 stars from 83 reviews	
Noah's Mid City Inn	\$159	4.1 stars from 116 reviews	
Red Cedar Motel	\$120	3.7 stars from 85 reviews	
Baybrook Motor Inn and Apartments	\$135	3.9 stars from 74 reviews	
Muswellbrook Motor Inn	\$160	4.5 stars from 84 reviews	
Gibbagunyah Manor	\$100	5 stars from 2 reviews	
Comfystay Centabrook Motor Inn		4.4 stars from 8 reviews 4.2 stars from 25 reviews	
Railway Hotel		3.4 stars from 129 reviews	
Ealons Hotel		4.3 stars from 377 reviews	

Accommodation Audit

An audit of short stay accommodation in the Muswellbrook area revealed 13 properties within the Muswellbrook local area. All properties are rated three star and range from an average daily rate of \$81 up to \$230 to per night. From this audit there appears to be a gap in the market for more business market accommodation and based on the particularly strong rate and performance of accommodation and restaurant at The Remington, it can be concluded that there is potential for more differentiated accommodation in Muswellbrook to support the Upper Hunter.

The accommodation operators that we consulted reported consistently strong occupancy and easily achieved average daily room rates (ADR). These operators also reported that the high occupancy was largely driven by the business sector and that even on weekends many rooms were still booked on weekly arrangements even though the guest may have no intention of using the room on weekends. In addition, the operators offered little interest in expanding to add more rooms either because they were making adequate profits with the existing buildings or it was extremely difficult to acquire tradesman and the construction costs were abnormally high due to the lack of supply, which in turn reduces the room on investment expansion.

Function, training, and conference facilities

Table 11.3.4 Current function, training, and conference facilities in Muswellbrook

Property	Charges	Capacity	Catering
Muswellbrook Race Club	Full day charge \$495 (8am to 4pm)	Seats approx. 100 theatre style	Catering available for morning tea and lunch from \$30 up to \$36 per person up
Silks Function Centre	Evening function \$495 (5pm onwards) Early start, \$575 (before 8am)		Breakfast from \$28 to \$40 per person
Muswellbrook Race Club	Full day charge \$385 (8am to 4pm)	Seats approx. 40 people	
Public Area Function Space	Early start, \$410 (before 8am) If booked in conjunction with Silks \$220		
Muswellbrook RSL Bowling Club	By enquiry only	Up to 300	Yes
Muswellbrook Golf Club	By enquiry only	Small function (wakes, outdoor parties, engagements)	Yes
Segenhoe Inn Venue Hire	By enquiry only	Weddings, birthday, corporate events (Xmas parties)	Yes
Muswellbrook & District Workers Club			All day tea and coffee \$5 per person
Ron Adams Room	Seats approx. 60	Half day (up to 5 hours)	With biscuits \$8 per person
The Spires Room	Seats approx. 24	\$99	

			Full Day \$149 Half day (up to 5 hours) \$129 Full Day \$179	Morning and afternoon tea available from \$80
Muswellbrook Golf Club				
Upper Hunter Conservatorium of Music				
The Atherstone Room	Seats approx. 140, standing 200	\$90 hr; \$600 day		
Colvin Room	Seats 58 theatre style	\$60 hr; \$400 day		
Function Room 2	Seats 10-12	\$50 hr; \$350 day		
Studio 4	Seats 8	\$50 hr		
The Royal Hotel	Hire time 4hrs			2 courses \$40 - \$60 per person, degustation, canape and beverage packages available
Cellar Room	\$75	Max 16		
The Loft	\$75	Max 30		
The Kitchen	\$200	Max 60		
The Diner	No charge	Max 16		
The View	No charge	Max 24		
The Courtyard	No charge	Max 60		
The Garden	No charge	Max 90		

Table 11.3.5 Proposed function, training, and conference facilities in Muswellbrook

Property	Capacity	Features
Muswellbrook Race Club	Seats up to 250	Provision to split into two smaller function rooms
Muswellbrook Regional Entertainment and Conference Centre	400 seat theatre Function room approx 50-60 pax	<ul style="list-style-type: none">▪ orchestra pit▪ black box (community) studio▪ office accommodation▪ technical offices▪ support spaces▪ commercial kitchen and café▪ front of house/ foyer and amenities▪ commercial space▪ community plaza and open space▪ loading dock▪ car parking <p>The centre will cater for a performing arts program, community theatre, community hire, conferences and commercial hire.</p>

11.4 Attachment D – Market testing analysis

Market testing was also undertaken with the target markets to test the relative appeal of the potential elements, and explore price points for charging for use.

Approach used

Online market testing was conducted with a defined target market (see Section 4.5) – people that had visited a museum somewhere in Australia in the past two years and were residents of Melbourne, Sydney or Newcastle (as potential source markets capable of bringing higher economic spend to the region).

An online questionnaire was designed to test the relative appeal of the experiential dimensions of the options and price points for chargeable experiences.

The options were presented, and participants were asked to react in terms of relative appeal, likelihood to trigger a visit, and likelihood to trigger an overnight stay in the region (used later for economic impact forecasting). The survey also captured demographic profiles of each participant.

Responses were contained within a database, used to generate overall results across the full sample, and cross tabulated to explore preference difference across demographic profiles, or vice versa.

Sample collected

A sample of 300 respondents were collected from the following sources:

Table 11.4.1 presents the relative appeal of the various elements and identified relatively even support for the elements, but that the elements most likely to make the market want to travel to the attraction and stay overnight were Themed Splash Park, Visitor Centre, Aerial obstacle course and simulator

Table 11.4.1 Relative appeal of potential elements

Element	Makes me want to travel to the attraction and stay overnight	Makes me want to travel to the attraction but not stay in the region overnight	I would do it but only if I have the money	I am indifferent but could be swayed either way	I have no interest at all in visiting an attraction like this
Visitor centre	26.26%	19.78%	22.30%	12.59%	19.06%
Simulator	24.10%	15.83%	20.86%	17.63%	21.58%
Escape room	21.94%	23.02%	23.02%	16.19%	15.83%
Aerial obstacle course	24.46%	21.22%	18.71%	15.47%	20.14%
Splash park	29.14%	15.11%	18.71%	15.11%	21.94%
3D maze	21.22%	20.86%	18.71%	19.42%	19.79%

Further exploration of appeal was undertaken by looking at the market's preparedness to pay and preferred pricing, as shown in Table 11.4.2.

Table 11.4.2: Propensity to pay for potential elements

Element	\$20+	\$15-\$19	\$10-\$14	Under \$10	Wouldn't pay
Visitor centre	20.86%	24.82%	21.58%	16.91%	15.83%
Element	\$1+	\$21-\$30	\$16-\$20	\$11-\$15	Wouldn't pay
Simulator	10.79%	19.42%	14.75%	16.91%	16.91%
Element	\$51+	\$41-\$50	\$31-\$40	\$21-\$30	Under \$20
Escape room	11.87%	11.87%	15.83%	17.63%	15.83%
Element	\$50+	\$40-\$49	\$30-\$39	\$20-\$29	Under \$20
Aerial obstacle course	13.31%	16.91%	15.11%	17.99%	15.11%
Element	\$50+	\$40-\$49	\$30-\$39	\$20-\$29	Under \$20
Splash park	14.75%	19.78%	17.63%	26.26%	21.58%
3D maze	17.99%	19.42%	17.63%	18.35%	26.62%

Motivational influence to visit

Tables 11.4.3 and 11.4.4 rates the potential of each element to motivate people to visit the attraction, and suggest that:

- only modest motivating influence will be generated by the immersive theatre, simulator, 3D maze and cattle dog demonstration area;
- stronger motivating influence is likely to be generated by the escape rooms, themed aerial obstacle course and themed accommodation; and
- there is potential for the themed splash park to exert the motivating influence to visit, though this may be seasonal and therefore averaged across the year equivalent to the second category of influential elements.

Proportion of actual users

Tables 11.4.3 and 11.4.4 also rate the proportion of actual users for each element, and suggest that:

- The 180-degree theatre is likely to receive the most visitors as it is part of a package of experiences that make up the overall visitor centre;
- The second largest visitation could come from the themed aerial obstacle course due to the lack of competition and cross over between leisure and business market appeal;
- The third largest visitation could come from the simulator, escape rooms and themed splash park; and
- The smaller visitation is likely to occur with the 3D maze, cattle dog demonstration area and themed accommodation.

Potential contribution to gross profit of elements

Tables 11.4.3 and 11.4.4 also suggest the amount of gross profit that each element might contribute to the overall tourism attraction, on the assumption that most have their own additional charge to the general visitor centre entry charge.

The 180-degree theatrette would be part of the general visitor centre entry charge.




















Table 11.4.3 Indicative strength to attract unique visitors to ADAPT

Visitor Centre elements	Motivator to visit	Actual users	Gross Profit
180-degree theatrette	  	  	Part of overall visitor centre charge
Simulator relocation and installation (simulator donated)			\$ \$
Escape rooms (2)	 	 	\$ \$

Most of the other elements have similar potential contribution to make to the overall gross profit but are differentiated as:

- high volume and high operating costs (themed splash park, themed aerial obstacle course);
- low volume and high operating costs but high yield (themed accommodation);
- low volume and modest operating costs (cattle dog demonstration); and
- low volume but low operating costs (simulator and 3D maze).

Table 11.4.4 Indicative strength to attract unique visitors to ADAPT

Outdoor elements	Motivator to visit	Actual users	Gross Profit
Themed splash park	  	  	\$ \$
Themed aerial obstacle course	 	  	\$ \$
Themed 3D maze using disused solar panels			\$ \$
Cattle dog demonstration area			\$
Themed accommodation (12 units)	 	 	\$ \$

11.5 Attachment E – Benchmarking comparable product

Avoid a museum focus

The first key finding from benchmarking comparable products was that it is critical that the proposal avoid a focus on a museum, because research and consultation has confirmed that the region does not have sufficient significant objects with stories worthy of this concept. In addition, local and regional museums have limited market appeal and one in Muswellbrook will not be viable. Attracting younger demographics is made more difficult by using museum in the title. Averaged over the four financial years pre-Covid the Hunter region has a well below NSW regional average reliance on museums and art galleries as activities undertaken by domestic overnight visitors (see Figure 11.5.1).

There is no Tourism Research Australia recording domestic day trips in the Muswellbrook area suggesting visitors visiting a museum or art gallery in the four financial years pre-Covid. This comparison highlights that a traditional museum would face a major struggle to win visitation in this region, as it is far easier to justify a new museum if the area already receives many museum visitors. Instead, an interpretive visitor centre offers a wider range of interactive experiences that will have wider appeal and greater viability.

Figure 11.5.1 Share of domestic adult overnight visitors to NSW regions with the activity in the region of visiting museums or art galleries over the four financial years ending 2018/19 (Source: TRA)



Add physical outdoor experiences that broaden the market and generate repeat local visitation

The second key finding from benchmarking comparable products was that even an interpretive visitor centre will have limited appeal and viability in Muswellbrook, because there just isn't sufficient market to easily tap into for this focus. The region has a shortage of outdoor experiences that combine storytelling with challenging and fun experiences (eg. Hunter Valley Gardens). For this reason, the following outdoor experiences have been benchmarked:

Ropes adventure parks versus aerial obstacle courses

Ropes adventure parks basically utilise a collection of mature straight trees to build platforms onto their trunks and interconnect the platforms with cabling that supports a range of technical challenges and ziplines. There has been a proliferation of these attractions built in south eastern Australia to the extent that most of them are relatively similar and the supply is approach saturation to market demand.

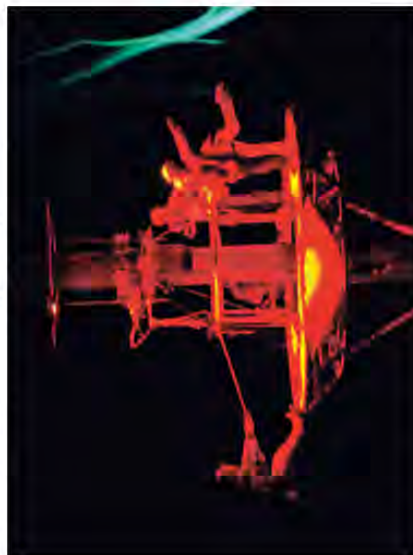
The aerial obstacle course utilises large steel posts and prefabricated towers attached to these with a similar cable system to support technical challenges and ziplines. The major differences to ropes adventure parks are greater height and a wider range of adventure challenges (including vertical ones) that is more possible with the stronger structure. The second major difference is the integration of creative elements and activities such as row boats, bicycles, giant mallets that give the experience more character and fun and allow greater differentiation of each attraction. Finally there are fewer aerial obstacle courses operating in Australia and there is still opportunity for more to be built without saturating the market.

The following case studies illustrate a collection of ropes adventure parks and aerial obstacle courses. This benchmarking resulted in the conclusion that an aerial obstacle course was a more competitive proposition and offered the opportunity for regional theming aligned to creative elements.

In addition, benchmarking of the Holly Bank Treetops Adventure suggests an opportunity to incorporate sophisticated lighting that not only allows the attraction to operate in the evenings, but gives it more character and differentiation.

Hollybank Treetops Adventure Zipline Tour - The Twilight Tour

The Hollybank Treetops Adventure is set in the old and new growth forests around Hollybank in Tasmania. The adventure consists of a multi-stage, zipline ride in the tree canopy, far above the forest floor, the very best place to enjoy the wonders that this unique landscape offers. The Twilight Tour adventure, commencing at dusk and finishing in the dark, combines the Day and Night Tour experience with the serenity of both dusk and night, with stars high above in the moonlit sky with only the helmet's lamp illuminating the way.



Gliding along wires and attached by harnesses, participants are led by knowledgeable and highly-trained guides through the treetops and above the Pipers River. The journey includes cable spans of between 15 metres and 400 metres, connected between tree platforms called 'cloud stations'.

Duration: 3 Hours (approx.), adult \$125.00, child \$90

Aerial obstacle course - West Beach Adventure

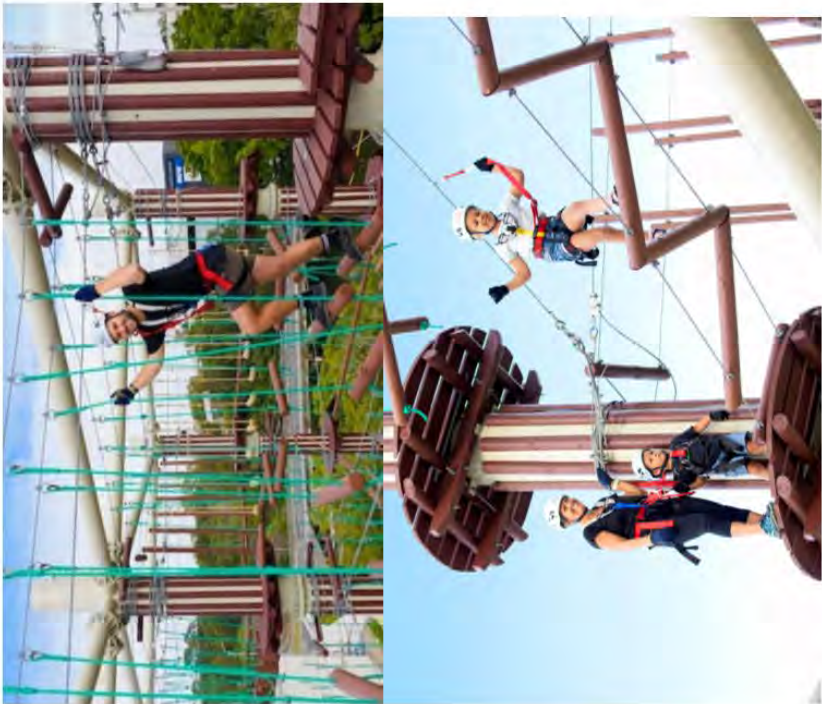
The West Beach Adventure located in at West Beach, 15 minutes from Adelaide CBD. The attraction features a combination of adrenaline oriented outdoor activities. The attraction offers the Mega Climb, the largest aerial adventure course in Australia, the leap of faith, a 20m vertical drop and a 3 person Giant Swing. The Sky Walk allows spectators to take in the view of the surrounding area. The onsite café offers barista-made coffee & tea, cold drinks and snacks. The attraction sells gloves, sunglass straps and phone pouches. Go Pros and lockers are available for hire.

Cost of tickets for Climb and Jump is \$55, Swing Climb and Jump are \$70 per person.



Aerial obstacle course - Next Level

Australia's largest ropes course on poles built in an urban environment opened in December 2020 at the Sunshine Plaza in Maroochydore Queensland. The \$3 million investment by Tree Tops Adventure Group has been built using 35 poles, some up to 20 metres high. The seven circuits are made up of 145 aerial challenges, 16 ziplines and a 135m zipline across the river. The seven circuits can accommodate up to 500 people per day. The course is designed for all ages, from children six year and up. The levels increase in difficulty up to the most challenging and adventurous on the fourth level. All courses start and finish and Tower One, where participants are geared up and trained. Sessions run every 15 minutes with up to 15 people, allowing one person per challenge. There is a 22m high viewing platform with 48 seats, offering 360-degree views of the Sunshine Coast, which can be accessed as a separate activity to the high ropes course. Next Level tickets start from \$24 for six- to 17-year-olds, \$35 for 18 years plus and \$5 for the viewing platform.



Splash / Water Parks

Splash parks are an interactive water activity comprising a mixture of water spouts, spray guns, mist sprays, interactive fountains and tipping buckets.

Splash parks differ from water parks in that they have zero standing water and are typically designed for younger children. Water parks provide a high level of adventure and risk and suitable for older children and adults.

The majority of splash parks are co-located with swimming pools as part of government run aquatic centres and therefore are generally not priced separately but part of general admission. In recent years a small number of splash parks have been constructed to support holiday resorts such as holiday resorts and caravan parks, and there have also been a small number constructed as part of the reinvigoration of local parks. Most of the equipment that channels the water is standardised off the shelf and so is likely to become common place across splash parks. The following benchmarks of splash parks has identified an opportunity to differentiate by incorporating customised features based around a regional theme, and supported through interpretation that could establish the theme and perhaps a challenge that is integrated with the different elements of the splash park.

Most public Splash Parks are free to enter, however the larger Parks are charging up to \$15 per person for daily entry.

Costs to build a splash park vary widely depending on size but range from \$500k up to \$3 million

Bright Splash Park

Bright Splash Park is a social play and gathering area for locals and visitors. The built feature of Bright acts as a social play and gathering area for locals and visitors

is the Bright Splash Park. Located in Centenary Park, alongside Morses Creek, it is designed on the region's mining heritage and natural environment. Four splash pads, each designed to suit different age groups from toddlers through to teenagers has been designed to suit graduating abilities (see **Figure 6.55**).

Bright Splash Park uses a single-use water system which draws water from a bore and requires no chemical treatment. Used water is drained into the river, adding to the natural flows.

The \$525,000 project was developed by Alpine Shire Council in partnership with the Bright Community Bank Branch (\$60,000 contribution), Bright Rotary Club (\$20,000 contribution) and the Victorian State Government (\$300,000).





Discovery Park Barossa Valley, SA

Barossa Valley Discovery Park has one of the biggest water parks within a caravan park in Australia. The Park covers 500sq m with five splash zones, two slides and hundreds of jets and sprays. The traditional blue hues have been replaced with colours that pay homage to the Barossa – grape purple and green of the vines.

The design features a zero depth splash pad allowing minimal opportunity for water evaporation, with water cycled back into a balance tank where it is treated and reused ensuring maximum efficiency of resources. The water park is available to locals for \$15 per day.

<https://www.waterplay.com/en/featured-projects/discovery-parks-barossa-valley/>



Logan Gardens Splash Park

Logan Gardens Water Park offers an interactive water play environment that is accessible to people of all ages and abilities. The water play space cost more than \$3 million dollars, providing a spectacular, free recreational destination for Brisbane families.

Logan Gardens Water Park features a level splash pad area that provides access for all with 4 water play zones – a large water bucket with pond, a totem spray forest, a pop jet plaza and a raised water table.

Features include water jets, waterfalls, mist sprayers, bubblers, and fountains. Shade sails providing shade on sunny days, and a concrete surface coated with textured non-slip paint underfoot reduces slip risk. Accessibility has been further considered in the design with the interactive water table that provides wheelchair access as well as toddler play. The water park covers a large area but is still easily supervised by parents from the seating surrounding the water play park. The pre-programmed lights in the pop jet plaza at the Logan Gardens Splash Park create subtle interest during the day and spectacular night lights. There is also an adjoining playground, electric barbecues, picnic facilities, lawns, and toilets.



Escape Rooms

Escape rooms are interactive adventure games for groups of up to 8 participants at a time. Escape rooms test mental capacity to think in high-pressure situations and made good team building experiences for corporate training. Stemming from video games, escape rooms appeared in Japan and China in 2007 and since then have gained an audience in the USA and Europe. Available in over 60 countries, they are attracting more and more people every day. The goal of an escape room game is to find a way out of a locked room within the given time limit. Participants need to work as a team to solve logical puzzles, uncover clues, and follow the storyline to unravel a mystery. Each riddle brings the participants one step closer to the ultimate escape. Using logic, dexterity and ingenuity, escape rooms can elicit a range of emotions in participants from anxiety and stress to confidence and triumph. Escape rooms are themed to particular stories, using props, puzzle, clues relevant to the story make the experience more authentic. Escape rooms can be refreshed with new story and content to appeal to repeat visitors.

Prices for Escape Rooms depend on how many players are involved but average prices are as follows \$46 per person for 2 players, \$42 per person for 3 players, \$40 per person for 4 players, \$38 per person for 5 players.

Costs to develop an Escape Room vary widely depending on size of the room / s and what style of puzzles used. Low tech are less expensive than technology driven puzzles. Special effects also add to the cost.

Room size can be as small as 8m² with any size up to 185m². Costs range from \$28k up to \$200k

Can U Xcape, Bloomsburg, Pennsylvania, USA

Can U Xcape was opened in 2016 and has three themed escape rooms for private and public bookings. The story for the "Centralia Mineshaft" experience is "the tour guide for the Centralia Mineshaft had to leave the us for an emergency call, we decided to sneak into the mine. According to local legend there's a hidden diamond in there. But this mine has been burning underground since 1962... Will we make it out alive?"

Reviewers of this Escape Room made the following comments:

- As enthusiasts, we really appreciate it when we don't need to hand hold flashlights. It makes searching and solving puzzles much easier. In this case, the miners' hats with a light conveniently fit our needs and the storyline.
- The set design made us feel like we just entered deep into a mine. There was real coal in the room! The temperature was cooler in this room than the one we just played. We enjoyed the aspect of the light setting being controlled by us as the story developed.
- All the puzzles made sense with the story and as a group of 6, we were able to work on different puzzles simultaneously.
- The attention to detail on one particular prop really "wowed" us. From the visual aspect to the sound effect, we really felt "the impact".
- A physical puzzle was fun although I was the only one that experienced it.

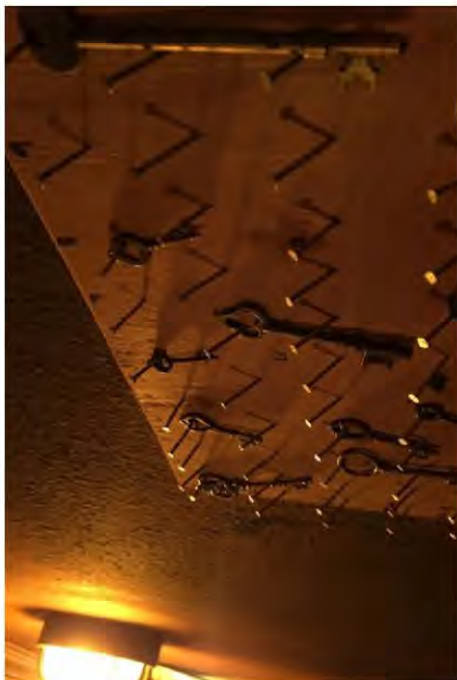


World of Escapes, California, USA

Mineshaft Rescue is an Escape Room at the World of Escapes in California. The story is as follows:

You and your team have been called to rescue and retrieve a child who's gone missing inside an abandoned mine shaft. During your rescue mission, you and your unit get notified that the child has been found and have been called back to base. On your return, a spontaneous earthquake occurred leading to half of the mine falling apart blocking your entrance and closest exit. You will need to use your special skills and expertise in order to escape within 60 minutes before the mine collapses.

<https://worldofescapes.com/los-angeles/quests/suite-201-escape-room-mine-shaft-rescue>



Interactive exhibit technology

The Viking by No Parking

The Viking, an interactive installation at the National Museum in Denmark has an interactive game where visitors can play and attempt to become "A True Viking".

The installation uses Touch Screens, which are activated by a game card (RFID chip) which is handed out at the entrance to the Museum. On the first post the visitor creates a Username, and selects a language. The video then starts with meeting a viking, then sends the visitor off on a mission throughout the exhibition – solving 4 tasks before earning the right to go on a Viking expedition, where the visitor can trade or plunder. When the different post in the exhibition are activated, the screen begins playing a short video introducing the particular task. The visitor must trade, choose weapons, make alliances, and sacrifice to the Gods, before continuing on the raid. The assignments are built up like in a computer game, where the visitor can see what they have earned in the game. Behind the scenes a server keeps account of the actions throughout the game, and finally evaluates if the visitor has earned the right to be called "A True Viking". The result is shown on the final screen, and can be shared on Facebook.

Apart from the fixed installation, that includes 12 Touch Screens with card readers, No Parking has developed a mobile version of the game, that can be played on an iPad – for school children. This version utilises an image recognition feature, allowing the user to scan markers in the exhibition area, and create site-specific storytelling. The application also features a task section, where the students can take a picture of an item, and answer questions about their choice.

<https://nouparking.dk/en/cases/underside1/nationalmuseet-viking/>



11.6 Attachment F – Detailed development costs



Page 1

INDICATIVE OPINION OF PROBABLE COST BENGALLA ROAD, MUSWELLBROOK, NSW				
Item No.	Item Description	Quantity	Unit	Rate
Amount				
GENERAL NOTES				
Trade :				
Generally				
1	The Aaron Still Consulting (ASC) Opinion of Probable Cost (OPC) is based on an detailed measurement and pricing of each of the components of the project, but with assumptions made for the following:			
2	The appropriate subcontract pricing structures, and associated trade contingencies, suitable for a project of this nature			Note
3	The appropriate preliminary pricing structures suitable for a project of this nature			Note
4	The appropriate builders profit margin suitable for a project of this nature			Note
5	The OPC constitutes an assessment of a competitive tender (i.e. from a tender keen to 'win' the project) but not necessarily the lowest price that might be received for that particular project configuration			Note
Subcontract Pricing Structures and Quotations				
Pricing Structures				
13	ASC has incorporated known subcontract pricing structures based on our perception of the current tender conditions, from competitive subcontractors (i.e. from a subcontractor keen to 'win' the project) but not necessarily the lowest price that might be received for that particular components which may arise with the nominated scope of works during construction. This trade contingency should not to be confused with a construction or design contingency			Note
14	A trade contingency has been included to allow for the 'unknown' components which may arise with the nominated scope of works during construction. This trade contingency should not to be confused with a construction or design contingency			Note
15	Pricing structures are based on February 2022 pricing structures, although an allowance is included for escalation up to the proposed construction commencement date of July 2023			Note
16	Assuming Covid-19 restrictions not 'tightened' further, or there were any major financial impacts to the Canberra economy (i.e. via material supply and subcontractor shortages), we are of the opinion that the currently incorporated pricing structures would still be adequate			Note
Quotations				
17	No subcontract quotations have been received for comparison / adjustment against ASC cost planning allowances			Note
Quality of Inclusions / PC Items				
18	Where there is no specific details as to the product selections, material finishes, etc., the quality of all inclusions has been assumed. These are highlighted within the Opinion of Probable Cost			Note
Provisional Allowances				
19	Due to the level of documentation available, some assumptions have needed to be made for this OPC			Note
20	These are clearly nominated within the OPC with the reference			Note
Exclusions				
21	Exclusions are clearly nominated within the detailed measurement of the OPC and should be reviewed for acceptability			Note
GENERAL NOTES				
Total :				
0.00				

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Trade : New Building Works			
Generally			
1 Allowance include all associated specialist services	Note		
Retail / Exhibition			
2 Airlock	m2	16.00	3,500.00
3 Extra over for automatic doors	no	2.00	13,500.00
4 Retail (fitout msd. sep.)	m2	43.00	3,250.00
5 Reception (fitout msd. sep.)	m2	21.00	3,750.00
6 Office	m2	19.00	2,750.00
7 Store	m2	14.00	2,500.00
8 Orientation display (fitout msd. sep.)	m2	179.00	3,250.00
9 Exhibition displays (fitout msd. sep.)	m2	3,250.00	1,495,000.00
10 Theatre (feature lighting, audio fitout msd. sep.)	m2	111.00	2,850.00
11 Extra over for acoustic requirements, etc.	Item	1.00	30,000.00
Cafe & Amenities			
12 Cafe (fitout msd. sep.)	m2	51.00	3,250.00
13 Kitchen (partial fitout msd. sep.)	m2	37.00	5,500.00
14 Staff room	m2	22.00	2,850.00
15 Course Store	m2	11.00	2,750.00
16 Circulation	m2	21.00	2,750.00
17 Toilets	m2	33.00	5,250.00
18 Cleaner	m2	6.00	4,750.00
19 First aid	m2	10.00	2,750.00
20 Escape rooms (fitout msd. sep.)	m2	37.00	3,250.00
Conference, Kitchen, Dining & Offices			
21 Exhibition / Function	m2	140.00	2,850.00
22 Extra over for acoustic requirements, etc.	Item	1.00	20,000.00
23 Education and training	m2	83.00	2,850.00
24 Conference	m2	60.00	2,850.00
25 Extra over for acoustic requirements, etc.	Item	1.00	10,000.00
26 Kitchen (partial fitout msd. sep.)	m2	41.00	5,500.00
27 Dining	m2	60.00	3,250.00
28 Store	m2	31.00	2,750.00
29 Toilets	m2	42.00	5,250.00
30 Lobby	m2	54.00	3,500.00
31 Offices	m2	57.00	2,850.00
Services			
32 Waste	m2	26.00	2,150.00
33 Maintenance	m2	26.00	2,150.00
34 Water services	m2	26.00	2,150.00
35 Services	m2	26.00	2,150.00
Facade & Feature Elements			
36 Extra over for blue laminated timber portal frames	m2	1965.00	75.00
37 Extra over for curtain wall glazing with operable mild steel frame / zincalume custom orb louvre panels	Item	1.00	200,000.00
38 Extra over for decorative (dress) ply panels to front of house	Item	1.00	25,000.00
39 Two storey raised roof feature	Item	1.00	30,000.00
40 Ditto but three storey	Item	1.00	55,000.00
External Areas			
41 Entry pergola structure	m2	154.00	425.00
42 Entry roof structure	m2	94.00	525.00
43 Timber decks / circulation	m2	148.00	375.00
44 Timber decks / circulation, including associated roof structure	m2	1645.00	900.00

[illegible]

Trade	External Services	Item	Unit	Quantity	Rate	Amount
1	External Drainage	Allowance for external stormwater drainage connecting all of the roof plumbing (Provisional - requirements unclear at this stage)	Item	1.00	20,000.00	20,000.00
		Allowance for external stormwater drainage from the new building to the new dispersion pit (Provisional - requirements unclear at this stage)	Item	1.00	15,000.00	15,000.00
3	Rainwater Tanks	Allowance for rainwater tanks (Provisional - requirements unclear at this stage)	Item	1.00	40,000.00	40,000.00
		Allowance for dispersion pit (Provisional - requirements unclear at this stage)	Item	1.00	15,000.00	15,000.00
5	Landscape Drainage	No allowance for landscape drainage (assume not required)	Note			
		Sewer Drainage				
6	External Drainage	Allowance for external sewer drainage from the new building to the septic system (Provisional - requirements unclear at this stage)	Item	1.00	15,000.00	15,000.00
		Septic System				
7		Allowance for 20kL Kubota Biological treatment system (Advanced Enviro MacArthur received 8 February 2022)	Item	1.00	200,000.00	200,000.00
		Water Supply				
8	External Water Service	Allowance for external water service from the new building to the new pump / buffer tank (Provisional - requirements unclear at this stage)	Item	1.00	10,000.00	10,000.00

[illegible]

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9	Buffer / Water Tanks / Filtration System	Allowance for rain water tank, pump and filtration system for sourcing additional water from the Hunter River	1.00	Item	100,000.00	100,000.00
10	Bore	No allowance for the creation of a new on-site bore (assume not required)		Note		
11	Gas Supply	No allowance for gas reticulation (assume not required)		Note		
Electrical Services						
12	Power Supply	Allowance for connection to the existing mains infrastructure services (Provisional - requirements unclear at this stage)	1.00	Item	75,000.00	75,000.00
13	PV Cells	Allowance for a new back-up generator, etc. (Provisional - requirements unclear at this stage)	1.00	Item	50,000.00	50,000.00
14	External Lighting	Allowance for solar PV cells to supplement the power supply (Provisional - requirements unclear at this stage)	1.00	Item	50,000.00	50,000.00
15	Carpark Lighting	Allowance for external lighting (Provisional - requirements unclear at this stage)	1.00	Item	25,000.00	25,000.00
16	Telephone / NBN Connection	Allowance for carpark lighting (Provisional - requirements unclear at this stage)	1.00	Item	75,000.00	75,000.00
17	Infrastructure services (Provisional - requirements unclear at this stage)	Allowance for alterations to the existing external telephone / NBN infrastructure services (Provisional - requirements unclear at this stage)	1.00	Item	30,000.00	30,000.00
External Services						
Total :					720,000.00	720,000.00

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Themed 3D Maze				
<i>Trade :</i>				
1	General	Costs are as advised by SMA Tourism (Simon McArthur) received 28 January 2022	Note	
2	Design Consultation	Design consultation included in Professional Fees	Note	
3	Themed Maze Construction	Allowance for sourcing and preparation of themed wall material (e.g. redundant solar panels, including the installation of maze components)	Item	200,000.00
4	Supporting Facilities and Infrastructure	Allowance for observation tower, foundations and footings, installation on completion, power, lighting and landscaping	Item	50,000.00
Total				250,000.00

Themed Aerial Obstacle Course				
<i>Trade :</i>				
1	General	Costs are as advised by SMA Tourism (Simon McArthur) received 28 January and 8 February 2022	Note	
2	Design Consultation	Design consultation included in Professional Fees	Note	
3	Themed Feature and Smaller Standard Elements	Allowance for themed elements either prefabricated as lightweight canopies of authentic regional objects, or engineered adaptations of original themed pieces (donated)	Item	2,200,000.00
4	Supporting Facilities and Infrastructure	Allowance for observation tower, foundations and footings, installation on completion, power, lighting and landscaping	Item	250,000.00
Total				2,450,000.00

Themed Splash Park				
<i>Trade :</i>				
1	General	Costs are as advised by SMA Tourism (Simon McArthur) received 28 January 2022	Note	
2	Design Consultation	Design consultation included in Professional Fees	Note	
3	Themed Feature Elements	Allowance for themed elements either prefabricated as lightweight copies of authentic regional objects, or engineered adaptations of original themed pieces (donated)	Item	600,000.00
4	Small Standard Elements	Allowance for water spouts, tipping bucket, push button activated water sprays, ground sprays, fixed water cannons and shower rings, cascade	Item	300,000.00
5	Supporting Facilities and Infrastructure	Allowance for underground works, pump and filter house, amenities block, lighting and shade structure	Item	350,000.00
Total				1,250,000.00

OUTDOOR ACTIVITIES				
<i>Trade :</i>				

ACCOMMODATION FACILITIES					
Trade :					
1	Themed "tiny house" style accommodation units, with associated deck and support structure (costs are as advised by SMA Tourism (Simon McArthur) received 28 January 2022)	12.00	no	250,000.00	3,000,000.00
New Building Works					
Total : 3,000,000.00					
Trade :					
Accommodation Pods					
1	Site clearance	1.00	Item	5,000.00	
2	Allowance for bulk earthworks to create the building platform, external paving, etc. (Provisional - requirements unclear at this stage)	1.00	Item	50,000.00	50,000.00
3	No allowance for the extra over associated with the removal of BRU (including associated tip fees)		Note		
4	No allowance for the extra over associated with contaminated materials		Note		
5	No allowance for the extra over associated with rock excavation		Note		
6	Allowance for de-watering during excavation works	1.00	Item	2,500.00	2,500.00
7	Allowance for water pollution / sediment control	1.00	Item	5,000.00	5,000.00
8	Allowance for boxing out of roads	920.00	m ²	20.00	18,400.00
9	Allowance for creation of swales, etc. (Provisional - requirements unclear at this stage)	1.00	Item	5,000.00	5,000.00
10	No allowance for retaining walls (assume not required)		Note		
11	Roadworks				
11	Bitumen road, including compacted sub base, etc.	920.00	m ²	105.00	96,600.00
12	Extra over for kerbs	295.00	m	85.00	25,075.00
13	Extra over for signage	1.00	Item	1,500.00	1,500.00
14	No allowance for surface drainage (assume not required)		Note		
15	Concrete paving to the individual accommodation pods	285.00	m ²	115.00	32,775.00
16	Timber decks included within the Building Works		Note		
17	No allowance for perimeter / boundary fencing or privacy screens (assume not required)		Note		
18	Signage				
18	Allowance for external signage structures (Provisional - requirements unclear at this stage)	1.00	Item	2,500.00	2,500.00
19	Landscaping				
19	Allowance for trimming to achieve final landscape levels (Provisional - requirements unclear at this stage)	1.00	Item	10,000.00	10,000.00
20	Allowance for soft landscaping (Provisional - requirements unclear at this stage)	1.00	Item	100,000.00	100,000.00
21	Landscape Furniture				
21	Allowance for landscape furniture (Provisional - requirements unclear at this stage)	1.00	Item	10,000.00	10,000.00
22	Making Good				
22	Allowance for making good of existing conditions at the completion of construction	1.00	Item	2,500.00	2,500.00
Total : 366,850.00					

Trade :		External Services	
1	Allowance for external stormwater drainage connecting all of the roof plumbing (Provisional - requirements unclear at this stage)	Item	12.00
2	Allowance for external stormwater drainage from the new building to the new dispersion pit (Provisional - requirements unclear at this stage)	Item	1.00
3	Dispersion Pit	Item	1.00
4	Landscaping Drainage	Item	15,000.00
5	External Drainage	Note	
6	No allowance for landscaping drainage (assume not required)	Note	
7	Sewer Drainage		
8	Allowance for external sewer drainage from the new building to the septic system (Provisional - requirements unclear at this stage)	Item	24,000.00
9	Septic System	Item	1.00
10	Allowance for 20kL Kubota Biological treatment system (Advanced Enviro sptic) or similar (costs are as advised by S&A Tourism (Simon McArthur) received 28 January 2022)	Item	170,000.00
11	Water Supply		
12	External Water Service		
13	Allowance for external water service from the new building to the new pump / buffer tank (Provisional - requirements unclear at this stage)	Item	12,000.00
14	Buffer / Water Tanks / Filtration System	Item	100,000.00
15	Additional water from the Hunter River	Item	100,000.00
16	Bore		
17	No allowance for the creation of a new on-site bore (assume not required)	Note	
18	Gas Supply	Note	
19	No allowance for gas reticulation (assume not required)	Note	
20	Electrical Services		
21	Power Supply	Item	3,500.00
22	Allowance for connection to the existing power supply to the existing power system (Provisional - requirements unclear at this stage)	Item	20,000.00
23	External Lighting	Item	20,000.00
24	Allowance for external lighting (solar) (Provisional - requirements unclear at this stage)	Item	1.00
25	Communication Services		
26	Telephone / NBN Connection	Item	18,000.00
27	Allowance for connection to the existing external telephone / NBN reticulation (Provisional - requirements unclear at this stage)	Item	1,500.00
Total :			
426,000.00			

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Trade : PRELIMINARIES, MANAGEMENT & SUPERVISION, OVERHEADS & PROFIT				
Fixed Preliminaries				
1	Surveys	Allowance for fixed preliminaries (i.e. surveying, site establishment, security, insurance & bank guarantees, signage, temporary fencing & services, site consumables, small tools & plant hire, site labour, cranes, scaffolding, rubbish removal and final cleaning) (say 4.5%)	0.045	Item
				19,385,575.00
				872,350.88
Total : 872,350.88				
Management and Supervision				
1	No allowance for management and supervision (assume lump sum tender)			Note
2	Allowance for management and supervision (say 7.0%)		0.07	Item
				19,385,575.00
				1,356,990.25
Total : 1,356,990.25				
Overheads and Builder's Profit Margin				
1	No allowance for office overheads and builder's profit margin (assume lump sum tender)			Note
2	Allowance for office overheads and builder's profit margin (say 5.0%)		0.05	Item
				19,385,575.00
				969,278.75
Total : 969,278.75				



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Specialty Fitout Components			
1	General	Costs are as advised by SMA Tourism (Simon McArthur) received 28 January and 8 February 2022	
	Visitor Centre Expertise		
	Visitor Centre / Tourism Product Development / Interpretation		
2	Specialist	Visitor Centre expert - included in Professional Fees	
	Arrival / Lobby Area		
	Entry Feature		
3		Semi-circular creek, water pump & filter, pedestrian bridge over creek, artificial muscels & underwater lighting	100,000.00
	Customer Service Design		
4		Reception desk, computer stools, point of sale system	20,000.00
	Orientation Displays for Region		
5		Regional wall map, brochure display stands & specialised lighting	20,000.00
	Orientation Displays for Attraction		
6		Site wall map, building wall map, video screens, specialised lighting (supported by writer & graphic designer), major feature exhibit suspended	100,000.00
	Content		
	Interpretation Zone - Timeline		
7		Researcher, interpretation specialist, graphic designer	70,000.00
	Production and Installation		
8		Display production, electrical & lighting, installation	60,000.00
	Head Contractor		
9		Coordination of production contractors	60,000.00
	Content		
10		Researcher and script writer for two 20 minute productions	100,000.00
	Production		
11		Theatre production company (director, sound and film crew for site filming, set production, animation production, actors, editing, sound, royalty payments to existing material incorporated)	750,000.00
	Theatre Fitout		
12		Mobile seating for up to 50 pax, high powered & high definition projectors to deliver overlaid large projections, surround sound, cabling, multi-stack interconnected servers to run production, installation & equipment to convert to presentations (eg. microphones, lecture, data projector), pilot testing, operational manual to operate and fix, 12 month	300,000.00
	Interpretation Zone - Touchscreens		
	Content		
13		Researcher, interpretation specialist, graphic designer	130,000.00
	Production and Installation		
14		10 large format poster size touch screens, supporting independent frames or wall mounts, electrical & lighting, installation	100,000.00
	Interpretation Zone - Static Displays		
	Curatorial Work		
15		Sourcing, conserving / stabilising objects for exhibition	200,000.00
	Content		

Relocations			
1		No allowance for moving and relocation costs (not applicable)	
		Note	
Total :			0.00

ADD-ON COMPONENTS			
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16	Researcher, interpretation specialist, graphic designer	1.00	Item	300,000.00	300,000.00
17	Production and Installation Display production (sealed cabinets, interpretive display panels and labels, specialised lighting, cabling, installation)	1.00	Item	600,000.00	600,000.00
18	Relocation and Installation Technician to re-program and provide simpler start-up / sleep console for unsupervised use; assumed equipment is donated (redundant but appropriate system)	1.00	Item	10,000.00	10,000.00
19	Fitout Housing to support screens and dashboard, seating for user and spectators, lighting and supporting introductory display	1.00	Item	20,000.00	20,000.00
20	Content Research & concepting for adaptation of an existing escape room product to address a local theme / story	1.00	Item	60,000.00	60,000.00
21	Production Construction / installation of internal walls & doors, fitout (furniture, lighting & props)	1.00	Item	40,000.00	40,000.00
22	Supporting Fitout Cameras and video screens at reception, cabling, supporting introductory video on external Escape Room wall	1.00	Item	20,000.00	20,000.00
23	Fitout Display cabinets, racks, specialised lighting, security cameras & screens at reception	1.00	Item	40,000.00	40,000.00
24	Customised Products Local produce	1.00	Item	20,000.00	20,000.00
25	Branding & advance purchase of generic products (eg. clothing, stubby holders, etc.)	1.00	Item	30,000.00	30,000.00
26	Kitchen Fitout Cool room, freezers, dry store, coffee machine, grinder, dishwasher, cooking equipment, refrigerated display cabinet	1.00	Item	100,000.00	100,000.00
27	Dining Indoor / Outdoor Fitout Tables, chairs, tableware for 50 pax, miscellaneous crockery, ordering & point of sale system, theming decor	1.00	Item	30,000.00	30,000.00
28	Themed Restaurant Fresh produce, dry goods, packaging	1.00	Item	10,000.00	10,000.00
29	Kitchen Fitout Cool room, freezers, dry store, coffee machine, grinder, dishwasher, cooking equipment, refrigerated display cabinet	1.00	Item	100,000.00	100,000.00
30	Dining Fitout Tables, chairs, tableware for 70 pax, miscellaneous crockery, ordering & point of sale system, theming decor	1.00	Item	40,000.00	40,000.00
31	Advance Purchase of Produce Fresh produce, dry goods, packaging	1.00	Item	10,000.00	10,000.00
32	Function Room Fitout Audio visual equipment, microphone, lecturn, tables, chairs, blackout	1.00	Item	60,000.00	60,000.00
33	Office Fitout Desk, chairs, computer, printer, etc.	1.00	Item	20,000.00	20,000.00
34	Training / Meeting Room Fitout Tables, chairs, audio visual equipment and blackout blinds	1.00	Item	20,000.00	20,000.00
35	Staff / Tea Room Table, chairs, kitchen appliances (i.e. fridge, microwave, etc.)	1.00	Item	5,000.00	5,000.00
Specialty Fitout Components					
Total				3,545,000.00	

Council Fees and Charges			
1	Allowance for council fees & charges (say 1.75%)	0.018	Item
2	Rounding	1.00	Item
Total:		22,600,000.00	Item
		-500.00	
		395,500.00	

Professional Fees			
1	Allowance for professional fees up to and including development application (assume 2.0%)	0.02	Item
2	Allowance for professional fees up to and including building approval	0.03	Item
3	Allowance for professional fees during construction (assume 1.0%)	0.01	Item
4	Allowance for private certification (assume 0.4%)	0.004	Item
5	Allowance for quantity surveying (assume 0.3%)	0.003	Item
6	Allowance for external project management (assume 1.0%)	0.01	Item
7	Visitor Centre expert to assist PCS with stakeholder consultation and advice on procurement & management or orientation and storytelling product development and float	1.00	Item
8	Themed splash park	1.00	Item
9	Themed aerial obstacle course	1.00	Item
10	Themed 3D maze	1.00	Item
11	Cattle dog demonstration area	1.00	Item
12	Rounding	1.00	Item
Total:		22,600,000.00	Item
		-200.00	
		1,990,000.00	

Furniture, Fittings and Equipment			
1	Allowance for furniture, fittings and equipment - included in Specialty Fitout Components		Note
2	Allowance for furniture, fittings and equipment	12.00	Item
Total:		7,500.00	
		90,000.00	

1	Prices are effective February 2022	Note			
2	Due to the volatility of the current material supply and subcontract pricing structure, allowance is included for escalation from February 2022 through to July 2023 (i.e. construction structures from March 2022 through to March 2023)	Note			
3	Allowance for escalation from March 2022 through to March 2023 (assume 12 no. months at 5.5% p.a.)	Item	0.06	22,600,000.00	1,243,000.00
4	Allowance for escalation from March 2023 through to July 2023 (assume 4 no. months at 4.5% p.a.)	Item	0.015	23,843,000.00	357,645.00
5	Rounding	Item	1.00	4,355.00	4,355.00
6	No allowance is included for further unexpected cost movements associated with potential lockdown requirements experienced due to the	Note			
Escalation					
Trade : 1,605,000.00					
Total : 1,605,000.00					
Contingencies					
Trade : 3,390,000.00					
1	Design / Construction Contingency				
1	Allowance for design / construction contingency (assume 12.5%)	Item	0.125	22,600,000.00	2,825,000.00
3	Project Contingency				
3	Allowance for overall project contingency (assume 2.5%)	Item	0.025	22,600,000.00	565,000.00
2	Rounding	Item		0.00	0.00
Contingencies					
Trade : 3,390,000.00					
Total : 3,390,000.00					
Client Costs					
Trade : 0.00					
1	No allowance for Muswellbrook Visitor Centre costs (assume budgeted separately)	Note			
Client Costs					
Trade : 0.00					
Total : 0.00					
Finance Costs					
Trade : 0.00					
1	No allowance for finance costs (assume budgeted separately if applicable)	Note			
Finance Costs					
Trade : 0.00					
Total : 0.00					
Land Costs					
Trade : 0.00					
1	No allowance for land costs (existing land utilised)	Note			
Land Costs					
Trade : 0.00					
Total : 0.00					
Goods and Services Tax					
Trade : 0.00					
1	No allowance for Goods and Services Tax	Note			
Goods and Services Tax					
Trade : 0.00					
Total : 0.00					

Pre-opening phase	Cost
Recruitment	\$50,000
Centre Manager	\$59,450
Floor Manager	\$13,872
Sales & Marketing Coordinator	\$19,817
Staff and contractor training	\$8,346
Trainers	\$15,000
Marketing	\$50,000
Pre-paid insurances	\$300,000
Motor vehicle lease	\$10,000
Serviced office	\$10,000
Sundry (staff uniforms etc)	\$13,516
Cash float, advance salary and contractor payments (Q1)	\$250,000
Total pre-opening costs	\$800,000

8.4 PUBLIC EXHIBITION - DRAFT 2022-2026 DELIVERY PROGRAM

Attachments:	A. DRAFT - 2022-2026 MUSWELLBROOK SHIRE DELIVERY PROGRAM
Responsible Officer:	Fiona Plesman - General Manager
Author:	Melissa Cleary - Manager - Governance
Community Plan Issue:	<i>Genuine and well informed community participation in decision making</i>
Community Plan Goal:	<i>Utilise best practice models of community engagement to ensure decision making is meeting the expectations of the community.</i>
Community Plan Strategy:	<i>Undertake a comprehensive community consultation program as per the Community Engagement Strategy.</i>

PURPOSE

To seek Council's endorsement for the public exhibition of the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program* (DRAFT DP).

OFFICER'S RECOMMENDATION

Council endorses the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program* for public exhibition from 27 April 2022 to 24 May 2022.

Moved: _____ Seconded: _____

BACKGROUND

Pursuant to section 404 of the NSW *Local Government Act 1993*, Council is required to have a program (called its **delivery program**) detailing the principal activities to be undertaken by Council to perform its functions (including implementing the strategies set out in the community strategic plan) within the resources available under the resourcing strategy.

Council must establish a new delivery program after each ordinary election of Councillors to cover the principal activities of Council for the 4-year period commencing on 1 July following the election.

CONSULTATION

All Councillors

General Manager

Manex

REPORT

Council's *DRAFT 2022-2026 Muswellbrook Shire Delivery Program*, which is attached under separate cover, has been developed in consultation with Councillors and Council's senior executive team.

Council's Integrated Planning and Reporting documents, including the DRAFT DP require public exhibition of at least 28 days to allow sufficient time for community engagement and for Council to consider the community's feedback on the DRAFT DP prior to adoption.

OPTIONS

Council may determine to:

1. endorse the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program* for public exhibition; or
2. propose amendments to the DRAFT DP prior to public exhibition.

CONCLUSION

It is recommended that Council endorses the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program* for public exhibition over a period of 28 days.

SOCIAL IMPLICATIONS

As described in the DRAFT Delivery Program

FINANCIAL IMPLICATIONS

As identified in the Resourcing Strategy and annual budgets

POLICY IMPLICATIONS

None identified

STATUTORY IMPLICATIONS

Pursuant to section 335 of the *NSW Local Government Act, 1993* the general manager is to prepare, in consultation with the mayor and the governing body, the council's Delivery Program.

Pursuant to section 404 of the *NSW Local Government Act, 1993*:

- a council must have a Delivery Program detailing the principal activities to be undertaken by the council to perform its functions within the limits of the resources available under the Resourcing Strategy; and
- the council must establish a new Delivery Program after each ordinary election of councillors to cover the principal activities of the council for the 4-year period commencing on 1 July following the election.

LEGAL IMPLICATIONS

None identified

OPERATIONAL PLAN IMPLICATIONS

The 2022-2023 Operational Plan will be developed in alignment with the goals and strategies outlined in the endorsed *2022-2032 Muswellbrook Shire Community Strategic Plan*, the adopted *2022-2026 Muswellbrook Shire Delivery Program* and the adopted *Muswellbrook Shire Council Resourcing Strategy*.

RISK MANAGEMENT IMPLICATIONS

As described in the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program* and the DRAFT Resourcing Strategy

WASTE MANAGEMENT IMPLICATIONS

As described in the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program*

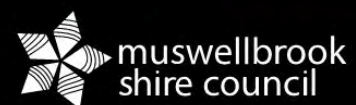
COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

Community consultation and media plans will align with the adopted Community Participation Plan and Council's adopted 2021/2022 Budget.

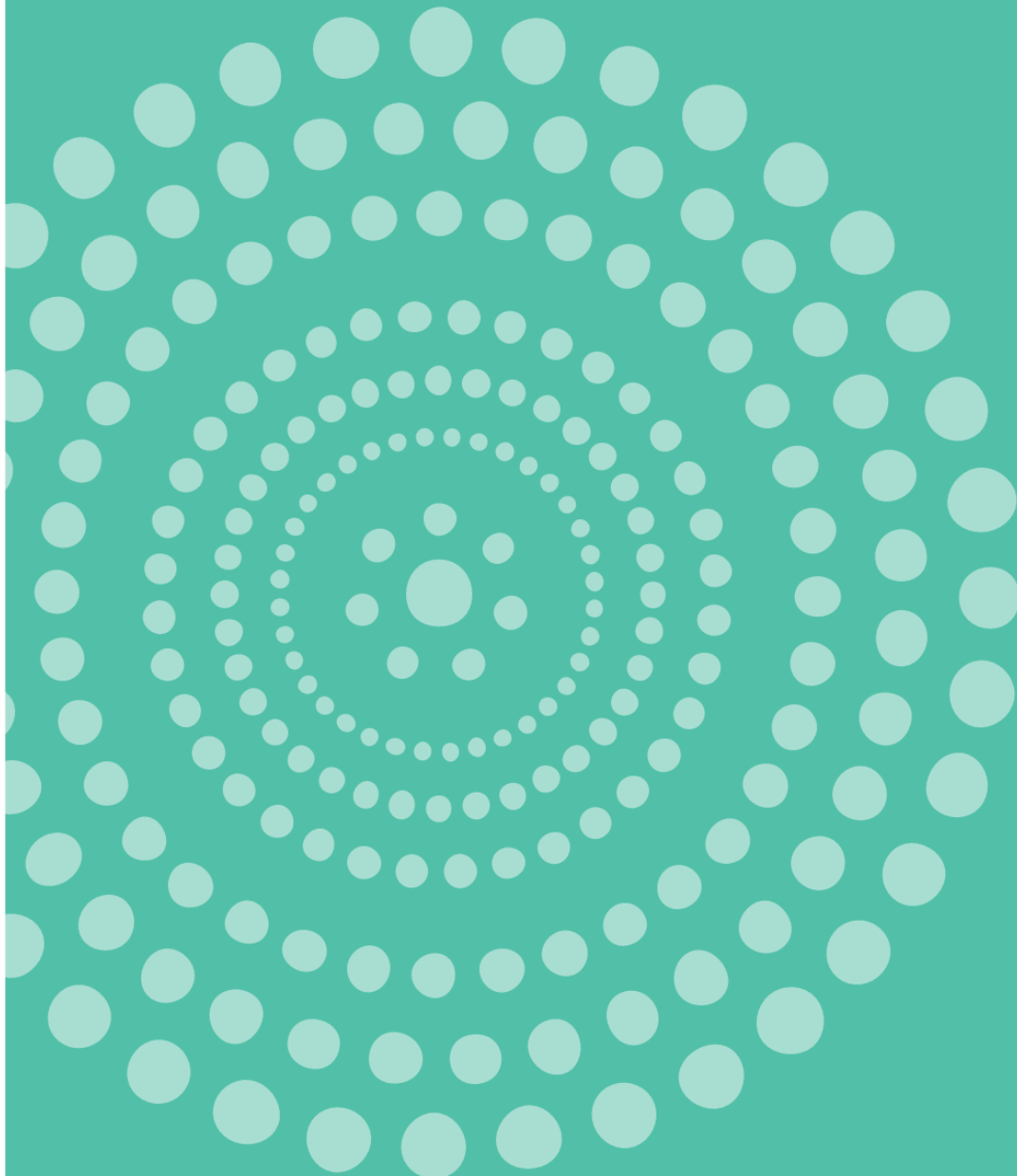
MUSWELLBROOK SHIRE 2022 – 2026 DELIVERY PROGRAM



muswellbrook.nsw.gov.au



***Muswellbrook Shire Council respectfully
acknowledges the Local Aboriginal People who are
the Traditional Owners and Custodians of the land***



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Foreword

FOREWORD – A MESSAGE FROM THE MAYOR & GENERAL MANAGER



MAYOR – COUNCILLOR
STEVE REYNOLDS



GENERAL MANAGER
FIONA PLESMAN

The *Muswellbrook Shire 2022-26 Delivery Program* is Council's plan for the delivery of community services and infrastructure over the coming term.

The Delivery Program objectives and strategies support the six high-level long-term goals outlined in the *Muswellbrook Shire 2022-2032 Community Strategic Plan (CSP)*.

The Community told Council that they want:

1. **A dynamic local economy with full employment** for current and future residents in a diverse range of high value industries;
2. **An inclusive and interconnected community**, where everyone enjoys full participation;
3. **An environmentally sensitive and sustainable community**;
4. **A culturally rich and diverse Community** with strong identities, history and sense of belonging;
5. **Effective and efficient infrastructure** that is appropriate to the needs of our community;
6. **Collaborative and responsive leadership** that meets the expectations and anticipates the needs of the community.

The *Muswellbrook Shire 2022-26 Delivery Program* has been developed to integrate with our CSP and align with the priorities and actions endorsed in the *Premier's Priorities*, the NSW State Plan and other NSW Government plans to grow the economy, deliver infrastructure, protect the vulnerable, reduce human impacts on the environment and improve health, education and public services across NSW.

Specific elements of those goals are also aligned with the strategic objectives identified in the draft Hunter Regional Plan 2041 which will guide the delivery of greater prosperity and connectivity for communities across the Hunter region, including those in the Muswellbrook Shire.

Council's focus for the term

Due to the postponement of the September 2020 scheduled Local Government to December 2021, this will be a shorter Council term, with the next election due in September 2024. Therefore, this Delivery Program recognises that Council must concentrate its efforts on improving community engagement, service delivery and completing the major projects started under the previous Council, including:

- › The Olympic Park precinct which will provide regional standard sporting facilities to the Shire;
- › Construction of the Muswellbrook Town Square including a town centre park and modern town hall facility and entertainment centre;
- › Opening the new Muswellbrook Aquatic and Fitness Centre;
- › Completing the new Animal Shelter;
- › An extension to the Muswellbrook Regional Art Gallery.



During this term of Council there will be a Federal Election held in 2022 and a State Election in 2023. Council will embrace these opportunities to advocate on behalf of the community for the delivery of major projects and community priorities aligned with the CSP and outlined in the Muswellbrook Advocacy Agenda, by seeking commitments from the Federal and NSW Governments for:

- › the delivery of the Muswellbrook Bypass by 2026;
- › improved health services and public transport for the Shire;
- › support for development of the Muswellbrook Town Square;
- › planning and resourcing for post mining land use;
- › leadership to drive economic diversification;
- › a long term commitment to Resources for Regions funding;

- › Wollombi and Hunter Parks active and passive recreation opportunities;
- › Denman Tourist Park and Hot Pools key infrastructure projects;
- › a South Muswellbrook Gateway, one stop service centre for heavy vehicles and other traffic, to complement the proposed Muswellbrook Bypass; and
- › strong collaboration between the Tertiary Education Centre (TEC) University of Newcastle and TAFE campuses to provide training and research to support local economic activity.

Under this Delivery Program, Council will also place a greater focus on, and direct increased resources to, community engagement to encourage greater understanding of, and broader participation in, Council's decision making.

Council is pleased to commend the *Muswellbrook Shire 2022-26 Delivery Program* to the community.

2. Democratic Governance

THE GOVERNING BODY

The Governing Body of the Council consists of twelve (12) councillors elected for four years. The Chair of Muswellbrook Shire Council (the Mayor of Muswellbrook) and the Deputy Chair are elected by Councillors every two years.

The Mayor and Councillors

The Mayor holds a number of Council delegations and some statutory responsibilities to make determinations on behalf of the Governing Body of the Council between Council meetings. The Mayor is responsible to the Governing Body for the determinations he or she makes.

MAYOR – Councillor Steve Reynolds



Second term councillor Steve was born and raised in Muswellbrook and is now raising his own family in the Shire. He was elected Mayor of Muswellbrook in January 2022 and, as a lifetime local, fully understands the history, spirit and needs of the town and its surrounding areas. His priorities include upholding the pledge to improve communication and engagement within the community and delivering key capital projects alongside a team of dedicated councillors.

Councillor Mark Bowditch



Second term councillor Mark is involved in the environmental revegetation industry and runs trainee programs for young people giving them practical skills to enhance future opportunities.

He wants to represent the community without an agenda, support homeowners on issues around development in the Shire and focus on listening to residents.

Mark.Bowditch@muswellbrook.nsw.gov.au

DEPUTY MAYOR – Councillor Jennifer Lecky



As a life member of the Australian Local Government Women's Association (NSW) and offering many years of invaluable experience on Council, Jennifer's passions are her community and supporting women entering politics.

During the current term she would like to see revenue contributions from mining companies used to benefit the community & work towards developing a vibrant region.

Jennifer.Lecky@muswellbrook.nsw.gov.au

Councillor De-Anne Douglas



First term councillor and long-term Muswellbrook resident, De-Anne brings a wealth of local knowledge and experience to the role.

As manager of the Muswellbrook PCYC for more than 15 years she has developed deep community connections and a strong local voice. Her priorities include improved access to medical services and delivering the planned Community Hub.

De-Anne.Douglas@muswellbrook.nsw.gov.au

Councillor Amanda Barry



First term councillor and Denman resident, Amanda is looking forward to being part of a strong council that can be trusted and respected.

An advocate of community engagement, she wants to create a shared vision for the future which includes efficient and effective services and protection and enhancement of the natural environment.

Amanda.Barry@muswellbrook.nsw.gov.au

Councillor Jeff Drayton



Born and raised in Denman before relocating to Muswellbrook and with previous experience on Council Jeff wants to see this new Council refocus on real issues and best outcomes for the community.

While acknowledging that Council is financially strong he wants to ensure that consultations with stakeholders are strong and transparent.

Jeff.Drayton@muswellbrook.nsw.gov.au

Councillor Louise Dunn

Long-term resident, schoolteacher and first term councillor Louise has a strong sense of community and has resolved to bring the Shire back to being caring and compassionate.

While acknowledging that carbon neutrality and sustainable energy is the way of the future, she also understands that coal mining is vital to the economy and would also like to see more parks and open spaces.

Louise.Dunn@muswellbrook.nsw.gov.au

Councillor Graeme McNeill

Incumbent councillor Graeme is in his third term on Council. As spokesperson for sport and recreation in the previous two terms, Graeme's priorities include pathways, cycleways, improvements to roads and investment in the Shire's youth.

His hope for this new term is for Council to have a strong focus on community engagement.

Graeme.McNeill@muswellbrook.nsw.gov.au

Councillor Rohit Mahajan

Born in India, Rohit is now a proud Australian citizen, Muswellbrook resident and successful businessman. Running his own business puts him face-to-face with the community daily and he shares their concerns regarding local business

and employment opportunities. With sound relationships in place, he wants to be their voice on Council.

Rohit.Mahajan@muswellbrook.nsw.gov.au

Councillor Rod Scholes

Third term councillor and Muswellbrook resident since 1982 Rod and his family have contributed greatly to the Shire community.

He has served as deputy mayor and mayor during his time on Council and brings a wealth of experience to the table. He wants to continue to improve the Shire's liveability, infrastructure and services.

Rod.Scholes@muswellbrook.nsw.gov.au

Councillor Darryl Marshall

A shire resident for 56 years, first term councillor Darryl has worked across the wine, agriculture and coal industries and ran his own contracting business for 20 years.

Now semi-retired he has the time to commit to Council and pledges to serve the people of the region, work hard for the community and bring a vibrant voice to Council.

Darryl.Marshall@muswellbrook.nsw.gov.au

Councillor Brett Woodruff

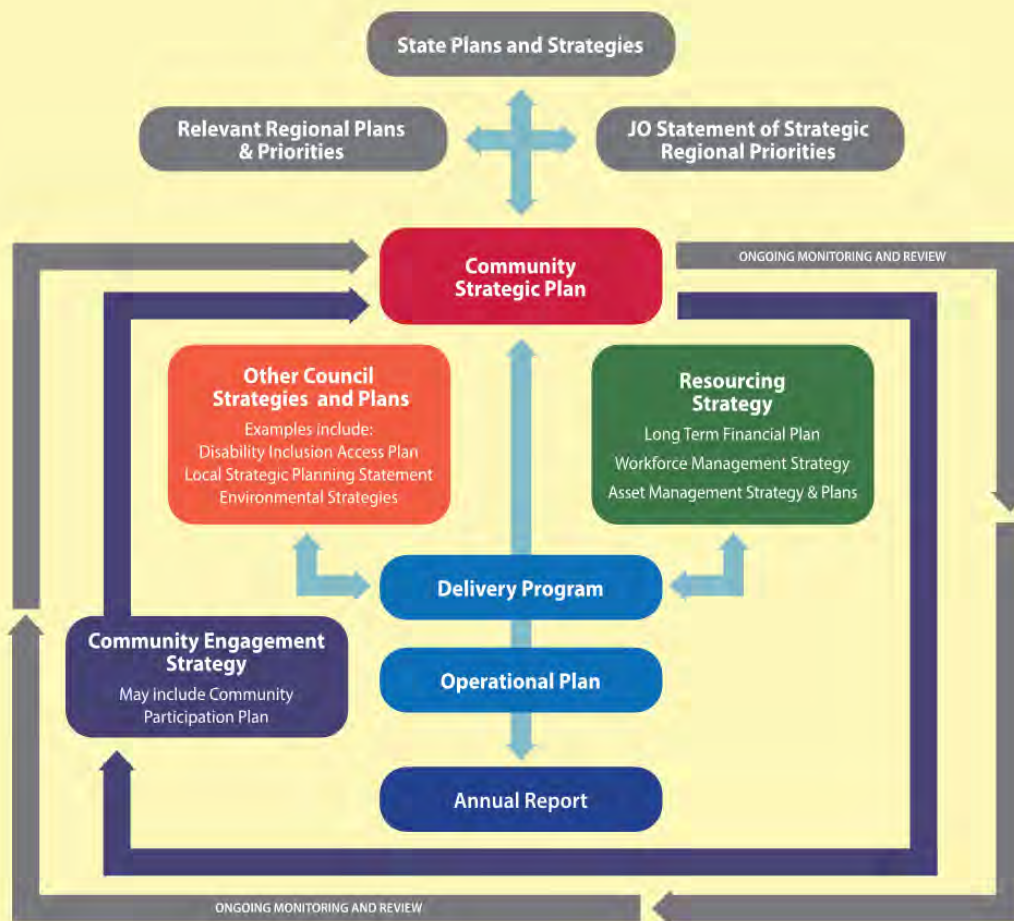
With strong connections to the Shire spanning four decades, Denman resident Brett wants to continue to represent the region with both head and heart.

Council's longest serving councillor, this is his sixth term, he is determined to provide residents with guidance, support and governance. His mantra is to look back and appreciate the past, enjoy the now and plan for the future.

Brett.Woodruff@muswellbrook.nsw.gov.au

3. Introduction - Integrated Planning & Reporting Framework

The Integrated Planning and Reporting (IP&R) framework was established in 2009 by the New South Wales Government. This legislation requires all Councils to have the following plans developed in consultation with the community:



The Community Strategic Plan (10 year)

The Community Strategic Plan is an overview document that identifies the community's vision and goals for the future. It covers a minimum time frame of 10 years. Council's role is initiating, preparing and maintaining the Community Strategic Plan on behalf of the community, however Council is not wholly responsible for its implementation. Other partners, including state agencies, non-government organisations, business and industry, joint organisations and community groups may also have a part to play in enacting the strategies identified within the Plan.

The Delivery Program (4 year)

The Delivery Program is a four-year plan. It is the point of reference for all activities undertaken by the Council during the Councillors' term of office. The Delivery Program details the activities Council will undertake over a four-year period, which align with and support the goals and strategies identified by the community and outlined in the Community Strategic Plan.

Resourcing Strategy

The Resourcing Strategy demonstrates how Council will resource achievement of the Community Strategic Plan and Delivery Program. Council's Long Term Financial Plan, Asset Management Plan and Workforce Management Plan have been developed to explain how Council intends to resource the activities identified in the Delivery Program and the Community Strategic Plan goals. The Delivery Program also allocates responsibilities for each activity and it identifies suitable performance measures for determining the effectiveness of the activities undertaken.

The Operational Plan (annual)

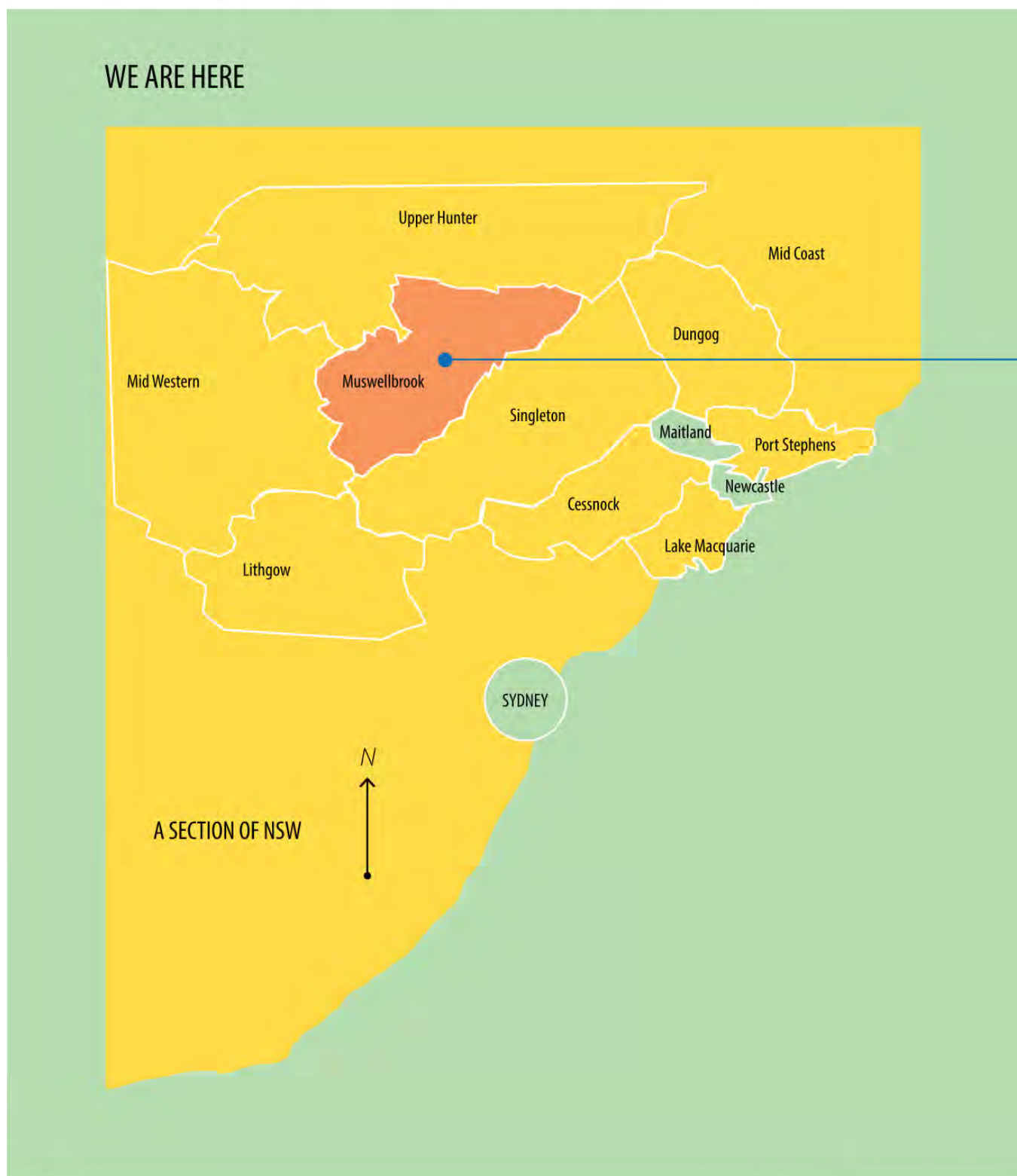
The Operational Plan is a sub-plan of the Delivery Program. It directly addresses the activities outlined in the Delivery Program and identifies specific actions, projects and programs Council will be undertaking within the current financial year and allocates a corresponding budget commitment.

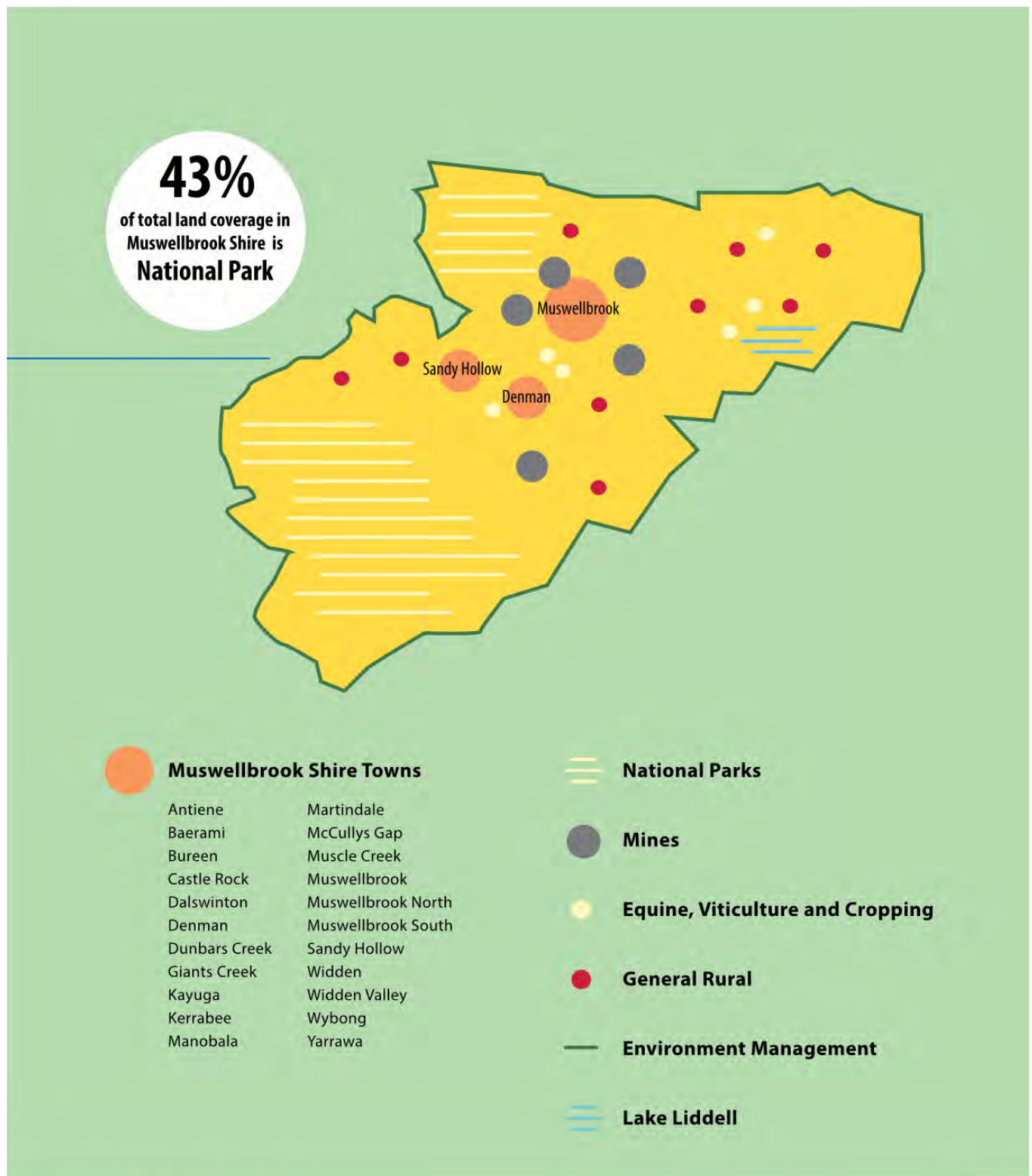
Annual Report

The Annual Report is one of the key means by which Council reports on its progress to the community. It focuses on Council's implementation of the Delivery Program and Operational Plan because these are the plans that are wholly Council's responsibility.



4. The Delivery Program in Context





4.1 OUR SHIRE

Muswellbrook Shire is located within the Gamilaraay Indigenous Nation, one of the four largest Indigenous nations in Australia.

Muswellbrook Shire acknowledges that the local Aboriginal People are the Traditional Owners and Custodians of the land.

The first white settlement occurred in the 1820s and the township of Muswellbrook was gazetted in 1833.

Muswellbrook Shire is centrally located in the Upper Hunter Valley, approximately 130km north-west of Newcastle. By road, Muswellbrook is approximately three hours from Sydney, two hours from Tamworth and around 90 minutes from Newcastle.

The Shire consists of two larger towns, Muswellbrook and Denman, as well as a number of outlying rural communities including Sandy Hollow, Wybong, Baerami, Martindale, McCully's Gap, Widden and Muscle Creek.

The boundaries of the Local Government Area (LGA) are marked by Lake Liddell to the east, Goulburn River National Park to the west, Wollemi National Park to the south and bordering Aberdeen in the north.

A surprising fact to many is that 1,455km – or 43% - of Muswellbrook Shire's 3,402km² land coverage is national park. This includes the World Heritage Wollemi National Park.

We are a young community with a rising population

Muswellbrook Shire is a welcoming community offering all the cultural, recreational, educational and community facilities that you would expect to find in a city. It is the main regional centre for the Upper Hunter. The population of Muswellbrook Local Government Area (LGA) is concentrated in the towns of Sandy Hollow, Denman and Muswellbrook.

The estimated residential population for Muswellbrook (LGA) in 2020 was 16,355 people (ABS). This is up from 15,793 in 2016. Council anticipates low to modest population growth, in the short to medium term, associated with the planned closures of Liddell and Bayswater power stations offset by some diversification in the local economy.

The average population of the Muswellbrook LGA has reflected the ebbs and flows of the mining industry. Annual population growth over the last decade, 2006 to 2016, was 5.3% - a steady rise for a regional area. The majority of this growth has concentrated in Muswellbrook, which accounted for around half the growth. However, the 2016 census showed that growth overall since 2011 has only been 1.9%.

The 2016 census indicated that Muswellbrook Shire has a relatively high proportion of Aboriginal and Torres Strait Islander peoples residing in the community at 8.3%. This compares with the 2.9% NSW State average.

Muswellbrook Shire tends to be a younger community with the median age of people being 36.9 years, compared to 37.9 for NSW.

In 2020 our population consisted of 22.6% aged 0-14 years compared with NSW at 18.5%; while 63.4% were aged 15-64 years compared with NSW at 64.8% and 14.1% aged 65 years and over compared to 16.7% across the State.

The ratio of men to women in 2020 was 51.4% and 48.6% female.

For more on the Shire's Community Profile visit: communityprofile.com.au/muswellbrook

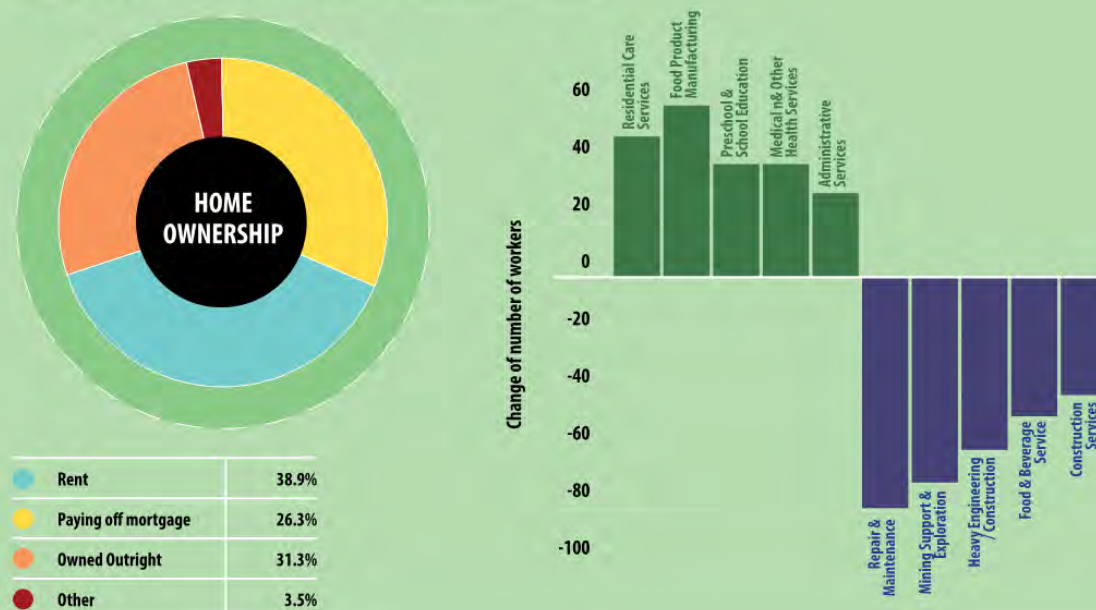
4.2 MUSWELLBROOK AT A GLANCE

A summary of significant indicators for Muswellbrook compared with NSW as a whole:

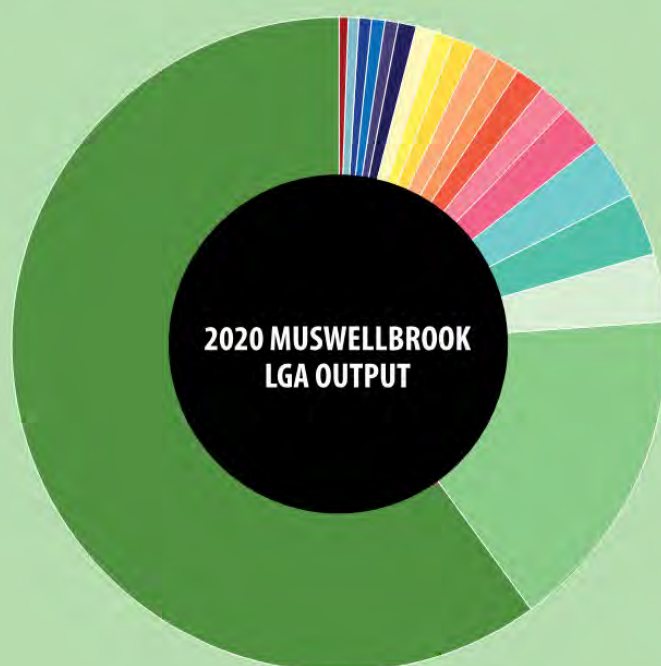
Indicator	Muswellbrook Shire	NSW
% Aboriginal and Torres Strait Islander (2016)	8.3	2.9
% University or tertiary institution level education (2016)	4.3	16.2
% Certificate level III or IV (2016)	22.7	14.8
Males per 100 females	105.7	98.5
Average age	36.9	37.9
% 0-14 years	22.6	18.5
% 15-64 years	63.4	64.8
% 65+ years	14.1	16.7
% born in Australia (2016)	84.7	65.5
% unemployed (2016)	8.2	6.3
% coal mining industry (2016)	20.3	0.6
% horse farming (2016)	3	0.1
% internet accessed from dwelling (2016)	76.5	82.5

EMPLOYMENT

Top growth and decline industries of employment in Muswellbrook



4.3 ECONOMIC OUTPUT OF THE SHIRE



Industry Sector	Output (\$)	Output (%)
Mining	\$5,049,144	60.1%
Electricity, Gas, Water Waste Services	\$1,361,562	16.2%
Manufacturing	\$279,336	3.3%
Rental, Hiring Real Estate Services	\$270,452	3.2%
Construction	\$259,180	3.1%
Agriculture, Forestry Fishing	\$187,742	2.2%
Wholesale Trade	\$123,672	1.5%
Public Administration Safety	\$119,013	1.4%
Administrative Support Services	\$97,596	1.2%
Health Care Social Assistance	\$93,450	1.1%
Transport, Postal Warehousing	\$92,699	1.1%
Retail Trade	\$80,638	1.0%
Accommodation Food Services	\$75,303	0.9%
Professional, Scientific Technical Services	\$74,729	0.9%
Other Services	\$70,799	0.8%
Education Training	\$61,615	0.7%
Financial Insurance Services	\$54,933	0.7%
Information Media Telecommunications	\$33,362	0.4%
Arts Recreation Services	\$13,342	0.2%
Total	\$8,398,568	100.0%

4.4 RELEVANCE OF THE DELIVERY PROGRAM TO THE COMMUNITY STRATEGIC PLAN

The Delivery Program is the elected Councillors' planned response to the community's aspirations and priorities listed in the Community Strategic Plan. Via a community engagement process, the community tells the Councillors what they want for the future of the Shire, the Councillors listen to and consider the community's concerns and ideas and the Delivery Program explains how the Councillors will prioritise and direct Council towards meeting the community's expectations during their elected term. All activities described in the *Muswellbrook Shire 2022-2026 Delivery Program* link to a goal and strategy listed in the *Muswellbrook Shire 2022-2032 Community Strategic Plan*.

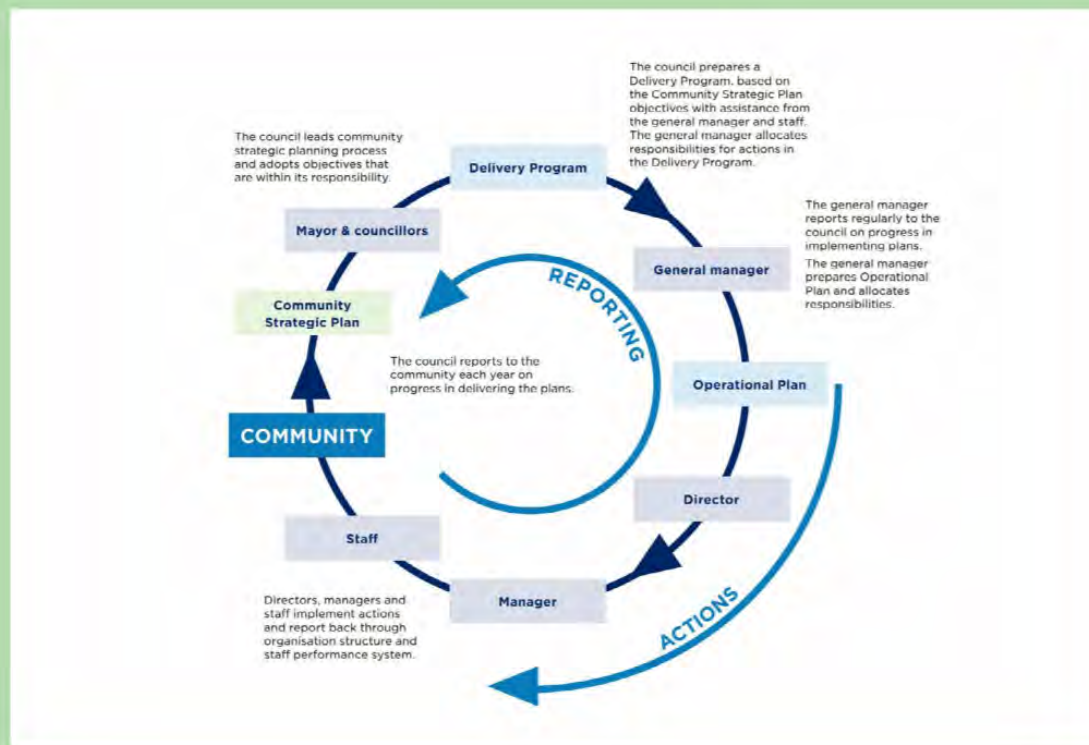
Where Council is not responsible, or solely responsible, for the delivery of the community goals identified in the Community Strategic Plan, the Delivery Program outlines how Council will pursue the community's agenda by:

- › advocating on behalf of the community with State and/or Federal governments and agencies; and/or
- › enlisting the help of other stakeholders; and/or
- › seeking grants or other funding in support of the community goals.

Councillors monitor the progress of Council's activities via quarterly reports and each year, Council reports to the community on the progress of Council's activities via the Annual Report.

Council's Integrated Planning and Reporting documents are available on Council's website at

www.muswellbrook.nsw.gov.au/council-integrated-planning-overview/



5.Strategic Direction

5.1 HOW TO READ THIS DELIVERY PROGRAM

Following is an explanation about the various elements of the DP to help you navigate the document

Theme – The 6 CSP goals, 25 CSP strategies and 51 DP Activities are grouped under 6 themes or focus areas with a corresponding colour:

1. **Economic Prosperity,**
2. **Social Equity,**
3. **Environmental Sustainability,**
4. **Cultural Vitality,**
5. **Community Infrastructure and**
6. **Community Leadership.**

CSP Goal – The six CSP goals have been developed in consultation with the community. They are the community's long-term aspirations for the Shire and align with the community vision.

CSP Strategy - These are the 25 Community Strategic Plan strategies that will guide Council over the term as it works towards achievement of the long-term goals, and community vision.

SOCIAL EQUITY

CSP Goal 2: An inclusive and interconnected community, where everyone enjoys full participation

CSP Strategy	Delivery Program Activity	Responsibility	Measure and Source
2.1 Improve the affordability, liveability and amenity of Shire communities	2.1.1 Implement the findings outcomes of the Recreation Needs Study	Manager Property, Building and Works	Recreation Needs Study recommendations implemented Council minutes
	2.1.2 Promote and facilitate increased participation in active and passive recreation activities	Manager Property, Building and Works	The Olympic Park Precinct Masterplan implemented Council minutes
	2.1.3 Consider and deliver social inclusion principles across Council functions	General Manager	People with all abilities are engaged to the provision of accessible options across Council functions Community Engagement Strategy/ Annual Report
	2.1.4 Advocate for affordable housing	General Manager	Affordable housing included as a priority in Council's advocacy program Shire Advocacy Agenda
2.2 Promote social cohesion and improve connectivity and the delivery of social services within the Shire	2.2.1 Advocate for the needs of people in social housing	General Manager	The needs of people in social housing is a priority in Council's advocacy program Shire Advocacy Agenda
2.3 Retain and expand quality and affordable childcare services	2.3.1 Facilitate investment in child-care services across the Shire	General Manager	Increased childcare, early childhood education and pre-school options within the Shire Australian Children's Education Care Authority
2.4 Facilitate opportunities to expand seniors living	2.4.1 Advocate to enhance the delivery of services to support older people to live in the Muswellbrook Shire	General Manager	Improved community satisfaction for services to support older Shire residents Muswellbrook Shire Community Satisfaction Survey
2.5 Enhance relationships and engagement with the local indigenous communities	2.5.1 Raise awareness of the local Aboriginal Community and an appreciation of their long traditions and culture	Manager Community Services	Improved understanding and appreciation of the importance of the Aboriginal Community and their traditions and culture Aboriginal Reconciliation Committee
	2.5.2 Engage with the Warranah Local Aboriginal Land Council on development of the Common	Manager Community Services	Concept design and plan developed in consultation with the Warranah Local Aboriginal Land Council Warranah Local Aboriginal Land Council
2.6 Investigate opportunities to expand services and facilities for youth and children within the Shire	2.6.1 Engage with young people in the Shire to better inform projects and programs for youth and children	Manager Governance	Youth engagement strategies included in the Community Engagement Strategy Reported to Council

Measure and Source – The performance measures will allow us to benchmark, monitor and report on Council's progress towards the achievement of the long-term goals, the effectiveness of the applied strategies and activities undertaken by Council over the term. Each measure is linked to a data or reporting source – eg ABS data, or Council's minutes or the Annual Report.

Delivery Program Activity – These are the four-year activities (projects and programs) that Council will undertake in order to achieve the Community's vision and long-term goals. Each Activity is linked to a Community Strategic Plan Strategy and Goal.

Responsibility – Council is solely responsible for the implementation of the Delivery Program within the resources allocated via the Long-Term Financial Plan, Workforce Management Plan and Strategic Asset Management Plan. Responsibility for the achievement of the Delivery Program Activities is allocated to Council's Executive Management Team.

5.2 COMMUNITY VISION

“Engaging with our community to achieve an inclusive, vibrant and sustainable future”

5.3 COMMUNITY VALUES

We value:

Community Wellbeing

Economic Prosperity

Social Equity and Inclusion

Environmental Sustainability

Cultural Vitality

Open communication and community engagement

Collaborative, accountable and transparent community leadership

5.4 COUNCIL'S ROLE AND SERVICES

Local Government is the most responsive, agile and community driven level of government in Australia. Council, as the local government authority, is responsible for day-to-day community services and infrastructure, ranging from kerbside bin collection, local roads and the public swimming pools in Denman and Muswellbrook to the provision of water and sewer across the Shire. Council also operates the Regional Art Centre, the Denman Memorial Hall, libraries and other cultural activities for residents and visitors alike.

It is important to distinguish between local government (Council) and the State and Federal governments that have responsibility for other services (table below). The Federal Government is responsible for defence, trade, foreign affairs and the collection and distribution of tax, whereas the State Government looks after schools, hospitals, public transport and national parks.

Federal Government	State Government	Local Government (Council)
immigration	local governments	water and sewerage services*
foreign affairs	education (schools)	rubbish collection and recycling
quarantine	health (hospitals)	local roads maintenance
defence	public transport (buses and trains)	parking
trade	public housing	footpaths and cycleways
currency	prisons	building regulation
taxation	national parks	pet control
communications (post, phone and internet)	main roads	parks
aged care	consumer affairs	sports fields
Centrelink	emergency services	swimming pools
Medicare	utilities (water, electricity and gas supply)	libraries
banking	environment	community halls
marriage and divorce	child welfare	local events
insurance		

*provided by 89 of the 128 councils in NSW

Councils are not responsible for the decisions of private enterprise, although Muswellbrook Shire Council is committed through its Job Creation Fund to support and encourage local businesses to establish, grow and flourish in the Shire.

On behalf of the community Muswellbrook Shire Council maintains:



**a road network of
almost 628 km**



**approximately 86 kms
of stormwater drainage
measures and over 1,427
rural culverts**



67 carparks



**185 km of kerb
and guttering**



**47 km of footpaths
and cycleways**



24 parks



7 sporting fields



3 Cemeteries



2 Swimming Pools



11 Rural Fire Stations

**Council manages, maintains and provides services to the Shire communities via
community owned facilities and infrastructure including:**

- › Denman and Muswellbrook libraries;
- › Denman and Muswellbrook aquatic centres;
- › Muswellbrook Waste and Recycling Centre;
- › Denman Waste Transfer Station;
- › Muswellbrook, Denman and Sandy Hollow water treatment plants;
- › Muswellbrook and Denman Recycled Water Treatment Works;
- › Works Depot;
- › Muswellbrook Administration Centre;
- › Community Halls
- › Muswellbrook and Denman Indoor Sports Centres
- › Denman Memorial Hall
- › Muswellbrook Regional Arts Centre
- › Muswellbrook, Denman and Giants Creek Cemeteries

5.5 STAKEHOLDERS, PARTNERS AND AGENCIES

Council partners with the following corporations, organisations, trusts, joint ventures, syndicates (or other bodies):

- › Arts Upper Hunter
- › Australian Local Government Association
- › Community Consultation Groups for the mines in our Shire: Mangoola, Bengalla, Mt Pleasant, Mt Arthur, Muswellbrook Coal, Malabar Coal and Dartbrook Coal
- › Create NSW
- › Denman and District Development Association
- › Denman Chamber of Commerce
- › Destination NSW
- › Healthy and Well Upper Hunter
- › Hunter Joint Organisation Group Entities
- › Hunter Joint Organisation of Councils, including associated entity Strategic Services Australia
- › Hunter Research Foundation
- › Integrated Living Australia
- › Liddell Transition and Community Dialogue Group
- › Local Buying Foundation Advisory Committee (run by BHP)
- › Local Government Professionals
- › Muswellbrook Chamber of Commerce and Industry
- › National General Assembly of Local Government
- › NSW Health and Local Area Health
- › NSW Local Government Association
- › NSW Rural Fire and Emergency Services
- › NSW Sport and Recreation
- › NSW Water Directorate
- › Planning Institute of Australia (NSW division)
- › Regional Arts NSW
- › Richard Gill National Music Academy
- › Royal Lifesaving NSW
- › Sandy Hollow Progress Association
- › Standards Australia
- › State Library NSW
- › Statecover
- › Statewide Mutual
- › TAFE NSW
- › Transcare Services
- › University of Newcastle
- › Upper Hunter Community Services
- › Upper Hunter Conservatorium of Music
- › Upper Hunter Domestic Violence Service
- › Upper Hunter Drug and Alcohol Service
- › Upper Hunter Economic Diversification Working Party
- › Upper Hunter Homeless Services
- › Upper Hunter Landcare
- › Upper Hunter Mining Dialogue, (coordinated by NSW Minerals Council)
- › Upper Hunter Tourism
- › Upper Hunter Water Alliance
- › Upper Hunter Youth Services
- › Wanaruah Local Aboriginal Land Council

6. Delivery Program Activities and Evaluation



ECONOMIC PROSPERITY

CSP Goal 1: A dynamic local economy with full employment for current and future residents in a diverse range of high value industries

CSP Strategy	Delivery Program Activity	Responsibility	Measure and Source
1.1 Support job growth within the Shire	1.1.1 Facilitate the expansion of existing, and the establishment of new, industries and business	General Manager	Workforce data growth achieved Australian Bureau of Statistics
	1.2.1 Facilitate the diversification of the Shire's economy and support growth of existing industry and business enterprise	General Manager	Increasing number and diversity of businesses and industries in the Shire Australian Bureau of Statistics
1.2 Diversify the economy, facilitate the development of intensive agriculture, innovative manufacturing, health services and other growth industries	1.2.2 Complete the Employment Landuse Strategy	General Manager	Strategy adopted by Council Council Minutes
	1.2.3 Review the Local Environmental Plan and Development Control Plan to improve investment certainty for industry	Director Environment and Planning	LEP and DCP is up to date with legislative requirements Council minutes and/or Department of Planning, Industry and Environment
	1.2.4 Implement the Muswellbrook and Denman Town Centre Masterplans and the Sandy Hollow Village Masterplan	Director Property and Place	i) Funded stages of the Muswellbrook Town Centre Masterplan and the Denman Town Centre revitalisation project implemented. ii) Sandy Hollow Village Masterplan prepared and adopted Council minutes/Annual Report
	1.2.5 Develop a Rural and Environmental Land Strategy	General Manager	Strategy is adopted by Council Council minutes
	1.2.6 Review the Local Strategic Plan in response to changes to the NSW Planning Act	Director Environment and Planning	LSP is reviewed in consultation with the community Council records
	1.3.1 Advocate to maintain the Hunter TAFE campus and advocate to activate the University of Newcastle campus	General Manager	A choice of tertiary education facilities available to Shire residents Quantity of face-to-face courses available at Shire campuses
1.3 Facilitate greater access to higher education			
1.4 Develop Muswellbrook as a regional centre	1.4.1 Complete current infrastructure projects and identify future opportunities for the Shire	Director Property and Place	Projects are completed Council minutes
	1.4.2 Advocate for increased medical services in the Shire	General Manager	Medical services included as a priority in the Shire's Advocacy Agenda Shire Advocacy Agenda

Local economic prosperity challenges and opportunities

Uncertainty in the coal & energy industry, associated direct and indirect job losses, & impact more broadly upon the Shire's economic base

The growth of the knowledge, creativity, and digital economy and a reshaping labour market

Record high net migration from capital cities to regional areas

Housing affordability and accessibility

Land use conflict

The movement from a linear economy (take, make, waste) to a circular economy (reduce, re-use, recycle)

Growing export demand for agricultural product

The continued growth of the services sector and access to services in regional centres

SOCIAL EQUITY

CSP Goal 2: An inclusive and interconnected community, where everyone enjoys full participation

CSP Strategy	Delivery Program Activity	Responsibility	Measure and Source
2.1 Improve the affordability, liveability and amenity of Shire communities	2.1.1 Implement the funded outcomes of the Recreation Needs Study	Director Property and Place	Recreation Needs Study recommendations are implemented Council minutes
	2.1.2 Promote and facilitate increased participation in active and passive recreation activities	Director Property and Place	The Olympic Park Precinct Masterplan is implemented Council minutes
	2.1.3 Consider and deliver social inclusion principles across Council functions	General Manager	People with all abilities are engaged to improve the provision of accessible options across the Shire Community Engagement Strategy/ Annual Reports
	2.1.4 Advocate for affordable housing	General Manager	Affordable housing included as a priority in Council's advocacy program Shire Advocacy Agenda
2.2 Promote social cohesion and improve connectivity and the delivery of social services within the Shire	2.2.1 Advocate for the needs of people in social housing	General Manager	The needs of people in social housing included as a priority in Council's advocacy program Shire Advocacy Agenda
2.3 Retain and expand quality and affordable childcare services	2.3.1 Facilitate investment in child-care services across the Shire	General Manager	Increased childcare, early childhood education and pre-school options within the Shire Australian Children's Education Care Authority
2.4 Facilitate opportunities to expand seniors living	2.4.1 Advocate to enhance the delivery of services to support older people to live in the Muswellbrook Shire	General Manager	Improved community satisfaction for services to support older Shire residents Muswellbrook Shire Community Satisfaction Survey
2.5 Enhance relationships and engagement with the local indigenous communities	2.5.1 Raise awareness of the local Aboriginal Community and an appreciation of their long traditions and culture	Manager Community Services	Improved understanding and appreciation of the importance of the Aboriginal Community and their traditions and culture Aboriginal Reconciliation Committee
	2.5.2 Engage with the Wanaruah Local Aboriginal Land Council on development of the Common	Manager Community Services	Concept design and plan developed in consultation with the Wanaruah Local Aboriginal Land Council Wanaruah Local Aboriginal Land Council
2.6 Investigate opportunities to expand services and facilities for youth and children within the Shire	2.6.1 Engage with young people in the Shire to better inform projects and programs for youth and children	Manager Governance	Youth engagement strategies included in the Community Engagement Strategy Reported to Council

Local social equity challenges and opportunities

Liveability and amenity - the extent to which the general well-being, health and quality of life of residents is supported physically, aesthetically, and in terms of accessibility

Socio-economic and geographic disadvantage for people living in social housing

Link between early childhood education and social advantage

An ageing population and changing retirement patterns

A high proportion of Aboriginal and/or Torres Strait Islander people in our community

Community dissatisfaction with the quantity of quality youth services and facilities

ENVIRONMENTAL SUSTAINABILITY

CSP Goal 3: An environmentally sensitive and sustainable community

CSP Strategy	Delivery Program Activity	Responsibility	Measure and Source
3.1 Advocate for best practice mined-land rehabilitation to include local workforce participation, progressive, quality final landforms, and fewer and shallower voids	3.1.1 Meet with other levels of government to achieve improved rehabilitation outcomes for disused mining lands and ongoing employment for the local workforce	General Manager	Reduction in quantity and depths of final voids
			Mine Rehabilitation (GIS) Portal
3.2 Improve native vegetation connectivity across the upper hunter region	3.2.1 Support Landcare initiatives and advocate for programs to enhance native vegetation connectivity across the Shire and upper hunter region	Director Environment and Planning	Landcare groups are active in the Shire
			Local Land Services website
3.3 Enhance our local rivers and creeks to improve environmental outcomes and access for recreation	3.3.1 Implement funded actions of the adopted Urban Riparian Masterplan	Executive Manager Environment and Planning	Funded projects delivered
	3.3.2 Develop a Catchment Management Plan for Muscle Creek and Possum Gully	Chief Engineer	State of the Shire Report
Plan adopted by Council			
3.4 Support initiatives which reduce the community's impact on the environment	3.4.1 Continue Community Education Program on water, waste and energy reduction	Director Environment and Planning	Council minutes
			Education Program progress reported to Council
	3.4.2 Require all development proposals to avoid and mitigate against potential environmental impacts and facilitate improved environmental outcomes where possible	Director Environment and Planning	Council minutes
			DA process includes review of potential environmental impacts and mitigation requirements included in conditions of consent
3.5 Support federal and state initiatives to reduce the impacts of climate change	3.5.1 Increase the proportion of the energy used by Council from renewable sources	General Manager	Conditions of consent included in reports to Council
			Council's Net Zero Strategy implemented
	3.5.2 Develop a recycled water plan for community parks	Deputy General Manager	Annual Reports
			Plan adopted by Council
			Council minutes

Local environmental sustainability challenges and opportunities

Impacts of mining on the environment today and in the future
Loss of native vegetation and vegetation connectivity
Poor riverside natural environments and limited public access to waterways
Impacts of increasing human activity upon the local environment
A changing climate

CULTURAL VITALITY

CSP Goal 4: A culturally rich and diverse Community with strong identities, history and sense of belonging

CSP Strategy	Delivery Program Activity	Responsibility	Measure and Source
4.1 Conserve the heritage and history of the Shire	4.1.1 Support the conservation and restoration of the Shire's heritage items	Director Environment and Planning	Funding allocation for heritage conservation and restoration is available Local Heritage Grants and Council budget allocation
	4.1.2 Ensure sites or artifacts of Aboriginal significance are protected where new development proposals are considered	Director Environment and Planning	DAs consider the potential impact on aboriginal sites and artefacts with appropriate mitigation applied Conditions of consent included in reports to Council
4.2 Facilitate options to improve participation in cultural activities in the Shire	4.2.1 Progress a Regional Entertainment and Conference Centre	Director Property and Place	Enabling works completed Council minutes
4.3 Host and support a diverse range of cultural activities and events which create a sense of identity and belonging, engage the local community and attract visitors	4.3.1 Develop and implement a program of Shire events to engage more locals and attract more visitors	General Manager	Increase number of events across the Shire Council Calendar of Events
	4.3.2 Deliver an arts program	Manager Community Services	Deliver the program endorsed by the Arts and Culture Committee and adopted by Council Council minutes
	4.3.3 Support Arts Upper Hunter as the peak organisation of Artist endeavour	Manager Community Services	Financial support is provided each year Council budget

Local cultural vitality challenges and opportunities

Preservation of the Shire's history and heritage

Limited cultural participation

Access to national and international arts and culture

COMMUNITY INFRASTRUCTURE

CSP Goal 5: Effective and efficient infrastructure that is appropriate to the needs of our community

CSP Strategy	Delivery Program Activity	Responsibility	Measure and Source
5.1 Construct and maintain well-planned community infrastructure that is safe, reliable, and provides agreed levels of service	5.1.1 Review, develop and maintain liveable town and village precincts	Director Property and Place	Funded projects delivered Major projects progress reports to Council
	5.1.2 Maintain and continually improve asset management	Deputy General Manager	Funded components of the adopted Strategic Asset Management Plan are delivered ARIC minutes
	5.1.3 Facilitate investment in high quality community infrastructure necessary to a Regional Centre	General Manager	High quality infrastructure is provided to support Muswellbrook as a Regional Centre Annual Report
	5.1.4 Maintain and continually improve community infrastructure across the Shire	Deputy General Manager	Council's approved program of works is delivered Council minutes
5.2 Improve all abilities access to Council facilities	5.2.1 Facilitate and implement improved all abilities access and inclusion across the Shire	Director Property and Place	The number of Council facilities with all abilities access is increasing Internal measure with quarterly progress report to Council
5.3 Provide safe, secure and reliable water supply and sewer services	5.3.1 Water, sewerage and waste services are provided in compliance with regulatory requirements	Operations Manager – Water and Waste Water	Audits demonstrate compliance Report to Council
5.4 Ensure road, footpath and cycleway networks are integrated and allow for the safe movement of residents and visitors	5.4.1 Maintain and continually improve the Shire's shared pathway networks to increase connectivity	Chief Engineer	Funded components of the Active Transport Plan delivered Council minutes – major projects progress reports

Local community infrastructure challenges and opportunities

Infrastructure to support Muswellbrook as a service centre for the Upper Hunter
Limited all abilities access to Council's facilities
Ageing Water and Wastewater Infrastructure
Incomplete footpaths & cycleway links

COMMUNITY LEADERSHIP

CSP Goal 6: Collaborative and responsive community leadership that meets the expectations and anticipates the needs of our community

CSP Strategy	Delivery Program Activity	Responsibility	Measure and Source
6.1 Enable genuine and well-informed community participation in decision making	6.1.1 Engage with the community and other stakeholders to determine service level expectations and appropriate measures	Manager Governance	Service Level Agreements determined and recorded Internal measure reported to Council and the community
	6.1.2 Utilise best practice models of community engagement to ensure decision making is meeting the expectations of the community	Manager Governance	Increased participation of residents and other key stakeholders in engagement programs and activities Muswellbrook Shire Council Community Satisfaction Survey
	6.1.3 Enhance Council's communication with the community to build awareness and understanding of Council's activities and Community needs	General Manager	Increasing satisfaction with the way Council communicates with the Community Muswellbrook Shire Council Community Satisfaction Survey
6.2 Ensure Council is well managed, appropriately resourced, effective, efficient, accountable and responsive to its communities and stakeholders	6.2.1 Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves	Director Corporate Services and CFO	i) Deliver services and projects within budget allocated; ii) financial stability and sustainability via reserve management. Reports to Finance Committee, Council, ARIC and Annual Reports to the community
	6.2.2 Develop and implement a Service Delivery Review Program	Director Corporate Services and CFO	i) Service Delivery Review Plan is developed in alignment with community satisfaction surveys and adopted by Council; ii) Service Delivery Reviews conducted on: a. Community engagement and communication services; b. Economic development services; c. Public toilets Service Delivery Review outcomes, improvement plans and improvement action progress reports to Council, the ARIC and attestation included in Annual Report to the community
	6.2.3 Implement an Internal Audit Program in consultation with the Audit Risk and Improvement Committee	Director Corporate Services and CFO	i) Internal Audit Plan is developed in alignment with Council's Risk Management Plan, endorsed by the ARIC and adopted by Council; ii) Internal Audits conducted: a. Plant & Fleet; b. Fraud & Corruption Health Check; c. Future Fund; d. ICT & Cybersecurity; e. Water & Sewer; f. Payroll & Leave Internal Audit outcomes, improvement plans and improvement action progress reports to Council and the ARIC and attestation included in Annual Reports to the community
	6.2.4 Regulatory activities undertaken to maintain public safety and companion animal wellbeing	Director Environment and Planning	Legislative and regulatory requirements met Monthly report to Council
	6.2.5 Implement a comprehensive and targeted business improvement program	Director Corporate Services and CFO	Improvements against established benchmarks reported quarterly to ARIC and Council and annually to the Community
6.3 Ensure Council is a best practice employer providing a safe, happy, suitably resourced and productive workplace	6.3.1 Continue to prioritise safety and risk management initiatives and upgrades to Council Facilities	General Manager	i) New Works Depot completed; ii) Waste Management Facility upgrades completed Council minutes
	6.3.2 Continue to prioritise employee welfare initiatives	General Manager	Funded employee welfare initiatives implemented Staff Satisfaction Surveys reported to Council

Local community leadership challenges and opportunities

- Insufficient community consultation and participation in council planning and decision making
- Understanding community expectations for the delivery of appropriate, efficient and effective Council services and facilities
- Increasingly competitive market for attracting and retaining a suitably skilled Council workforce



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