

MURRAY RIVER

INTERPRETATIVE

CENTRE

FEASIBILITY

STUDY

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1. EXECUTIVE SUMMARY

1.1. Introduction

The Stafford Group (The Group) along with Hill PDA was commissioned by Swan Hill Rural City Council (Council) to undertake the development of a feasibility study for a new cultural centre. As part of the Riverfront Masterplan developed in 2013, the potential for a Murray River Cultural Centre was identified.

A series of structured interviews with key stakeholders in Swan Hill (and including State Government representatives) identified that the brief needed to be slightly amended to align with State Government requirements.

Regional Development Victoria have advised that the facility should be referred to as the Murray River Interpretative Centre to better align with current visitor preferences and contemporary industry branding. The project has, therefore, been retitled as the "Murray River Interpretative Centre" (MRIC).

1.2. Key Findings

Based on this clear direction from State Government (as the primary external funding source for such a project) the following findings are made.

- Swan Hill is not a traditional tourist destination but rather an important service town which supports an important wider agricultural/horticultural region. The visitor market is characterised by a strong constant business traveller sector and a highly seasonal leisure visitor sector.
- Though located on the Murray River, there is currently a disconnect with the River, with the township being set back from the river edge (unlike other towns on the River, such as Echuca etc., which appear to "embrace" the River).
- The 2013 Riverfront Masterplan designated an area for a potential cultural centre adjacent to the current bridge which links NSW and Victoria (with the Murray River being the state boundary).
- Responses on the location of the MRIC from a wide variety of stakeholders who were consulted indicated:
 - a lack of support for the proposed location primarily centred on the understanding that a new bridge will be constructed and its alignment is yet to be confirmed;
 - coupled with a perception that the potential location of a MRIC on the periphery of a riverfront development area would fail to maximise opportunities for its visitation and ultimately its use; and
 - some comment was expressed from Indigenous stakeholders that the proposed site did have some significance and the appropriateness of creating a structure on the site was questioned.
- In addition to this Feasibility Study, the riverfront precinct is also being separately assessed as part of a Commercial Riverfront Development Project which is assessing the potential for a variety of commercial components (retail, residential apartments, serviced apartments/hotels, etc.) for the precinct. The option of co-locating the MRIC with a mixed-use commercial development is something that Council might need to consider as there will be a need for additional revenue streams to offset the ongoing operating costs (if there is a need for such a centre to achieve closer to a break-even position).
- While the direction and focus advised by State Government is to move toward a broader MRIC which could tell the stories of various aspects of Swan Hill and its communities, initial liaison with members of the local Indigenous community who attended meetings, indicated an expectation that an Indigenous cultural centre would be created first and foremost. Clarifying

the expectation from the community will be an important consideration moving forward. For this reason, ensuring the MRIC can be used by not only Indigenous communities, but other cultures as well, was seen as particularly important.

- Other key findings which are essential to help deliver outcomes to support the local Indigenous community include:
 - A preference for establishing the MRIC at a site which links with the current Swan Hill Regional Art Gallery location which is seen to be the hub of the river front precinct rather than alternative sites which had been previously suggested;
 - Recognising the need to have a venue which provides space for painting and selling of Indigenous art;
 - The location also could provide an opportunity to support the Indigenous interpretative walk to Pental Island and any upgrades required;
 - The MRIC needs to provide a venue (indoor and outdoor) for story-telling and to offer a bush tucker garden and medicinal plant garden;
 - To provide a venue for collaborative community thinking and finding workable partnerships; and
 - To find ways to also link to the activities of Pioneer Settlement.

1.3. Visitation to Swan Hill LGA

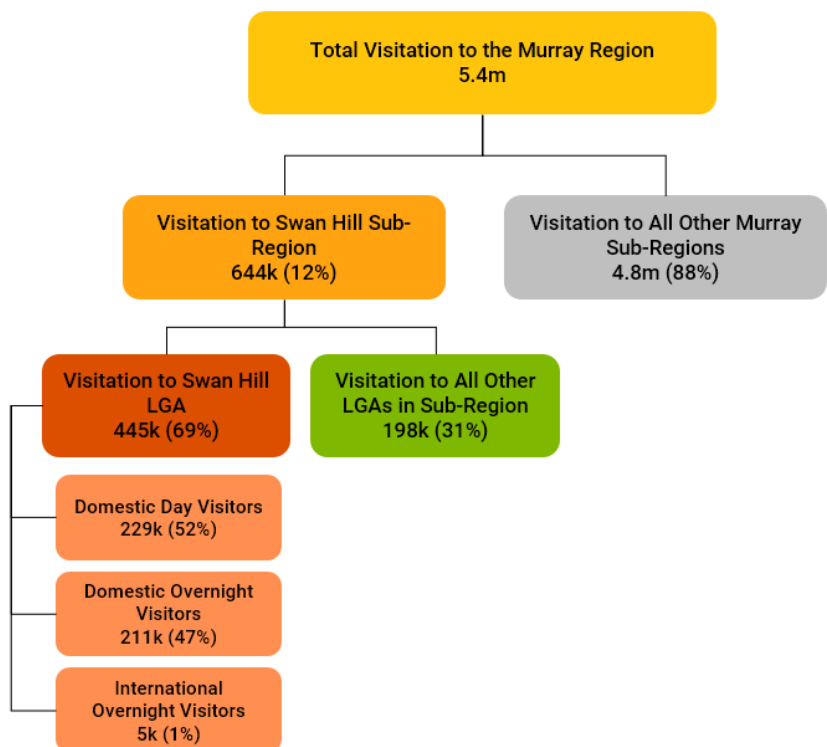
1.3.1. Total Visitation

Figure 1¹ provides a breakdown of visitation to demonstrate travel to the Swan Hill LGA specifically. It demonstrates that the LGA receives 69% (445k visitors) of total visitation to the Swan Hill Sub-Region of the Murray Region.

Over half (52%) of all visitors to the LGA are domestic day trippers (229k visitors), closely followed by domestic overnight visitors (211k visitors), comprising 47% of visitation. International overnight visitation makes up a small share (1%) of total visitation (5k visitors) which is common across the Murray region and its sub-regions.

Out of the five sub-regions² in the Murray Region, the Swan Hill sub-region captured the smallest percentage of visitation (12%). Albury/Wodonga captured the largest share (29%), followed by Echuca/Moama (28%), Sun Country (17%) and the Mildura Region (14%).

Figure 1: Summary of Visitation to Murray Region and Sub-Regions (2016)



¹ Based on Tourism Stats for Swan Hill Region provided by Council

² Including the Swan Hill Region, Sun Country, Echuca/Moama, Albury/Wodonga, Mildura Region

1.3.2. Indicative Visitation to Existing Swan Hill Attractions/Facilities

Feedback indicates that the initial estimates of visitation to the various attractions and amenities in Swan Hill are as follows.

- Pioneer Settlement: an estimated 45k visitors per annum³.
- Swan Hill Regional Art Gallery: an estimated 11k visitors (including many locals) per annum.
- Swan Hill Regional Library: an estimated 11k per annum which is primarily locals.
- Swan Hill Region Information Centre: an estimated 20k per annum comprising a mixture of locals and visitors though a breakdown was not available.

It is important to understand visitation to these existing facilities and amenities as it provides an indication of the range of likely visitor numbers to the MRIC. And it also needs to be noted that it is often likely to be the same visitor who is visiting a number of these facilities.

1.4. The Recommended Model

As part of this Feasibility Study, a variety of models were assessed to identify the most appropriate and sustainable model going forward for an interpretative centre or facility. These included:

- the creation of the MRIC as a stand-alone facility and structure (which was discounted because of the cost implications and ongoing operating costs);
- the option of a digital facility which offers a variety of programs rather than having a permanent structure (which was discounted because this would require the development of a broad range of tourism product which does not currently exist in the broader region); and
- the development of a multi-use facility which could be co-located (incorporating the Swan Hill Regional Information Centre, the library and/or art gallery).

The option to co-locate the MRIC appears to present the most sustainable opportunity for Council and the community. The following provides a summary of the various co-location sub-models contemplated.

- Swan Hill Region Information Centre: Council advised that they do not own the current Information Centre building which is a large building and which they pay a full commercial lease on. Co-locating this as part of the MRIC could, therefore, create a cost-saving from the current lease arrangement which Council incurs from the site and would offer useful synergies to broaden the appeal of both.
- Swan Hill Regional Library: The Library acts as a vibrant community hub and, to some extent, effectively anchors one end of the main street and provides support to surrounding retailers and other businesses indirectly. Council do not own the Library site and pay a full commercial lease on it. Relocating the Library to a co-located multipurpose facility in the riverfront precinct would require a building which could accommodate the estimated 1,500m² for library space. However, concern was expressed that relocating the library would remove a vital element of the main street which would be difficult to replicate and would potentially reduce pedestrian activity in parts of the main street.
- Pioneer Settlement: The major visitor attraction in Swan Hill is the Pioneer Settlement which, more recently, has introduced a \$3.8m laser light show created as an outdoor experience (Heartbeat of the Murray). Pioneer Settlement generates an estimated 45k in visitation per annum and, as we understand it, is heavily subsidised (\$900k+) by Council. Additionally,

³ This figure differs from the details provided by the Pioneer Settlement which was closer to 80k. Visitor data provided isn't clear if possible double counting has occurred.

Pioneer Settlement focuses on a specific period in history so other periods of history are not included (although the director has indicated that the possibility of extending the types of experiences on offer is something being contemplated). Because of its strong heritage based focus it would not be strategic to collocate the Pioneer Settlement with the MRIC which needs to have a much wider focus beyond history.

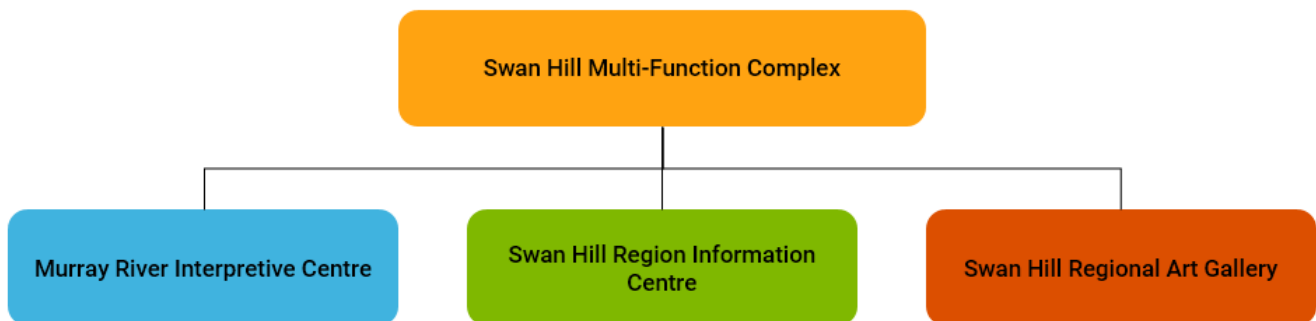
- Swan Hill Art Gallery: The Art Gallery is situated within the riverfront precinct, approximately 200 metres from Pioneer Settlement and apparently requires an upgrade and expansion. This was also considered with respect to the potential for co-locating it with the MRIC, and could be an option as long as it does not detract from the ability of the MRIC to offer a range of experiences beyond the arts and avoids the need for more passive (but culturally important) elements.

Based on the findings and consultation, the option of co-locating the Information Centre as part of the MRIC (Figure 2) appears to provide the most opportunities for Council and the community as it creates stronger synergies between the two facilities, enables resource sharing and cost savings.

The option of including the Art Gallery redevelopment as part of this MRIC development should also be considered by Council though this will effectively double the capital cost requirement, due to doubling the size to cater for all elements. However, if the Art Gallery was to be redeveloped in the short-medium term and separately from the MRIC, the total cost of two separate development projects would likely far exceed the combined capital costs if both facilities could be accommodated on the one site, with the Information Centre, and as a composite development project.

Because of the potential to locate the MRIC close to other major attraction facilities such as the Art Gallery and Pioneer Settlement, consideration should be given to collocating the MRIC with the Art Gallery especially if Spoons Riverside Restaurant can be used as the adjacent café to service customer needs and functions for the MRIC and Art Gallery in the future.

Figure 2: The Recommended Model



1.5. Market Demand for the MRIC

Figure 3 provides a summary of forecast demand for the MRIC in year 1 of operation. Points to note regarding the market demand assessment for the MRIC include the following.

- In total, the MRIC collocated model is forecast to attract 66k visitors in year 1 of operation. Of these, 30% (20k visitors) are attributed to the Information Centre (this is based on current visitation to the Information Centre), 17% (11k) are attributed to the Art Gallery and 53% (29k) are attributed to the Interpretive Centre itself.
- For the MRIC's first full year of operation, it is conservatively estimated that 9% of visitors to the Interpretive Centre would be locals (with locals visiting on average twice per annum so 3.3k visits– or 9% of the LGA's population). The balance (approximately 32k visitors) comprises:

- domestic overnight visitors - 15k visitors (estimated at 7% of total domestic overnight visitors to Swan Hill);
- domestic day visitors - 15k visitors (estimated at 6% of the domestic day market to Swan Hill); and
- international overnight visitors – 1.9k visitors (estimated at 40% of international visitors to Swan Hill).

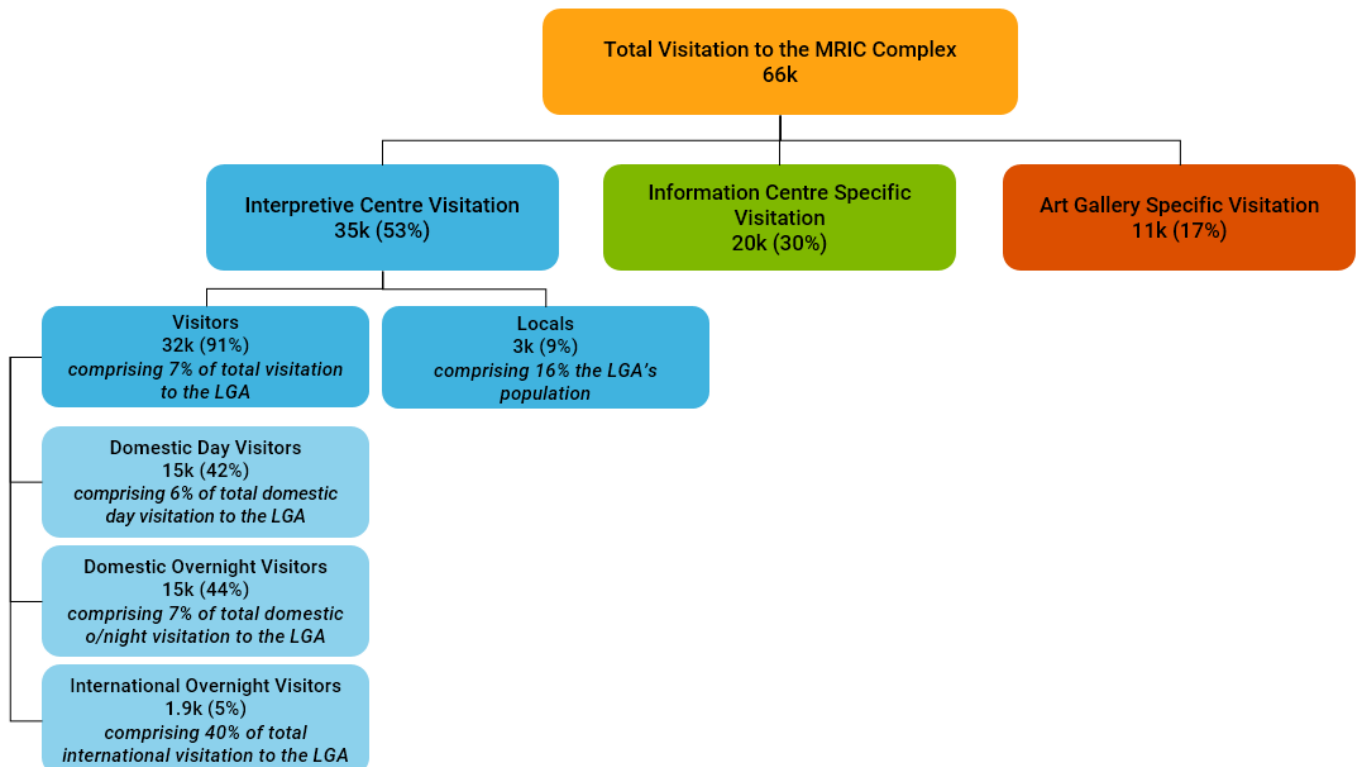
The above figures only reflect the MRIC and not the 20k estimated visitors and locals who come into the Information Centre with many doing repeat visits per annum. Likewise, the above figures do not include the estimated 11k visitors to the Art Gallery, which may include a number of locals on repeat visits as well.

The success of the MRIC is predicated on offering a multi-purpose venue to include:

- indigenous cultural needs including a strong focus on offering space for meetings, forums and workshops, as well as the sale of artwork;
- a variety of spaces for different types of functions (business, corporate, government, private/family events);
- interactive experiences and displays which support Swan Hill’s positioning as the “Heart of the Murray” and noting it’s fascinating history particularly with unique elements of agriculture and horticulture and the use of the river; and
- elements which appeal to a wide age range including younger people where activities such as live music become an important consideration in generating a repeat visitor market.

Combining the MRIC with a rejuvenated Art Gallery will also provide opportunities for greater synergy between various forms of art, craft and design to better meet the needs of all the various ethnic communities which comprise Swan Hill.

Figure 3: Visitation in Year 1 to the MRIC (Including the co-located Information Centre and Art Gallery)



1.6. Financial Analysis

Based on the assumption that the new MRIC would be collocated with the Swan Hill Art Gallery and the Information Centre, as part of a multi-purpose integrated facility (model 5 option below), the following findings are made.

- The MRIC would cover indigenous cultural needs as well as the broader profile of the region with its rich history and activity in quality agriculture and horticulture, the potential story of river ecology and fishing and elements of social history.
- The cost benefit analysis undertaken indicates that, at best, the MRIC on its own is going to need an ongoing but potentially modest contribution from Council to achieve a positive internal rate of return (IRR) and net present value (NPV). Importantly, however, the quantum estimated is low compared to all the other facilities which Council currently contribute on a per annum basis to support.
- By combining the MRIC with a collocated Information Centre and the Art Gallery, Council should be able to reduce its annual operating cost contribution from a current \$1.09m for the Information Centre and Art Gallery combined, to \$560k for a combined MRIC, Information Centre and Art Gallery; generating a net annual saving of approximately \$530k per annum.
- Revenue from all sources totals \$655k in the combined MRIC's first full year of operation, increasing to \$793k by year 10.
- Expenditure is estimated at \$825k in the combined MRIC's first year of operation, increasing to \$1.04m by year 10.
- A Council annual community service contribution is required of \$560k per annum which generates an EBITDA of \$540k in year one, eventually consolidating at \$467k by year 10 but more importantly, satisfies the need to generate a positive IRR and NPV result, reflecting an acceptable economic outcome for the project.
- As Council already owns the Art Gallery site and the land in between the site and Spoons Café/Restaurant, no cost for the land has been applied should this be the agreed development site.
- Approximately 56% of operating costs in year 1 are associated with staffing (including on costs) for the MRIC, the Information Centre and the Art Gallery (including 6 full time equivalent staff).
- The ability of the MRIC to deliver a positive cash flow position is dependent on encouraging visitors to use the various facilities on offer including 15% of all visitors who could purchase some form of merchandise, to also hold a variety of touring exhibitions with a modest entry price, to encourage art classes, symposiums and event activity on a short-term basis, the leasing of areas for functions for various events providing areas for art and craft work display and assuming that 5% of visitors will purchase some form of artwork on a commission basis, and the provision of live music with a modest cover charge and recognising that 15% of users/visitors to the centre would actually attend a variety of music events and performances.
- Existing revenue forecast for 2017/18 for the Art Gallery and the Information Centre has also been included though these should be considered conservative, as a fully integrated facility is likely to encourage additional revenue generation for each of these components as overall visitation should rise. This also includes State Government grant funding for various art shows and exhibitions which the Art Gallery already gets, noting that higher levels of grant funding beyond current levels, have not been added.
- The initial capital cost of creating the collocated Art Gallery, Information Centre and the MRIC (estimated to cover a built footprint of 2,500m²) with a variety of outdoor ancillary facilities and with a 10% contingency included is estimated at \$12.4m. This assumes a construction and fitout cost of approximately \$4,960 per sqm.
- A sum of \$350k has been included for an upgrade to refresh areas in year 5 and similarly in year 10.
- The required yield reflects that this is a public good project rather than a commercial project so a rate of 3% has been set as the required yield with a discount rate of 5% which generates a positive IRR of 5.6% and a positive net present value of \$566k.

Sensitivity analysis indicates that a 5% increase in capital costs would result in the IRR remaining positive but a negative NPV would be generated, thus calling into question the economic viability of the project. This is able to be rectified however if the annual contribution from Council was to increase by \$30k, to \$590k. Similarly, a 5% reduction in capital cost would reduce the annual contribution required from Council by \$30k, to \$530k per annum.

As a number of functions-areas may be able to be shared-combined with the Art Gallery facility, MRIC and Information Centre, the design brief needs to identify way to look for clever shared spaces (reception area for Art Gallery, for the MRIC and the Information Centre combined for example) to help reduce costs without reducing the quality of the facility and its overall marketability.

Table 1 provides a summary of the main results for each of the 5 models assessed. It illustrates that models 2, 3 and 5 offer Council better financial and functional outcomes, though the greatest overall cost saving is from model 5, which is the only model which combines the Art Gallery with the MRIC and the Information Centre.

Models 2 and 3 do offer an alternative if it is determined not to collocate the Art Gallery with the MRIC as long as there is either no café developed within the complex (Spoons is used instead) or the café is leased out to a third party, if it is not possible to use the Art Gallery site or the land adjacent to it.

Table 1: Summary Cost Benefit Assessment for Models 1-5

	Model 1	Model 2	Model 3	Model 4	Model 5
Required Yield	3%	3%	3%	3%	3%
Discount rate	5%	5%	5%	5%	5%
Visitors to MRIC - Year 1	55k	55k	55k	58k	66k
Visitors to MRIC - Year 10	62k	62k	62k	66k	76k
Revenue - Year 1	\$601k	\$470k	\$446k	\$475k	\$655k
Revenue - Year 10	\$690k	\$551k	\$521k	\$550k	\$793k
Expenditure - Year 1	\$647k	\$423k	\$422k	\$577k	\$825k
Expenditure - Year 10	\$802k	\$526k	\$525k	\$690k	\$1m
Council contribution p/a to achieve positive NPV & IRR	\$200k	\$70k	\$100k	\$420k	\$560k
Net reduction/saving in Council contribution p/a per model	\$418k	\$548k	\$518k	\$198k	\$530k
CAPEX	\$6.1m	\$6.1m	\$6.1m	\$10.6m	\$12.4m
Upgrades Required - Year 5	\$100k	\$100k	\$100k	\$500k	\$350k
Upgrades Required - Year 10	\$100k	\$100k	\$100k	\$700k	\$350k
Cashflow - Year 1	\$304k	\$267k	\$274k	\$468k	\$540k
Cashflow - Year 10	\$138k	\$144k	\$145k	-\$270k	\$117k
IRR	6.6%	6.5%	6.5%	5.9%	5.6%
NPV	\$770k	\$761k	\$764k	\$787k	\$567k

1.7. Recommendations

The MRIC has the potential to offer a variety of benefits to meet the needs of a broad community base. A potential challenge for Council is going to be balancing the initial desires of the Indigenous communities who had anticipated that this facility was going to be a cultural centre focused on their needs first and foremost. Regional Development Victoria have advised that the facility should be referred to as the Murray River Interpretative Centre to better align with current visitor preferences and contemporary industry branding. The model has had to be modified to reflect this.

The location for the MRIC ideally should be clustered with the existing major visitor facilities and amenities in Swan Hill including the Pioneer Settlement, the Swan Hill Regional Art Gallery, the caravan park and, the soon to be revitalised, riverfront area. The various stakeholder groups have indicated that the MRIC needs to be clustered around other facilities rather than located on the extremity of a river front precinct as previously identified (i.e. the location near the current bridge over the Murray River).

A final location has not yet been confirmed as this needs to be part of the wider separate commercial river front study being undertaken on a parallel basis by Hill PDA. However, discussions with Hill PDA on options for sites for the MRIC indicates that using the Art Gallery site and/or the site immediately adjacent to it, would fit well with the commercial development plans for the riverfront area.

The brand positioning of Swan Hill within the regional tourism context of being the “Heart of the Murray”, further supports the creation of a MRIC which has a regional focus rather than solely a Swan Hill focus. From a financial perspective, it is particularly important that the MRIC is a multi-purpose venue to drive a broad range of revenue streams to support the ongoing operating costs and maintenance needs.

In conclusion, the potential exists to offer a quality interpretive centre to meet the needs of many and varied community groups (including younger people) who have indicated a desire for a safe and attractive venue to use during the day and in the evenings as well.

In addition, the lack of visitor attractions and amenities in Swan Hill is an impediment to encouraging stronger visitor flows and building the visitor economy. A well designed multi-function MRIC which includes the Information Centre and the Art Gallery will offer an additional attraction to stimulate greater length of stay in Swan Hill. In turn, it will support existing tourism businesses and retailers and deliver important social and cultural benefits to the wider community.

2. INTRODUCTION

2.1. Overview of the Project

The Stafford Group (The Group) along with Hill PDA was commissioned to prepare a feasibility study for a new cultural centre for Swan Hill Rural City Council (Council). Regional Development Victoria have advised that the facility should be referred to as the Murray River Interpretative Centre to better align with current visitor preferences and contemporary industry branding. The project has, therefore, been retitled as the “Murray River Interpretative Centre” (MRIC) to focus on catering to and profiling:



2.2. Methodology

The approach undertaken for this Feasibility Study included the following.

- Initial discussions with key Council personnel.
- Liaison between Hill PDA and The Stafford Group regarding:
 - the initial options for the riverfront commercial precinct and potential sites for what was initially a cultural centre and which has become a wider interpretive centre; and
 - the separate analysis and research being done by Hill PDA on the development of the riverfront commercial precinct - as the proposed interpretive centre is to be located within this precinct, there is strong synergy between the two projects.
- A visit to Swan Hill to meet with a wide variety of stakeholders including Council personnel, performing and visual arts communities, Information Centre personnel, economic development personnel, Victorian State Government personnel, Indigenous community representatives, youth representatives, Swan Hill Chamber of Commerce and the wider business community, operators of the Art Gallery, operators of Pioneer Settlement, as well as representatives of other amenities and attractions.
- A review of visitation data on Swan Hill to determine likely visitation to a new interpretive centre.
- An assessment of the positioning of Swan Hill as the “Heart of the Murray” and the positioning of the MRIC.
- Testing of the potential components/elements of the MRIC including testing the viability of these from a market demand and financial perspective.
- The development of a draft Feasibility Study and the use of this for follow-up discussions with Council and other stakeholders.
- Refinement of the initial draft Feasibility Study including the final determination of a preferred location for the MRIC.
- Completion and submission of the final Feasibility Study after feedback has been received from Council.

The Group wishes to express its gratitude to key Council personnel as well as the wider community for the time provided and the excellent ideas and options which were canvassed with The Group.

3. CONTEXT

3.1. Swan Hill Riverfront Masterplan

The need for a feasibility study for the initially proposed cultural centre dates back to the Swan Hill Riverfront Masterplan developed in 2013. The Master Plan was specifically focused on the 4.5 kilometre stretch of riverfront between the rail corridor and the Murray River, with a few access points into the Swan Hill CBD.

The Masterplan provided a strategic plan for a range of future improvements to reinvigorate the public-scape and to enhance its social, environmental, cultural and economic values. As such, it identified a range of private and public investment projects primarily aimed at boosting tourism and Swan Hill’s economy through the introduction of new experiences and business development. One of these projects was the development of a Murray River Cultural Centre (now referred to as the Murray River Interpretative Centre, or MRIC) which is the focus of this specific feasibility study.

The Masterplan envisaged that the MRIC would:

- allow visitors to experience the history of the Murray through traditional land owners;
- provide interpretation of the Murray River covering pre- and post-European settlements;
- potentially include an aquarium to provide education about the river’s native fish;
- provide information on the Paddle Steamer era, European settlements and the role that the Murray River played in the early transport of both freight and passengers;
- consider co-locating with the Murray River Information Centre; and
- offer a bush tucker garden attached to the centre.

The initial location of the MRIC within the 2013 master plan was anchoring one end of the riverfront precinct adjacent to the Swan Hill Bridge across the Murray River (Figure 4). Alternative locations are being assessed as part of commercial riverfront study.

Figure 4: Study Area Covered by the Masterplan



3.2. Positioning of Swan Hill

Swan Hill is currently positioned as the “Heart of the Murray”⁴. This positioning has been reinforced by the creation of the Heart Beat of the Murray laser light show (Figure 5) which plays at the Pioneer Settlement and which focuses on the history and activities along the Murray River. It positions Swan Hill as the “beating heart” of the Murray River.

While there has previously been a degree of strong cooperation between the towns in Victoria and NSW which straddle the Murray River, as well as joint funding of a regional tourism entity to further common goals, this situation has changed more recently.

The change in boundaries and focus which the NSW State Government is following particularly for tourism (via Destination NSW) has meant that the current funding arrangement for Murray River Tourism has altered so that the promotion of the River falls to those primarily on the Victorian side. What this manifests itself into by way of promotion and marketing is still to be determined, although the concept of Swan Hill being the heart of the area is still apparently likely to remain.

The initial proposal for the cultural centre was based on a belief that there was a need and opportunity to promote the Indigenous cultures of the area and which could act as a drawcard to encourage more people to stay and spend in Swan Hill specifically. Consultation with Regional Development Victoria, however, has subsequently highlighted the lack of a desire to fund cultural centres, but a desire to consider clever interpretive centres which build on a variety of themes (including Indigenous culture and art) as a mechanism for showcasing a region and attracting visitation.

Figure 5: Heart Beat of the Murray Laser Light Show



⁴ <https://www.visitthemurray.com.au/about-the-region/swan-hill>

3.3. Visitation to Swan Hill LGA

3.3.1. Historic Visitation

Figure 6 provides a summary of visitation to the Murray Region as well as its various sub-regions. In 2016, the Murray Region received 5.4m visitors, and of these visitors, an estimated 12% (644k) travelled to the Swan Hill sub-region (which includes Swan Hill LGA, amongst others⁵).

Out of the five sub-regions⁶ in the Murray Region, the Swan Hill sub-region captured the smallest percentage of visitation (12%). Albury/Wodonga captured the largest share (29%), followed by Echuca/Moama (28%), Sun Country (17%) and Mildura Region (14%).

Figure 6: Summary of Visitation to Murray Region and Sub-Regions (2016)⁷

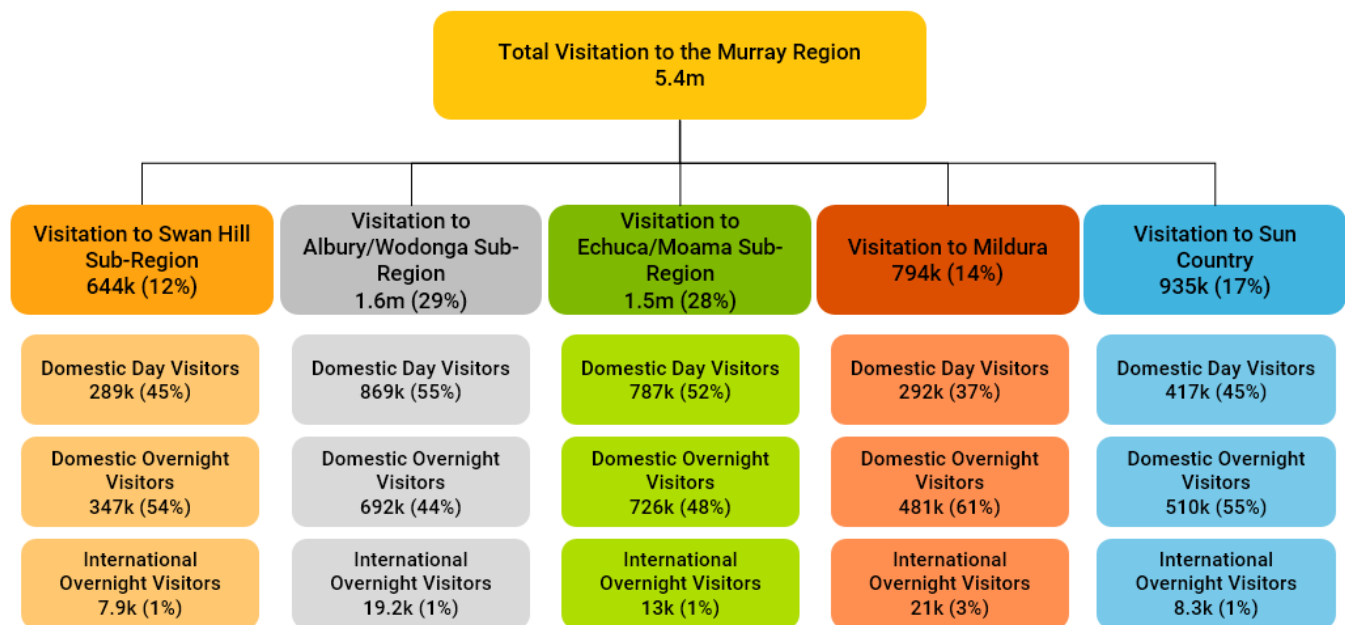


Figure 7 provides a further breakdown of visitation to illustrate travel to the Swan Hill LGA specifically. It demonstrates the following.

- Swan Hill LGA receives 69% (445k visitors) of total visitation to the Swan Hill sub-region.
- Over half (52%) of all visitors to the LGA are domestic day trippers (229k visitors) representing the importance of the LGA as a rural service centre supporting a wide hinterland.
- This is closely followed by domestic overnight visitors (211k visitors), comprising 47% of visitation. This market is supported by business visitation, particularly from various government agencies and private suppliers of product, etc. coming through the LGA.

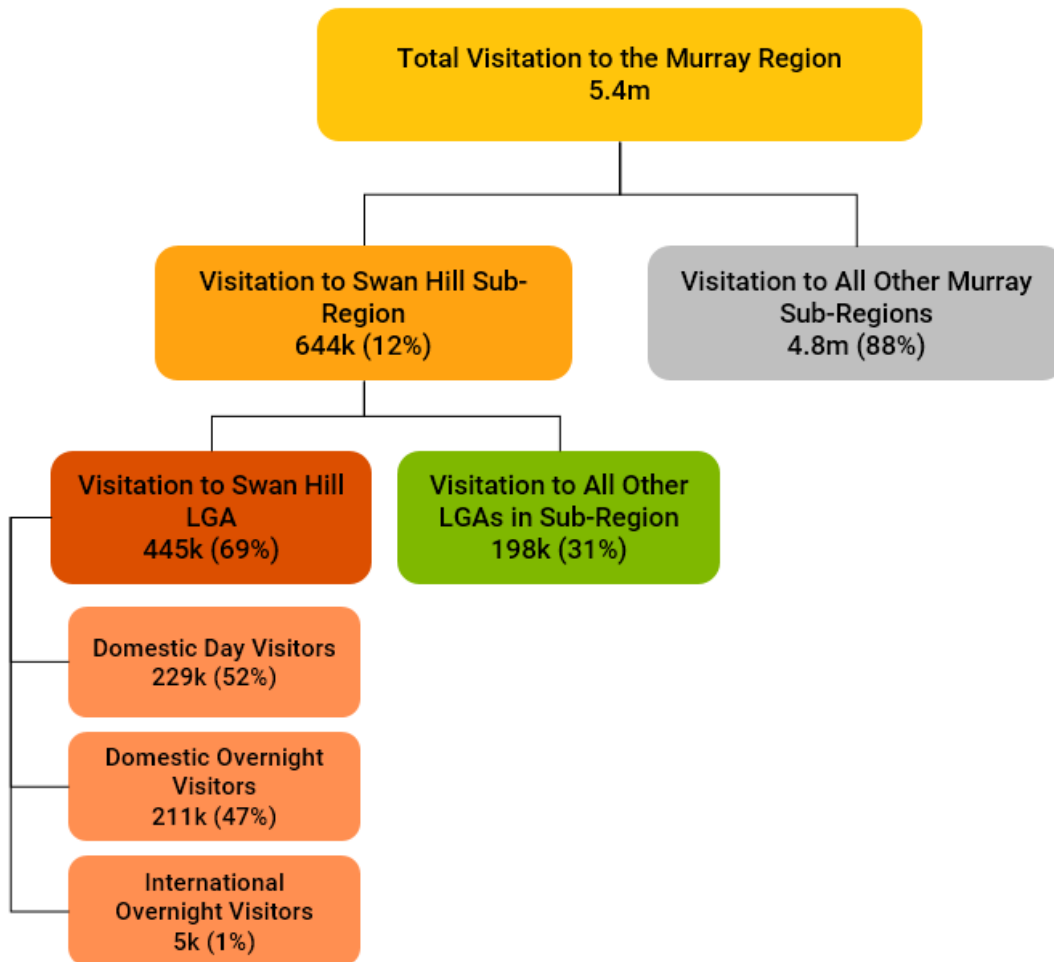
⁵ The Swan Hill Region includes: Gannawarra, Kerang, Robinvale, Swan Hill, Swan Hill Region, and Wentworth-Balranald Region, as per Travel to the Swan Hill region: For the period July 2015 to June 2016, Murray Regional Tourism

⁶ Including the Swan Hill Region, Sun Country, Echuca/Moama, Albury/Wodonga, Mildura Region

⁷ Based on Tourism Stats for Swan Hill Region provided by Council

- International overnight visitation makes up a small share (1%) of total visitation (5k visitors) which is common across the Murray region and its sub-regions and are thought to primarily comprise those visiting friends and family and as part of regional tours around Victoria and NSW.

Figure 7: Summary of Visitation to Swan Hill Sub-Region and Swan Hill LGA ⁸



⁸ Based on Tourism Stats for Swan Hill Region provided by Council

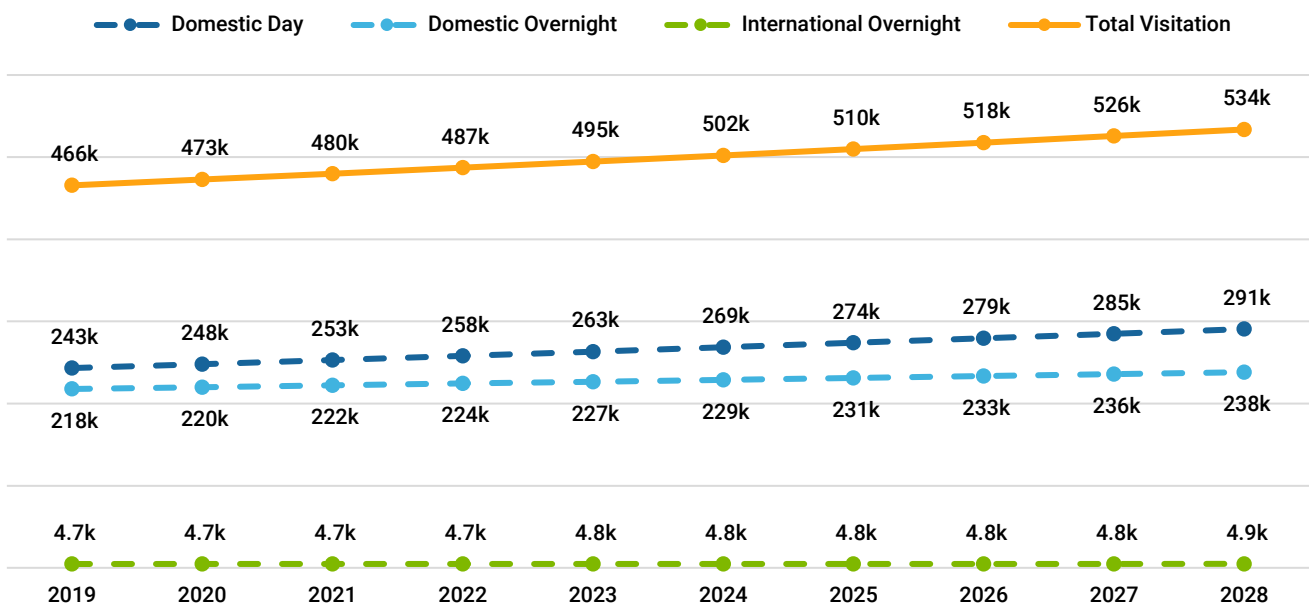
3.3.2. Visitor Forecasts

Figure 8 provides a summary of estimated visitation forecasts to Swan Hill LGA from 2019 - 2028. These have been provided from 2019 as this is the earliest completion date anticipated for the MRIC and are included as baseline estimates to demonstrate the share of visitation to Swan Hill LGA which the MRIC may capture.

Over the 10-year period assessed, visitation to Swan Hill is forecast to grow by 15% (68k visitors), increasing from 466k visitors in 2019 to 534k by 2028.

- Domestic day visitation is forecast to increase by 20%, growing from 243k in 2019 to 291k by 2028. Many of these domestic day visitors are expected to be coming to Swan Hill to purchase goods and supplies (from a broader regional farming community) as well as those coming on day excursions from a catchment area estimated to be within 2-3 hours' drive of Swan Hill.
- Domestic overnight visitation to Swan Hill is forecast to grow from 218k in 2019 to 238k by 2028. This is dependent, however, on the introduction of a variety of new facilities and attractions including the creation of a high-quality MRIC which supports a number of industry sector groups and which acts as a "showcase" for the region but in a very interactive and non-static way.
- International overnight visitation is forecast to gradually grow, increasing from 4.7k in 2019 to 4.9k by 2028. The majority of this international visitation is anticipated to comprise a mixture of those visiting friends and relatives, those attending business meetings and with a smaller percentage coming for leisure purposes as part of regional touring.

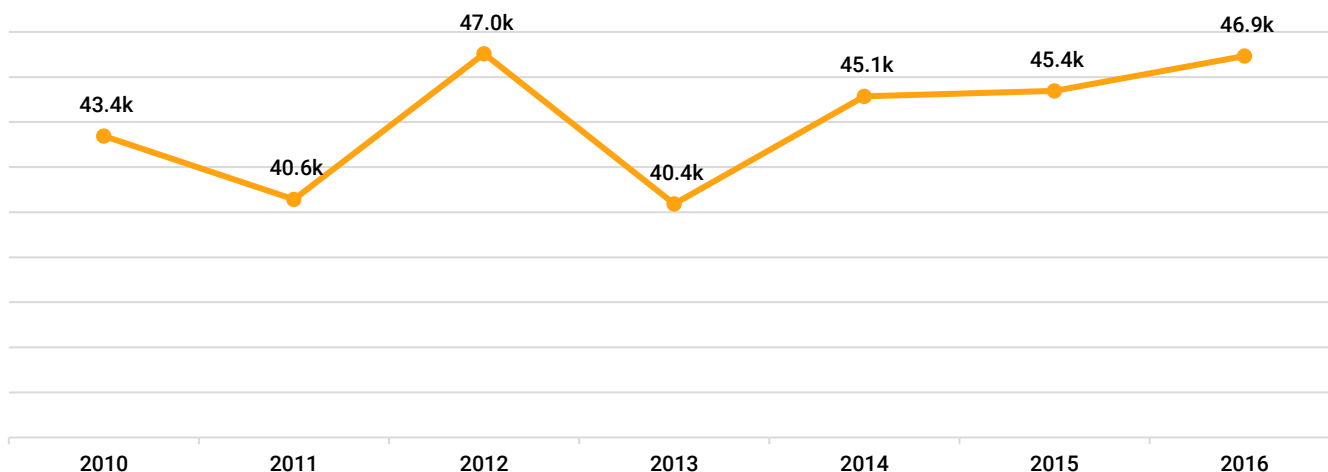
Figure 8: Swan Hill Visitation Forecasts, 2019-2028



3.4. Swan Hill Regional Information Centre Visitation

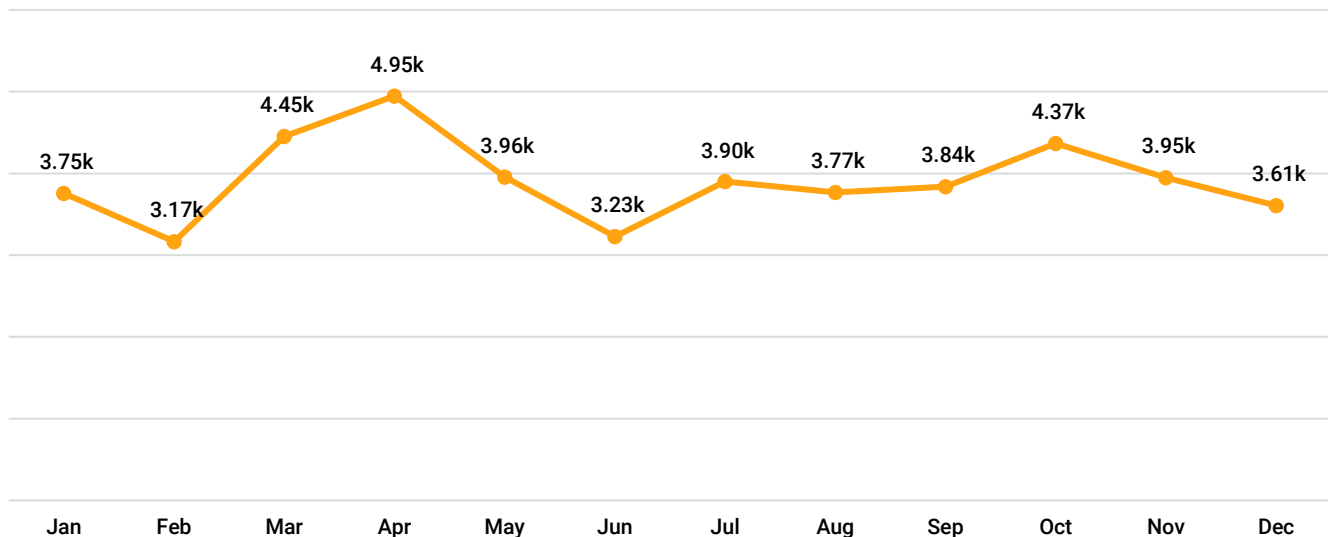
In 2016, the Swan Hill Region Information Centre received an estimated 20k visitors (Figure 9) with many locals making multiple visits into the Information Centre. Over the seven-year period assessed (2010 – 2016), visits rather than visitors fluctuated from a low of 40.4k in 2013 to a high of 47.0k in 2012. It is important to note the distinction between visits and visitors.

Figure 9: Swan Hill Region Information Centre Visits, 2010-2016⁹



The peak month for visitation (Figure 10) to the Information Centre in 2016 was April, with 4.9k visits, followed by March (4.4k). Both of these months coincided with school holidays. October received the third highest level of visitation (4.3k).

Figure 10: Swan Hill Region Information Centre Monthly Visits, 2016¹⁰

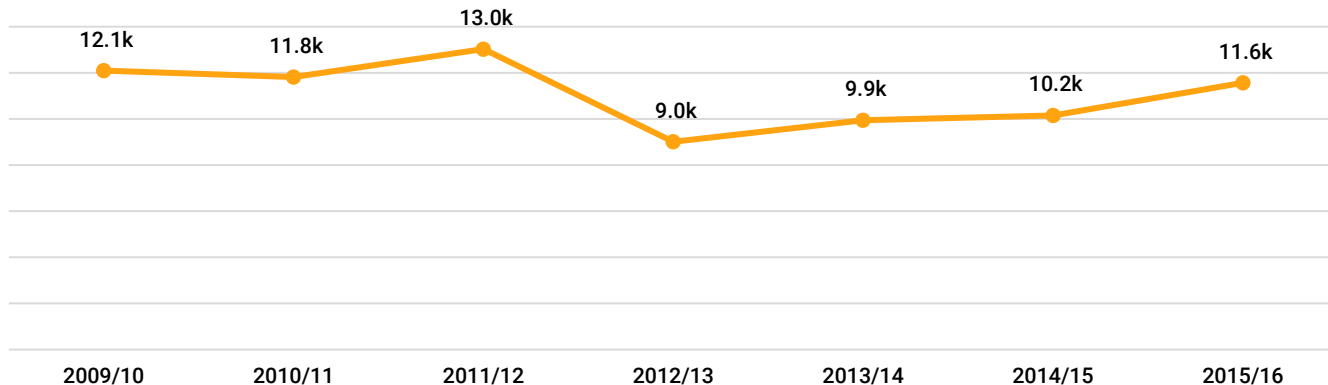


⁹ Provided by Council
¹⁰ Provided by Council

3.5. Swan Hill Regional Art Gallery Visitation

Figure 11 provides a summary of visitation to Swan Hill Regional Art Gallery from 2009/10 to 2015/16. While the Gallery’s visitation dropped to a low of 9k in 2012/13, visitation has been steadily growing since then, increasing to 11.6k visitors in 2015/16.

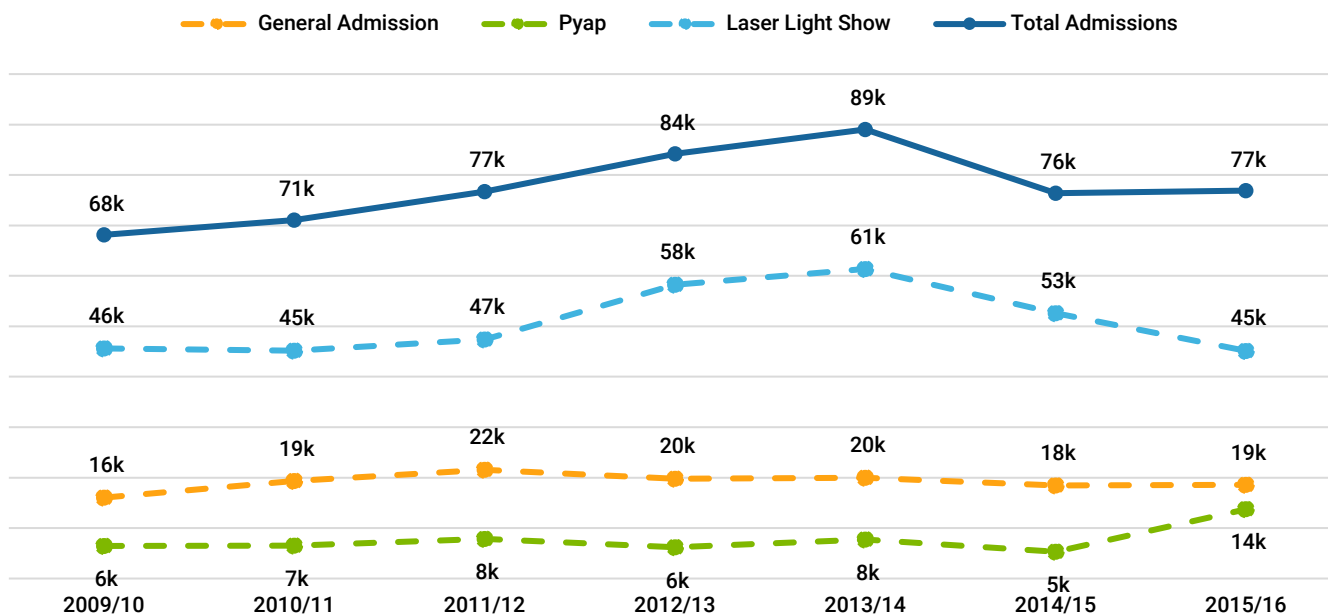
Figure 11: Swan Hill Regional Art Gallery Visitation, 2009/10-2015/16¹¹



3.6. Pioneer Settlement Visitation

Figure 12 illustrates visitation to Pioneer Settlement. Total admissions were 77k for 2015/16. Of this, 45k visitors attended the laser light show (58%), 19k were general admission visitors (25%) and 14k were PS Pyap Cruise visitors (18%).

Figure 12: Pioneer Settlement Visitation, 2009/10-2015/16¹²



¹¹ Provided by Council

¹² Provided by Council

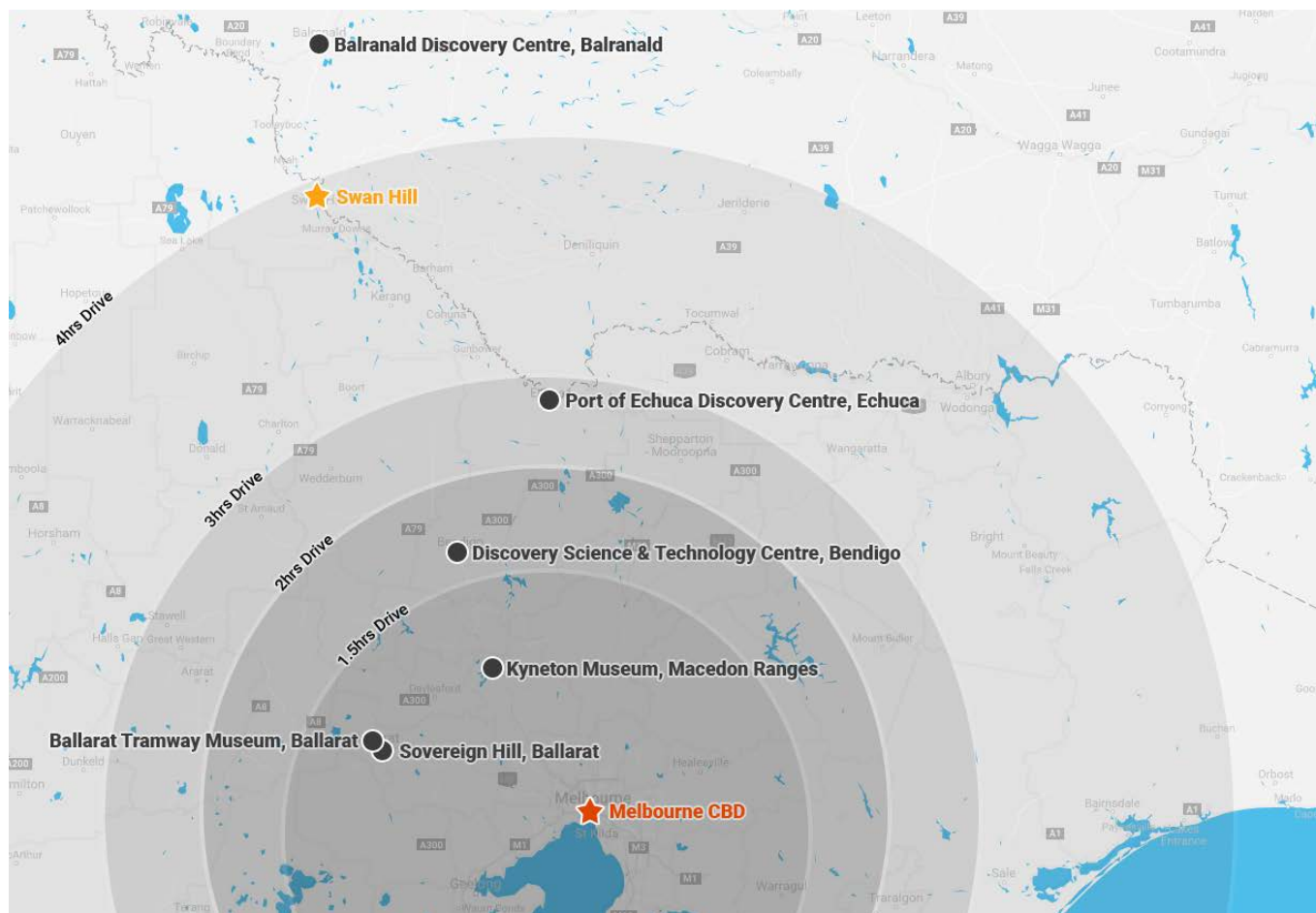
4. BENCHMARKING ASSESSMENT

4.1. Comparative Victorian Interpretive/Discovery Centres

The focus for this Feasibility Study changed part way through from being a purely cultural (and highly Indigenous-focused) centre to being a broader interpretive centre where culture was one of a number of components. The following information reflects discovery and interpretive centres in the broader Murray region as well as in a few larger regional towns in Victoria. They are provided merely to illustrate what exists, some of the challenges which such centres have with respect to developing and maintaining visitation levels as well as the cost implications for establishing these.

Figure 13 illustrates the location of the centres assessed. It is important that any new interpretive centre which is created in Swan Hill is highly complementary to these other facilities. If it is complementary, rather than competitive, it will help strengthen a number of loops and circuits which the Victorian State Government, in particular, is keen to encourage greater visitation and spend on. However, it needs to be noted that to deliver on the specific community needs in Swan Hill, this might require offering only some of the elements which a new interpretive centre might need to focus on to be successful.

Figure 13: Comparative Interpretive/Discovery Centres Map¹³



¹³ Note drive times are estimates only using Google Maps.

Table 2 provides the results of the comparative assessment. The findings indicate the following.

- Sovereign Hill receives 450k visitors per annum (19.9% of visitation to Ballarat), Ballarat Tramway Museum receives 18.5k visitors (0.8% of visitation to Ballarat), the Discovery Science and Technology Centre receives 26.9k visitors (1.3% of visitation to Bendigo), while the Kyneton Museum receives over 2k visitors per annum. The four centres have an average visitation of 124k visitors per annum but this is heavily skewed by Sovereign Hill which offers a major nationally recognised attraction.
- Visitation to the Discovery Science and Technology Centre increased from 25.7k in 2014/15 to 26.9k in 2015/16 (an increase of 4.7%).
- Visitation to the Ballarat Tramway Museum increased from 16,715 in 2013/14 to 18,527 in 2014/15 (an increase of 10.8%).
- Financial data was available for Sovereign Hill, Ballarat Tramway Museum and Discovery Science and Technology Centre. For the latest year for which data is available, all three facilities recorded higher expenses than revenue generated from admissions and sales. In 2014/15, Sovereign Hill generated \$25.9m (excluding government grants), however it had total expenses of \$26.2m (loss of \$0.3m). In 2014/15, the Ballarat Tramway Museum recorded \$39,759 from membership subscriptions, sales, fares and advertising, while total expenditure was \$158,257 (loss of \$118,498). In 2015/16, the Discovery Science and Technology Centre generated \$251k from admissions and sales while total expenditure was \$535k (loss of \$284k). The average loss across the three centres was \$234k.
- The Balranald Discovery Centre cost \$1.5m to build and fit out and is combined with a VIC (visitor information centre), while the Port of Echuca Discovery Centre redevelopment cost \$15.2m (which includes redevelopment to the wharf).
- Key challenges faced by the centres include a need to increase visitation to reduce council subsidies (Port of Echuca Discovery Centre), high maintenance costs, lack of council control over the facility and small talent pools (Sovereign Hill), as well as expenditure exceeding revenue generated from admissions and sales (Sovereign Hill, Ballarat Tramway Museum, Discovery Science and Technology Centre).

Table 2: Comparative Interpretive/Discovery Centres

Facility	Location	Opened	Description	Challenges
Balranald Discovery Centre	Balranald, NSW	~2015	<ul style="list-style-type: none"> ▪ \$1.5m facility¹⁴ ▪ Combined with a VIC 	-
Port of Echuca Discovery Centre	Echuca, Victoria	2014	<ul style="list-style-type: none"> ▪ \$15.2m redevelopment (including wharf redevelopment)¹⁵ 	<ul style="list-style-type: none"> ▪ There is a need to increase visitation by 30k in order to reduce council's subsidy by \$200k. However, this is unlikely.¹⁶
Sovereign Hill	Ballarat, Victoria	1970	<ul style="list-style-type: none"> ▪ 450k visitors (Sovereign Hill only) 2013/14¹⁷ (19.9% of visitation to Ballarat)¹⁸ ▪ Revenue from Operating Activities (excluding government grants) (including The Gold Museum and Blood on the Southern Cross): \$25.9m 2014/15 ▪ Revenue from Operating Activities (excluding government grants) (including The Gold Museum and Blood on the Southern Cross): \$24.0m 2013/14 ▪ Total Expenses \$26.2m 2014/15 ▪ Total Expenses \$23.9m 2013/14¹⁹ 	<ul style="list-style-type: none"> ▪ Maintenance costs are high. ▪ Council does not have control over the facility. ▪ There is a small talent pool from which to attract people with the required skills for the board.²⁰

¹⁴ <http://www.balranald.nsw.gov.au/wp-content/uploads/2013/11/Nimmie-Caira-Proposal-2.pdf>

¹⁵ <http://www.heraldsun.com.au/travel/australia/port-of-echuca-discovery-centre-and-wharf-open-after-152m-redevelopment/news-story/f101739402abf6372eeb0a2d6683fe20>

¹⁶ <https://www.campaspe.vic.gov.au/assets/Council-tab/Port-of-Echuca-discovery-centre-review.pdf>

¹⁷ <https://www.campaspe.vic.gov.au/assets/Council-tab/Port-of-Echuca-discovery-centre-review.pdf>

¹⁸ Based on visitation to Ballarat LGA for a 4-year average from 2012-2015 from Tourism Research Australia.

http://tra.gov.au/Tourism_in_Local_Government_Areas_2016/LGA_Profiles/index.html

¹⁹ https://www.sovereignhill.com.au/media/uploads/SovHill_AnnualReport_2014-15_Full_W.pdf

²⁰ <https://www.campaspe.vic.gov.au/assets/Council-tab/Port-of-Echuca-discovery-centre-review.pdf>



Facility	Location	Opened	Description	Challenges
Ballarat Tramway Museum	Ballarat, Victoria	1971	<ul style="list-style-type: none"> 18,527 visitors 2014/15²¹ (0.8% of visitation to Ballarat)²² 16,715 visitors 2013/14 Revenue from membership, sales, fares and advertising (not including donations and government grants/funding): \$39,759 Total Expenditure \$158,257 2014/15²³ 	<ul style="list-style-type: none"> Expenditure exceeds revenue generated from admissions and sales.
Discovery Science and Technology Centre	Bendigo, Victoria	1995	<ul style="list-style-type: none"> 26,887 visitors 2015/16 (1.3% of visitation to Greater Bendigo)²⁴ 25,683 visitors 2014/15 Revenue from admissions and sales \$251,351 2015/16 (other revenue from grants, sponsorship and other) Total Expenditure \$535,081 2015/16²⁵ 	<ul style="list-style-type: none"> Expenditure exceeds revenue generated from admissions and sales.
Kyneton Museum	Kyneton, Victoria	-	<ul style="list-style-type: none"> >2,000 visitors 2012/13 \$30,000 donated by the Friends of the Kyneton Museum for interpretive signs and museum accreditation²⁶ 	-

4.2. Comparative Indigenous Cultural Centres in Australia and New Zealand

In addition to the comparative interpretive and discovery based centres noted above in areas across mostly regional Victoria, a comparative assessment was also undertaken on specific Indigenous and part-Indigenous facilities (including museums which have Indigenous components) in Australia and New Zealand. This was undertaken because of the need to recognise the importance of telling not only various Indigenous stories of Swan Hill, but also to ensure that the MRIC has a strong and effective Indigenous overlay which delivers on the various needs which the local Indigenous community are expecting to see.

What the benchmarking demonstrates is that the majority of the Indigenous cultural centres assessed have been developed based on a design-led approach (rather than market driven) and, consequently, are not necessarily fulfilling the economic needs of the towns/regions which they are located in. Many of these facilities have high operating costs which are often carried by the associated council (and, ultimately, their ratepayers) or rely on ongoing funding from state or federal government grants. We suspect this last reason is why the Victorian State Government has advised they have no appetite for investing in more cultural centres.

Key findings from the comparative benchmarking analysis indicate the following.

- Very few of the facilities assessed (based on those which we were able to gather financial data for) operate on a cost neutral basis or better.
- For the four facilities which financial data was available for, they appear to operate at a loss or a cost-neutral basis (for the most recent financial data available). These facilities include: the Melbourne Museum (which the Bujilaka Aboriginal Cultural Centre is part of) which has a total deficit of \$11,639 (2015/16); Waradah Aboriginal Centre, which was put into liquidation in 2015 and owed >\$750k; Tandanya National Aboriginal Cultural Institute, which recorded a minimal surplus of \$151 in 2014/15 (note when grants were excluded, it operated at a loss of \$1.6m); and Godinymayin Yijard Rivers Arts and Culture Centre, which recorded a loss of \$1,848 in 2013/14.

²¹ http://www.btm.org.au/documents/annual_report_2014-15.pdf

²² Based on visitation to Ballarat LGA for a 4-year average from 2012-2015 from Tourism Research Australia.

http://tra.gov.au/Tourism_in_Local_Government_Areas_2016/LGA_Profiles/index.html

²³ http://www.btm.org.au/documents/annual_report_2014-15.pdf

²⁴ Based on visitation to Greater Bendigo LGA for a 4-year average from 2012-2015 from Tourism Research Australia.

http://tra.gov.au/Tourism_in_Local_Government_Areas_2016/LGA_Profiles/index.html

²⁵ <http://www.discovery.asn.au/images/Media/Discovery-2015-16-Annual-Report.pdf>

²⁶ <http://www.mrsc.vic.gov.au/files/4cac8cff-3e3b-4281-abe4-a25b01112c30/23oct13>



- The Melbourne Museum operated at a deficit from 2012/13 – 2015/16.
- While Tandanya National Aboriginal Cultural Centre recorded a surplus of \$23,704 in 2013/14, this includes grants of over \$1m, without which the centre would be operating at a deficit.
- The Godinymayin Yijard Rivers Art and Culture Centre also recorded a profit of \$456,309 in 2012/13. Most of this income was received through grant funding, as in 2013/14, only 13% of income was earned, while 59% was received from Arts NT.
- A further eight facilities are either directly funded by local/state/federal governments, or rely on government/organisation grants.
- Of the eight facilities for which visitation data is available, visitation ranged from >4k visitors (Jellurgal Aboriginal Cultural Centre) to 300k visitors (Uluru-Kata Tjuta National Park Cultural Centre).²⁷ The reason why Uluru-Kata Tjuta National Park Cultural Centre receives a high level of visitation is due to the international appeal of Uluru and that most tours of Uluru use this centre as a stopping point to explain the history of the area.
- The Araluen Arts Centre experienced a growth in visitation, increasing from 28.8k in 2014/15 to 30.5k in 2015/16 (6% growth).
- Visitation data was available for ten comparative centres. The average annual visitation for these ten comparative centres is 96k visitors, though The Group considers the range to be too wide to be statistically valid (4k-300k as a range is too extreme).²⁸
- The Tjapukai Aboriginal Cultural Park, Brambuk National Park and Cultural Centre, and Tamaki Maori Village are not directly comparable to a Murray River Cultural Centre as these also encompass a village/cultural park or national park, in addition to the cultural centres, while Uluru-Kata Tjuta National Park Cultural Centre capitalises from the international fame and appeal of Uluru. It is also important to note that Waradah Aboriginal Centre has data for the first 18 months of operation, however, it was put into liquidation in 2015 (and as such, visitation is no longer reliable for current performance). When the visitation figures for these five sites are removed, the average of the remaining five cultural centres is 21k visitors per annum.
- Building footprint data was available for 12 of the comparative cultural centres. The building footprint ranged from 372m² (Tjapukai Aboriginal Cultural Park) to 4,978m² (Araluen Arts Centre). The average building footprint area across the 12 centres is 1,645m².

In summary, the review of Indigenous and part-Indigenous cultural centres illustrates the ongoing need for government to recognise the requirement for subsidising creative sector venues which are clearly cost centres rather than profit centres.

Additionally, what is lacking is research to verify that the investment into new Indigenous cultural centres leads to quantifiable Indigenous creative sector growth and sustainability. This is a gap in the body of research in both Australia and New Zealand which makes it challenging to show how best to meet longer term Indigenous cultural sectoral needs.




However, we do note that the rationale to support these facilities includes broader socio-economic benefits including to:

- stimulate local indigenous employment;
- entice growth in the visitor economy via indigenous creative events; performances and visual artwork;
- enhance the livability and appeal of a regional city and wider area; and
- address social and community-based issues associated with indigenous groups and their needs, volunteer support and growth and helping with community wellbeing.

²⁷ It is noted that the methodology for collecting visitation levels for most facilities was not mentioned. Data and findings thus need to be treated carefully.

²⁸ Note the visitation for Waradah Aboriginal Centre was for 18 months (150k). This figure has been adjusted to provide an estimate for 12 months.

Table 3: Benchmarking Assessment for Indigenous Cultural Centres in Australia and New Zealand

	Facility	Type	Location	Description	Venue Hire
	Tjapukai Aboriginal Cultural Park	Indigenous only, Performing/visual arts	Cairns, Qld	<ul style="list-style-type: none"> Cultural Park Construction cost: \$12 million, funded by Indigenous Business Australia²⁹ Visitation: >3m over 25 years Cairns' largest employer of Indigenous people 150k annual visitors³⁰ 100,000 square metres (including outdoors park area)³¹ Building footprint: 3,012 sq. m³² 	-
	Narana Aboriginal Cultural Centre	Indigenous only, Performing/visual arts	Grovedale, Vic	<ul style="list-style-type: none"> In 2015/16 received a \$2000 grant for Indigenous Professional Development³³ Exhibition room and small meeting room Building footprint: 1,260 sq. m³⁴ 	<ul style="list-style-type: none"> Exhibition room seating up to 80 people (\$400 for 8 hours) Small meeting room (seats up to 10 people) \$385 for 8 hours \$50 hourly rate for bookings <= 3 hours
	Bunjilaka Aboriginal Cultural Centre (part of the Melbourne Museum)	Part of the Melbourne Museum (Indigenous/non-Indigenous), visual arts	Carlton, Vic	<ul style="list-style-type: none"> Daily eel feeding and a talk at Milarri Garden Entry is included with Melbourne Museum entry Total Income for 2015/16: \$123,472 Total Expenses: \$135,111 (including depreciation) Deficit (net operating balance): \$11,639 (Melbourne Museum)³⁵ (2015/16) Deficit (net operating balance) in 2014/15: \$13,448 Deficit 2013/14 (net operating balance: \$12,715) Deficit 2012/13 (net operating balance: \$18,187³⁶) 	-

²⁹ <http://www.iba.gov.au/wp-content/uploads/2012/11/Report-Annual-Report-2011-2012-8MB.pdf>

³⁰ <http://rongowhakaata.iwi.nz/wp-content/uploads/2014/04/Te-Hau-Ki-Turanga-Feasibility-Report-2014.pdf>

³¹ https://en.wikipedia.org/wiki/History_of_Cairns




³² Calculated using Google Maps Measure Distance Tool

³³ http://economicdevelopment.vic.gov.au/_data/assets/pdf_file/0009/1385577/10123-DEDJTR-Annual-Report-2015-16_WEB-R2.pdf

³⁴ Calculated using Google Maps Measure Distance Tool

³⁵ https://museumvictoria.com.au/pages/2877/2015-2016/Museum_Victoria_-_Annual_Report_-_Financial_Year_2015_to_2016.pdf

³⁶ https://museumvictoria.com.au/pages/2877/2013-2014/annual_report_2013-14_final.pdf

	Facility	Type	Location	Description	Venue Hire
	Waradah Aboriginal Centre	Indigenous only, Performing/visual arts	Katoomba, NSW	<ul style="list-style-type: none"> Was put into liquidation in 2015, owing >750k³⁷ 150k visitors in 18 months³⁸ 1,000 sq. m³⁹ Building footprint: 906 sq. m⁴⁰ 	-
	Jellurgal Aboriginal Cultural Centre	Indigenous only, Performing/visual arts	Burleigh Heads, Qld	<ul style="list-style-type: none"> Received \$3k grant from Gold Coast City Council for producing an audio/visual film on the history of Burleigh Heads from an Indigenous perspective⁴¹ >4000 visitors (2015/16)⁴² Building footprint: 372 sq. m⁴³ 	-
	Yarrowarra Aboriginal Cultural Centre	Indigenous only, Performing/visual arts	Corindi Beach, NSW	<ul style="list-style-type: none"> Bush Tucker Café Conference Venue with catering Accommodation Offered Building footprint: 1,062 sq. m⁴⁴ 	<ul style="list-style-type: none"> Large Conference Room (\$200 per day/\$150 per extra day) Small Conference Room (\$120 per day/\$95 per extra day) BBQ/Gazebo area (\$75 per day/\$60 per extra day)

³⁷ <http://www.bluemountaingazette.com.au/story/3270791/waradah-aboriginal-centre-placed-in-liquidation/>

³⁸ <https://visitbluemountains.wordpress.com/tag/aboriginal/>

³⁹ <http://prod-pub-elb-aus.tour-aus.aws.haylix.net/en/articles/best-aboriginal-experiences/best-aboriginal-experiences-nsw.html>




⁴⁰ Calculated using Google Maps Measure Distance Tool

⁴¹ <http://www.goldcoast.qld.gov.au/documents/ma/governance-20140612-adoptedreport.pdf>

⁴² <http://www.kalwun.com.au/wp-content/uploads/2016/11/2016-Kalwun-AGM-Report.pdf>

⁴³ Calculated using Google Maps Measure Distance Tool

⁴⁴ Calculated using Google Maps Measure Distance Tool

	Facility	Type	Location	Description	Venue Hire
	Living Kurna Cultural Centre	Indigenous only, Visual arts/culture	Bedford Park, SA	<ul style="list-style-type: none"> 13,650 residents/visitors (2015/16)⁴⁵ Funded by Council \$1.45m funding through federal grant, Federation Cultural and Heritage Program 3,833 cultural tour visitors 700 people attended the Kurna Heritage Day and Kumangka Art Exhibition Ngaiyto Wodli (program involving >60 young Indigenous people to promote healthy food and culture) Cycling for Culture with 40 riders. This saw ~4,633 visitors in 2013/14, however, some of these may have participated in multiple events⁴⁶ Building footprint: 908 sq. m⁴⁷ 	<ul style="list-style-type: none"> Function room capacity: 30 Meeting room Fairford House capacity: 14-18 people Art room Fairford House capacity: 30 people
	Tandanya National Aboriginal Cultural Institute	Indigenous only, Performing/visual arts	Adelaide, SA	<ul style="list-style-type: none"> Total Revenue: \$1,972,993 (2014/15) Revenue (less grants): \$405,295 (2014/15) Total Expenses: \$1,972,842 (2014/15) 2014/15: Surplus (including grants): \$151⁴⁸ 2014/15: Deficit (excluding grants): -\$1,567,547 2013/14: Surplus (including grants): \$23,704⁴⁹ 2013/14: Deficit (excluding grants): -\$1,011,296 55k visitors (2011/12)⁵⁰ Building footprint: 2,158 sq. m⁵¹ 	<ul style="list-style-type: none"> Conference Room up to 90 pax (\$250 for full day) Boardroom (up to 35 people) \$175 for full day Main Gallery space (whole) \$1,500 per full day⁵²
	Brambuk National Park and Cultural Centre	Indigenous and non-Indigenous, performing/visual arts	Halls Gap, Vic	<ul style="list-style-type: none"> Bushfoods Café Six Seasons of Gariwed display Backpackers accommodation Received a Regional Infrastructure Development Fund Grant of \$2.024m in 2003/04 from state government \$1m to build (1990), funded by Victorian State Government⁵³ 200k annual visitors⁵⁴ 	<ul style="list-style-type: none"> Whale Room capacity 80 people (\$330 for >4 hours) Mural Room capacity 80 people (\$330 for >4 hours)

⁴⁵ <http://www.reconciliation.org.au/raphub/wp-content/uploads/2016/12/City-of-Marion-Innovate-RAP-2016-2019-final.pdf>

⁴⁶ City of Marion, Annual Report 2013/14

⁴⁷ Calculated using Google Maps Measure Distance Tool

⁴⁸ National Aboriginal Cultural Institute, Ministerial Annual Report 2014-15, Tandanya

⁴⁹ National Aboriginal Cultural Institute, Ministerial Annual Report 2014-15, Tandanya




⁵⁰ Tandanya National Aboriginal Cultural Institute Inc Annual Report, 2011-2012

⁵¹ Calculated using Google Maps Measure Distance Tool

⁵² <http://www.tandanya.com.au/wp-content/uploads/2016/01/Venue-Hire-Booklet-2015-Current.pdf>

⁵³ <http://rongowhakaata.iwi.nz/wp-content/uploads/2014/04/Te-Hau-Ki-Turanga-Feasibility-Report-2014.pdf>

⁵⁴ <http://rongowhakaata.iwi.nz/wp-content/uploads/2014/04/Te-Hau-Ki-Turanga-Feasibility-Report-2014.pdf>

	Facility	Type	Location	Description	Venue Hire
	Koorie Heritage Trust Cultural Centre	Indigenous only, Visual arts/culture	Melbourne, Vic	<ul style="list-style-type: none"> 800m² building⁵⁵ Grant from the R E Ross Trust \$90k over 3 years (from 2014/15)⁵⁶ 3-level, 2,300 m² building⁵⁷ Building footprint: 865 sq. m⁵⁸ 	<ul style="list-style-type: none"> Meeting Room 1 (up to 25 people) Meeting Room 2 (up to 20 people) Combined Meeting Rooms 1, 2 and Third Floor with balcony access (100-150 people standing)
	Uluru-Kata Tjuta National Park Cultural Centre	Indigenous only, Performing/visual arts	Uluru, NT	<ul style="list-style-type: none"> 300k visitors per year⁵⁹ Funded by Parks Australia Building footprint: 2,373 sq. m⁶⁰ 	-
	Godinymayin Yijard Rivers Arts and Culture Centre	Indigenous/non-Indigenous, Performing/visual arts	Katherine East, NT	<ul style="list-style-type: none"> Offers catering Audio-visual and lighting equipment available Total Loss: \$1,848 (2013/14) Total Profit: \$456,309 (2012/13) 11.6k visitors for events, performances and venue hire 30% of visitors attended as a result of venue hire 3 full-time staff, one part-time and two regular casual workers (2013/14)⁶¹ Building footprint: 617 sq. m⁶² 	<ul style="list-style-type: none"> Full auditorium (\$350 for 8 hours) seats 100 people

⁵⁵ <http://rongowhakaata.iwi.nz/wp-content/uploads/2014/04/Te-Hau-Ki-Turanga-Feasibility-Report-2014.pdf>

⁵⁶ http://rosstrust.org.au/wp-content/uploads/2015/12/Ross-Trust-AR-2015_final.pdf

⁵⁷ <http://www.smh.com.au/business/developer-pays-30-million-plus-for-fishermans-bend-site-20141107-11hteg.html>





⁵⁸ Calculated using Google Maps Measure Distance Tool

⁵⁹ <https://www.environment.gov.au/system/files/resources/c59854ed-9f3f-4102-a458-b4c523be8d4a/files/uktnp-a4factsheet-culturalcentre-small.pdf>

⁶⁰ Calculated using Google Maps Measure Distance Tool

⁶¹ http://www.gyracc.org.au/sites/default/files/01616_gyracc_ar_2014_WEB.pdf

⁶² Calculated using Google Maps Measure Distance Tool

	Facility	Type	Location	Description	Venue Hire
	Buku Larrnggay Mulka Centre	Indigenous only, Performing/visual arts	Nhulunbuy, NT	<ul style="list-style-type: none"> Art Centre, music production house and print space Recipient of NT Arts Programs and services grant, \$7,946 Recipient of Art X*North grant \$8,000⁶³ 	-
	Nyinkka Nyunyu Art and Culture Centre	Indigenous only, Performing/visual arts	Tennant Creek, NT	<ul style="list-style-type: none"> Recipient of Tourism Infrastructure Development Fund (TIDF) grant of \$26,945 in 2015/16 to modify and improve the Jajjikari Café⁶⁴ Offers tours Building footprint: 1,226 sq. m⁶⁵ 	-
	Araluen Arts Centre	Indigenous/non-Indigenous, Performing/visual arts	Araluen, NT	<ul style="list-style-type: none"> Includes original artworks by Albert Namatjira Annual Desert Mob exhibition, featuring artists and 300 artworks from remote Aboriginal Art Centres 30,498 visitors in 2015/16⁶⁶ 28,836 visitors in 2014/15 Building footprint: 4,978 sq. m⁶⁷ 	<ul style="list-style-type: none"> Theatre seats 487 people Gallery Hire Functions
	Te Hana Te Ao Marama Maori Cultural Centre	Indigenous only, Performing/visual arts	Te Hana, New Zealand	<ul style="list-style-type: none"> Maori Village Accommodation available Tours available 	-

⁶³ https://dta.nt.gov.au/_data/assets/pdf_file/0010/248779/DoAM-Annual-Report-2015.pdf

⁶⁴ https://parliament.nt.gov.au/_data/assets/pdf_file/0005/385952/185.-Annual-Report-2015-2016,-Tourism-NT.pdf

⁶⁵ Calculated using Google Maps Measure Distance Tool

⁶⁶ https://dta.nt.gov.au/_data/assets/pdf_file/0008/379628/doam-annual-report-2015-16.pdf

⁶⁷ Calculated using Google Maps Measure Distance Tool

	Facility	Type	Location	Description	Venue Hire
	Tamaki Maori Village	Indigenous only, Performing arts	Rotorua, New Zealand	<ul style="list-style-type: none"> ▪ Evening performance with hangi meal ▪ Catering for conferences and events ▪ Re-created pre-European village ▪ Receives >100k visitors⁶⁸ ▪ Annual turnover >\$8.7m⁶⁹ 	<ul style="list-style-type: none"> ▪ Catering for events/functions
	Ko Tane (part of Willowbank Wildlife Reserve)	Indigenous/non-Indigenous, performing arts	Christchurch, New Zealand	<ul style="list-style-type: none"> ▪ Evening performance with hangi meal ▪ Gift shop 	<ul style="list-style-type: none"> ▪ Conferences, functions, group dinners

⁶⁸ <http://rongowhakaata.iwi.nz/wp-content/uploads/2014/04/Te-Hau-Ki-Turanga-Feasibility-Report-2014.pdf>

⁶⁹ https://nzier.org.nz/static/media/filer_public/de/31/de315bcb-3188-4760-b21d-348382149aa0/maori_economic_development.pdf

5. THE MODELS CONSIDERED

5.1. Showcase for the Region

Though the move from creating an Indigenous-focused cultural centre to a broader regional interpretive centre is not insignificant, the latter still allows for an Indigenous overlay and the creation of facilities and amenities to support the Indigenous community. Discussions with a variety of stakeholders in Swan Hill highlighted the need to meet the demands of a variety of interest groups and stakeholders as the MRIC will need to appeal to a wide range of audiences if it is to be successful.

The opportunity, therefore, exists to utilise the MRIC to showcase the region and its:

- indigenous culture;
- broader arts and heritage;
- agricultural and food production;
- the ecology of the river and its unique fauna and flora as well as its geomorphology;
- as well as other sectors of the economy which offer points of interest and attraction.

The facility created, therefore, needs to be sufficiently flexible in the way it is designed to ensure it caters for a variety of needs and allows for seasonal variations where, at times, local community needs may be greater than that of visitor markets.

- To deliver and meet the needs of the Indigenous community there is a need to help deliver outcomes to support the local Indigenous community including:
 - Offering a venue which can be used by all cultures and communities within the region;⁷⁰
 - A preference for establishing the MRIC at a site which links with the current Swan Hill Regional Art Gallery location which is seen to be the hub of the river front precinct rather than alternative sites which had been previously suggested on the edge of the river precinct proposed;
 - Recognising the need to have a venue which provides space for painting and selling of Indigenous art;
 - The location should provide an opportunity to support the Indigenous interpretive walk to Pental Island and any upgrades required;
 - The MRIC needs to provide a venue (indoor and outdoor) for story-telling and to offer a bush tucker garden and medicinal plant garden;
 - To provide a venue for collaborative community thinking and finding workable partnerships; and
 - To find ways to also link to the activities of Pioneer Settlement so an integrated visitor and cultural precinct is offered to locals and visitors alike.

⁷⁰ Noting there are many recent immigrant communities to the region who are likely to welcome a venue for holding meetings, to offer facilities for visual and performing arts etc.

5.2. Initial Options for Consideration

A number of options were discussed with stakeholders in Swan Hill. These included:

- the creation of an interpretive centre as a stand-alone structure;
- development of a multi-use facility which could be co-located possibly with the Pioneer Settlement facility; and
- the option of a digital facility which offers a variety of programs rather than having a permanent structure.

The determination of what is most desirable and appropriate is partly predicated on community desires, what Council and other stakeholders may want, what the visitor markets will actually gravitate to and, ultimately, what the cost is both in capital expenditure and ongoing maintenance.

Most of those interviewed in Swan Hill preferred creating a “bricks and mortar” structure. A small percentage, however, were keen to investigate whether a clever digital program might work equally as well if it was possible to tell stories through a series of apps and other forms of technology and if the base/hub location for this encouraged people to undertake a variety of simple journeys throughout Swan Hill and the broader region to visit sites and gather more information.

Importantly, the determination of what the MRIC should be has been based on trying to meet the needs of various key stakeholder groups while also ensuring that it can stack up from a financial perspective. What was clear from stakeholder feedback was the need to avoid a traditional museum/cultural centre facility which is passive and which fails to offer an immersive experience to help people better understand the significance of Swan Hill.

5.3. Physical Building Options

The research and analysis undertaken as part of this Feasibility Study indicates a number of options for consideration. These have been determined by what facilities could potentially be co-located with the MRIC. Options included:

- the co-location of the Information Centre into the broader MRIC;
- the Swan Hill Regional Library, noting that it does contain a variety of elements including a community toy library, space for the genealogical society and for naturalists;
- the potential to add a social history museum component noting that Pioneer Settlement covers a distinct period in history which may or may not be adequate going forward;
- the potential to include a local history collection which some stakeholders have commented on;
- to offer individual spaces for community groups to meet and to socialise;
- to provide space for a new art gallery or an extended art gallery; and
- to provide space for workshops, education and forums as well as school holiday activities.

The general consensus from stakeholders and from The Group’s own observations was that the more people who could be encouraged into the MRIC, the greater the utilisation and ability to derive various revenue streams to offset its operating cost.

5.4. Physical Constraints of Co-location

5.4.1. Swan Hill Regional Library

It is important to recognise that there are challenges in co-locating and relocating the Swan Hill Regional Library into the proposed MRIC. The library plays a vital role in anchoring one end of the Swan Hill CBD and draws a significantly wide audience which supports local retailers and other businesses. Removing it from this location would potentially have a dramatic effect on pedestrian movements in and around the main street of Swan Hill and would be extremely difficult to replace.

In addition, the library would need approximately 1,500 square metres which makes it a significant space in its own right. It is also noted that the function of libraries continues to change where, in many locations, these are now becoming discreet knowledge centres and community hubs for a variety of online research and analysis. We also understand that the library has 300 items in its print gallery collection which ideally needs to be on display.

5.4.2. Swan Hill Regional Art Gallery

With respect to the Swan Hill Regional Art Gallery (the Gallery), feedback provided indicated that its storage facilities are at capacity and the Gallery needs to be expanded. The spatial needs of the Gallery have not been fully provided, however, based on previous research and analysis undertaken in a variety of regional locations, The Group generally finds that the back of house storage, restoration and conservation areas need to be far greater than the actual front of house exhibition space. Whether this is appropriate for the proposed riverfront precinct is yet to be determined. It is assumed that at least 1,300 sqm would be required for the Art Gallery if the facilities were collocated.

The option, however, of having visual art exhibition spaces within the MRIC is something which could be contemplated if the storage and back of house needs, in particular for visual arts, could be located separate to the Gallery. We consider this a separate discussion which Council would need to have with the various stakeholders associated with the Gallery as the notion of splitting storage and restoration from display and exhibition areas may not have been fully assessed.

5.4.3. Swan Hill Pioneer Settlement

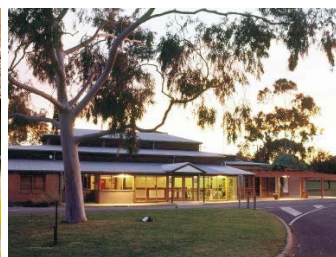
We have also assessed the option of co-locating the MRIC with Swan Hill Pioneer Settlement but have considered that this would complicate the focus in marketing, particularly of the existing Pioneer Settlement attraction. However, having the interpretive centre within reasonably close proximity to the Pioneer Settlement would seem sensible as this is where the majority of visitor attractions and experiences occur. Ideally, finding a location closer to the Pioneer Settlement attraction for the MRIC should be contemplated.

5.5. Operating Costs of Other Facilities

In determining the various elements to potentially co-locate with the MRIC, The Group is mindful that Council is already heavily committed financially to existing facilities, including the following.



Pioneer



Swan Hill Art Gallery



Swan Hill Region Information



Swan Hill Regional

⁷¹ Excludes the site lease fee – the estimated area is approximately 55% of the building so an estimated lease fee of \$150k per annum over and above the net operating loss covered by Council

⁷² Only includes the lease fee – the amount which Council subsidises this facility for, therefore, will be larger

While the quantum of some of these contributions are in line with contributions of other regional councils with similar facilities, it is important to note that Council's potential appetite for funding the ongoing operating costs of an additional facility (the MRIC) might not be high and so a more limited ongoing contribution is going to need to be considered. This means that a variety of alternative revenue streams need to be created within the MRIC to help cover the ongoing operating costs. All of this is in addition to any capital contribution which Council and other local stakeholders might need to contribute to leverage matching funding from the Victorian State Government and other external sources for the capital build and fitout.

5.6. Council Requirements

The following indicates strategic feedback from Council. It is provided to illustrate the specific needs that the different departments/divisions of Council require.

- One of the key requirements for the MRIC was to actively encourage access and use for young people. A variety of council personnel indicated this as a key outcome which should be aimed for.
- Approximately 5% of Swan Hill's population are Indigenous and getting Indigenous involvement and use is an important outcome as well.
- The MRIC should have the opportunity to sell art. Having this slightly separate from the Art Gallery was seen by some to be advantageous recognising that the Art Gallery is a collection-based facility.
- Some of the senior management team consider it particularly important that the MRIC needs to be self-sustaining; it needs to be able to cover its ongoing operating costs rather than being a funding drain on Council. Further discussion on this point indicated that an ongoing contribution to ensure that operating costs were well covered from Council is something which could be considered but the quantum would need to be tight and significantly lower than Council's existing commitments to a variety of facilities and amenities.
- It was noted that there are a number of new migrant communities who have relocated to Swan Hill including Vietnamese, Iraqis and others and that the MRIC needs to provide facilities which will also provide support and appeal to these migrant communities for a variety of cultural needs.
- The need to grow overnight visitation to Swan Hill was also identified as was the desire to link into other visitor attractions and experiences. The obvious one was Pioneer Settlement which is Swan Hill's major visitor attraction, particularly with the addition of the laser light show. Discussion was also held on the number of Chinese visitors now going to Lake Tyrrell and the opportunity to profile fauna and flora as part of the MRIC so there is a clear link to the surrounding lakes which are unique and a feature of the broader region.
- A need was seen to ensure that elements of the different industries which have driven the growth of Swan Hill are included where this could be provided in a highly interactive and informative way. Examples were given of the agricultural and manufacturing sectors with a particular focus on the quality of stone fruit, almonds and olives. There is currently nothing in Swan Hill that showcases the quality of food and produce.
- The opportunity to look at an interpretive centre which highlights the environmental issues and opportunities for the Murray-Darling Basin and how it was formed was also discussed. Interactive displays could potentially bring this alive to highlight: the lake system; the geomorphology of the area; the unique environments including wetlands within the Mallee and the Murray River; the rich biodiversity which exists; and the importance of the area from an Indigenous perspective in relation to bush tucker and natural resources used for different craft forms.
- Other requirements indicated the need to profile culture and heritage in a different form to that which the Pioneer Settlement is currently doing.
- With respect to performance theatre spaces, it would appear from feedback that the various theatre groups, etc. have adequate performance auditoriums to meet current needs in Swan Hill. There is an opportunity, however, to create a variety

of live music performances for a younger market (a teenage market who are not able to access traditional pub/live music scenes). Discussions with a cross spectrum of younger people (through Council's Youth Council) indicated that this was a gap within the entertainment facilities available in Swan Hill.

- The importance of the MRIC in a broader Murray River context was also highlighted and a need was seen to link to Echuca and other towns to tell a story of the region noting that Swan Hill is already positioned as the "Heart of the Murray".
- A preference was given for an interpretive centre which ideally offered a modern architectural design, which was sustainable (i.e. utilises green building technology) and which was financially viable so that it would not be a significant drain on Council resources.
- The overall comment from Council's management team indicates that the MRIC should comprise a variety of uses by integrating flexible spaces into the design so that it can attract a wide variety of local and visitor markets.

5.7. Indigenous Community Feedback

While a variety of Indigenous community representatives were able to meet with the project team, there were other groups who were unable to attend. Achieving a collective response was, therefore, challenging as it is understood that there are a variety of groups (including traditional owners, elders and others on country) with, at times, differing perspectives.

However, feedback from those who were able to attend indicated the following key points.

- A preference for establishing the MRIC at a site which links with the current Swan Hill Regional Art Gallery location which is seen to be the hub of the river front precinct rather than alternative sites which had been previously suggested;
- Recognising the need to have a venue which provides space for painting and selling of Indigenous art;
- The location should also provide an opportunity to support the Indigenous interpretative walk to Pental Island and any upgrades required;
- The MRIC needs to provide a venue (indoor and outdoor) for story-telling and to offer a bush tucker garden and medicinal plant garden;
- To provide a venue for collaborative community thinking and finding workable partnerships;
- To find ways to also link to the activities of Pioneer Settlement.
- To offer a venue to highlight how the Murray River has been used by Indigenous communities and the creation of a MRIC to put certain artifacts into and to tell Indigenous stories around the River and its ecology etc.
- There is a desire to have different cultures involved, reflecting a wide range of new migrant communities now living in Swan Hill as well.
- There is a need to actively encourage children and young people with an entertainment and education theme.
- The potential exists to link with TAFE for training in food technology and hospitality for which the MRIC could provide a potential bush tucker garden and café.
- The ability to offer a resource centre to support Indigenous and other cultures.
- There is a need to offer jobs for youth which is seen as a key requirement and anything which strongly supported improved education attainment was desirable.
- Focusing on music (both traditional and modern) is considered an important pillar to develop, including the teaching of traditional and modern music as well as performances.
- The current school curriculum might be able to link to education tourism and to tours from a wider catchment to the MRIC.
- There is a need to ensure that the various visitor activities which are undertaken by the current Indigenous settlement are not duplicated.

- Potential may exist to create an honour wall at the MRIC to reflect the importance of previous generations in what has been achieved.
- The need for an extensive built facility was questioned by some who wondered whether the use of QR codes could be developed to link to smartphones to tell stories in different parts of the region rather than having everything displayed in one building.
- What was seen as important was the need for a rotating program for arts, culture, music to keep locals interested.
- Night time activity for youth was seen as very important including through music performances, shows and as a comfortable and attractive location to hang out.
- A need was seen for a potential Elders Council to oversee how such an interpretive centre might operate and to provide guidance.
- A need for spaces to allow for meetings and forums and to provide areas for training and upskilling.
- There is concern that there is a gap in historical knowledge of the area (and particularly the River) and its importance to Indigenous communities over a significant period of time.
- The potential to sell artwork is considered important and having an outlet for this within the centre was seen to be a valuable component.

What was clear overall, however, was the need to create a multi-use facility which was open and available to all community groups but which clearly had an Indigenous overlay and direction.

Discussions were also held on the various sites where the MRIC could be located as well as the existing location based on the Riverfront Masterplan. Feedback indicated that the existing site identified near the bridge was not considered to be desirable. The strong preference from the Indigenous community members who were able to meet, focused on sites near the caravan park or Pioneer Settlement to ensure that the MRIC is part of the riverfront precinct, rather than trying to anchor one end of it.

5.8. Product Gaps in Swan Hill

Discussions with various stakeholders identified where specific product gaps exist in Swan Hill and where a multipurpose facility might be able to lend the greatest value particularly to local needs. It is clearly evident that the MRIC needs to deliver to locals first and foremost followed then by the needs of the visitor markets.

Specific areas where product gaps appear include the following.

- There is a need for a venue which offers a variety of quality multi-functional spaces which are well maintained, including a smaller scale auditorium (capacity of 60-90) for night time live music, lectures and forums as well as offering audio visual experiences. While the Swan Hill Town Hall PACC⁷³ currently caters to approximately 300 patrons and The Shed also has the capacity for 300, there is nothing of a smaller scale to cater for smaller events and groups etc.
- There is a need for a location for the various car clubs, Lion's Club, etc. to meet so additional meeting room spaces are needed.
- There is concern that, unlike other towns such as Echuca, Swan Hill was not seen as a river town. There is a need for an effective link between the town and the River to be developed either through the development of an aquarium and/or the creation of walkways from the MRIC down to the River to allow for kayaking, fishing and other recreational pursuits.
- A riverbank location for the MRIC is considered highly desirable with the opportunity to add water-based activities such as kayaking.

⁷³ Swan Hill Town Hall Performing Arts and Conference Centre

- Swan Hill lacks a variety of experiences such as water play facilities, immersive and interactive experiences and very limited tourism activity.
- There is an understanding that while there might be a number of cultural assets, these were generally passive and needed to be made interactive in order to appeal to a broader market base.
- There is a lack of child care facilities in Swan Hill, although it was questioned whether the MRIC could actually support this type of function.
- There is an agreement on the need to tell the Indigenous story but a feeling from many that there did not need to be a building to actually undertake this task. There appeared to be stronger support for applying technology in the form of a highly interactive app which could encourage people to visit different parts of Swan Hill to better understand the broader Indigenous culture and stories of the region.
- There is a concern that Swan Hill was a drive through town rather than a stop and stay town, and that the MRIC would need to help create a very compelling case to support greater overnight visitation in particular.
- Apparently, on Saturday, many businesses close by midday and everything is closed on Sunday. Having a facility which is open 24/7 was seen to be an important consideration for local needs let alone visitors including a quality café, a location to meet and hangout for younger people, a place to take friends and visitors, and a venue for various small scale events.
- In terms of Indigenous product, there is a gap with respect to: how Indigenous fishing and trapping was undertaken; and how to construct weapons and use them and for kayaking around the river and associated areas.
- The major focus of many was the ability to now touch the river, as supported by fishing activities, water skiing and kayaking on the river as well. The MRIC has to be a mechanism to better understand the river and its significance in the lives of the community, and not just from a historic perspective.

5.9. Feedback from Victorian State Government Agencies

While the initial focus of this Feasibility Study was the creation of a cultural centre in Swan Hill, feedback from Regional Development Victoria (RDV) highlighted that the facility should be referred to as the Murray River Interpretative Centre to better align with current visitor preferences and contemporary industry branding. The project has, therefore, been retitled as the “Murray River Interpretative Centre” (MRIC).

Additional feedback received indicated the following.

- Opportunities exist to look at a variety of touring circuits and loops which could include regional visits, such as Melbourne to The Grampians, Mildura, Swan Hill and back to Melbourne, by way of example. Swan Hill needs additional visitor attractions and experiences, however, to strengthen its position as an overnight touring option for intra- and interstate visitor markets. The offering of evening shows including live music and an auditorium for films etc. is an important value add to help assist with growing the overnight visitor markets.
- There is a need to create an Indigenous overlay for the MRIC to ensure that Indigenous stories and needs are well covered.
- The strength of the agricultural sector in Swan Hill is a feature which provides a strong component to be considered and which could potentially include a stone fruit distillery, looking at honey or mead and possibly with a spirit-based boutique distillery.
- Integrating cycleways as part of the riverfront precinct and having bicycles for hire from the MRIC also provides a further activity for both locals and visitors.
- Car parking along the riverfront is considered important to avoid, as developing a significant asphalted area was not seen as desirable nor attractive. However, if there is not a large car parking facility at or near the MRIC, it is important that one is available across the railway line and within 250-300 metres from the MRIC.

- The focus for State Government is strongly centred on creating sustainable jobs, jobs for young people and Indigenous jobs. The MRIC needs to act as a catalyst for this through what it can showcase, and through the events and activities which are held within the facility.
- Importantly, RDV advised that the Regional Infrastructure Fund available and the Regional Tourism Infrastructure Fund specifically have no funding limit and both provide an opportunity for Council and other stakeholders to partner with Government.

The overall response from State Government feedback has been the need to strongly support economic outcomes as evidenced through longer visitor stays focusing on tourism and offering employment generation.

6. MARKET DEMAND ASSESSMENT

6.1. Elements to Encourage Visitation

There are various elements which should be considered to appeal to various markets; including locals as well as a range of visitor markets. The core elements are noted below, based on stakeholder feedback as well as the findings from the comparative analysis undertaken for this project.

For the various visitor markets (including locals), the MRIC will need to be a sufficiently flexible space to allow for a multitude of uses and users. Some of these will need to be free entry and others should be on a user pays basis. Furthermore, the MRIC needs to be as interactive as possible without having the high operating costs generally associated with the application of high technology for displays, attractions and experiences.

Whilst interactive high-tech touch floors and display screens etc. are a useful value-add, we note that the cost of establishing these and their ongoing maintenance and operating costs are high. Unfortunately, we do not see the implementation of these forms of higher tech displays and amenities as cost effective when the likely visitor demand is modest, compared to major city locations where these types of high-tech displays are generally found. And we don't see their introduction in being a significant draw card to maintain and grow stronger visitor numbers, over and above the numbers which have been estimated.

The core elements should, therefore, include the following, to help encourage regular and repeat local visitation along with ongoing domestic and international visitor demand:

- with its historic strength as a major food production region in Australia, the food theme needs to be played up with tasting sessions, cooking classes with visiting celebrity chefs;
- offering a venue for forums and educational symposiums on agri-tourism and farm gate experiences and trends;
- as a hub for monthly growers markets, and as a base to support farm production and equipment displays as part of agri and horticultural shows and events;
- offering bush tucker garden and growing experiences;
- as a venue for craft, art and design workshops and training by leading practitioners;
- as a venue for both performing and visual art shows, exhibitions, competitions and performances;
- offering a venue to host art festivals and art house movies
- as a venue for live music performance including a place for younger people to use and enjoy;
- as a meeting venue for many of the clubs and associations in Swan Hill;
- to display (in an interactive way via touch screens, and audiovisual effects), the significance of the Murray and its ecology, its aquatic and bird life and possible through a diorama, illustrating how Swan Hill is the "heart of the Murray";
- showcasing the wider region and its various attributes as a visitor destination;
- offering a venue for government, business and family life cycle events and functions;
- to strengthen the education focus of the Art Gallery which could be collocated with the MRIC to offer a wider regional program for school groups, tertiary and adult classes and programs;
- as a venue to showcase and sell quality artwork, design work etc.; and
- as a potential hub for riverfront guided interpretative walks, river-based fishing tours, kayaking experiences etc. which could be coordinated with operators via the Information Centre within the MRIC.

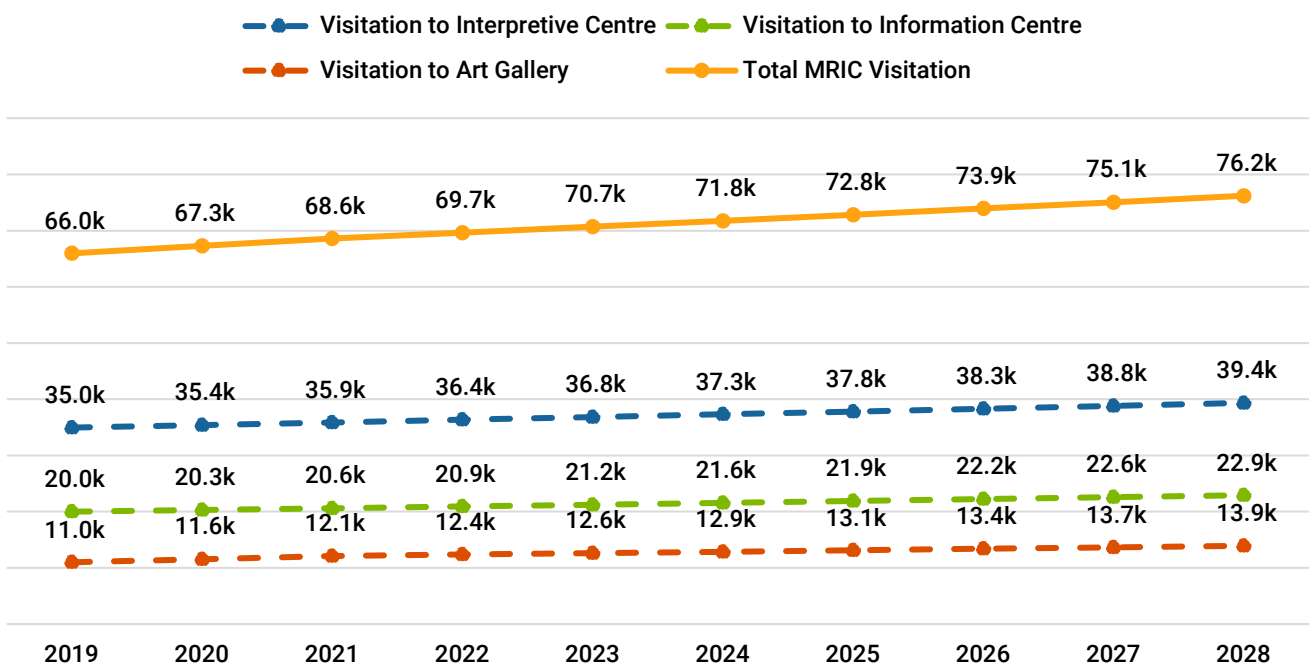
6.2. MRIC Visitation Forecasts

Figure 14 provides a summary of anticipated market demand for the MRIC over the period 2019 – 2028 for Model 5. It demonstrates the following.

- In year 1, total visitation to the MRIC is estimated at 66k. By year 10, this is anticipated to grow to 76.2k (an increase of 13%).
- In year 1, 53% (35k visitors) of total MRIC visitation is attributed to the Interpretive Centre and the remaining 47% (31k visitors) is related to Information Centre and Art Gallery use.
- Interpretive Centre visitation has been grown based on population and visitor forecasts (see Section 3.3.2 for visitor forecasts) as well as penetration rates for the different visitor markets to the LGA. Section 6.2 provides further detail on this.
- Information Centre visitation has been conservatively increased by 1% per annum over the 10-year period assessed based on visitor forecasts to the LGA.
- Interpretive Centre visitation has also been determined based on comparable centres in regional areas of mostly Victoria and visitation to Indigenous and partly Indigenous cultural centres throughout Australia and New Zealand.

Importantly, the comparative analysis of other institutions in regional areas indicates that these estimates of visitation are realistic. There may be potential, however, to increase visitation particularly from the local market if a strong repeat local market can be grown. The challenge, however, is that if the facility is not able to be a highly flexible multi-purpose facility it might struggle to achieve the levels of visitation which have been estimated. Stronger visitation is likely to, therefore, require more repeat local users including those coming from a wider regional catchment for meetings, forums, art and related courses and entertainment.

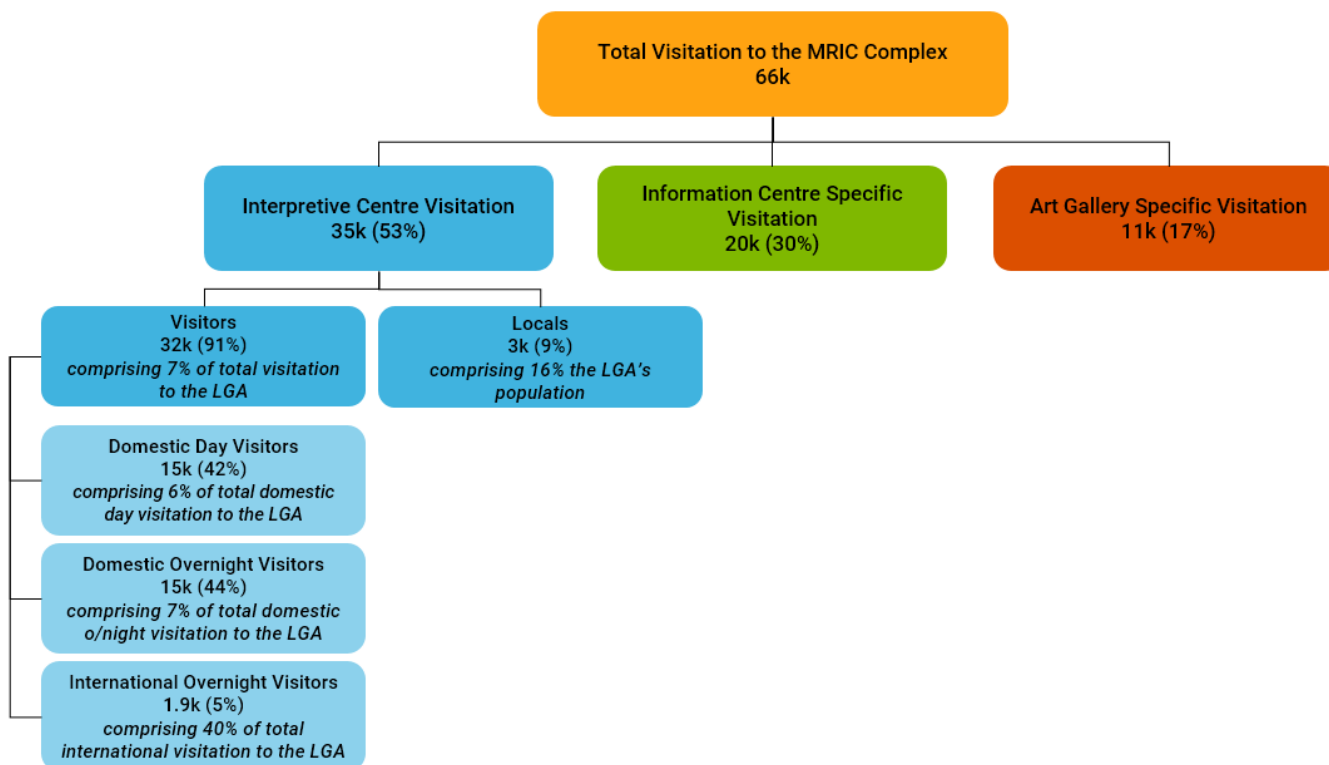
Figure 14: MRIC (Model 5) Visitation Forecasts



6.3. Visitor Type Breakdown

Figure 15 illustrates visitation to the MRIC and the estimated share of the visitor market and local market the facility is anticipated to capture in year 1. As noted earlier, 53% (35k visitors) of initial visitation to the MRIC is to the interpretation component, with 30% (20k visitors) comprising Information Centre specific visitation and 17% (11k visitors) comprising Art Gallery specific visitation.

Figure 15: MRIC Penetration of Markets



With respect to the *interpretative centre component only*, it is important to note the following.

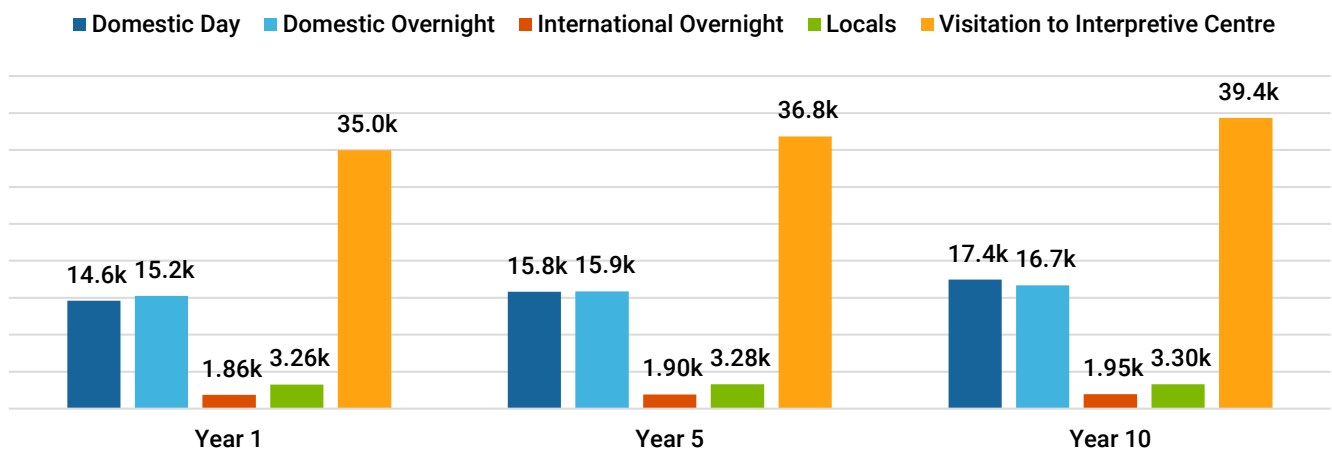
- Locals:
 - The population base of Swan Hill LGA is estimated at approximately 20.4k. A low level of population growth is forecast out for the next ten years, increasing from 20.4k residents in 2019 to 20.6k by 2028.
 - Locals are anticipated to comprise 9% of visitation to the MRIC in year 1 – visiting for a variety of purposes including to see the new facility, utilise the café/retail as well as participate in the interactive elements of the centre. It is assumed that many of these will be repeat visitors coming for live music as well as other activities.
 - In year 1, 3k locals are anticipated to visit, representing 9% of the LGA’s population. Over time, however, this penetration is likely to reduce to 8% of total residents within the LGA. This could be grown, contingent on the ability of the MRIC to attract more younger people on a repeat basis for a mixture of education-based programs as well as evening and daytime entertainment. This number could also increase if the MRIC became the regular meeting location for many community clubs etc.
- Visitors:
 - In year 1, visitors are anticipated to comprise 91% (32k) of visitors to the interpretation component of the MRIC. This represents 7% of total visitation to the LGA.

- The majority of visitors are domestic overnight visitors, comprising 44% (15k) of visitation. This is followed by domestic day trippers (42% or 15k visitors) and international visitors (5% or 1.9k visitors).
- It is forecast that the interpretive centre may capture approximately 7% of the domestic overnight visitor market to Swan Hill LGA. This is a conservative estimate but notes that the leisure/holiday sector into Swan Hill is relatively small compared to business and associated travellers. As noted previously, Swan Hill is not viewed as a tourism destination yet though, over time, this could potentially change and the MRIC has the potential to be a catalyst to assist this.
- It is anticipated that the MRIC may capture a slightly smaller share – 6% - of the domestic day tripper market. This could potentially grow if the MRIC was seen to be a major regional hub for training courses, forums and various classes as well as a meeting facility for government and different industry groups. And dependent on the quality of the café, it may also be able to become a well-defined meeting spot for travellers heading along the Murray etc.
- It is anticipated that the MRIC should capture approximately 40% of the international overnight market to the LGA. This is higher than the other two visitor markets because the majority of international overnight visitors travel to the LGA for a holiday and because of the wide range of regional activities and exhibitions on view and noting the potential for music and other evening activities.

Figure 16 provides a summary of visitation to the Interpretive Centre in year 1, 5 and 10 by the various visitor markets. It demonstrates the following.

- Domestic day use of the Interpretive Centre is forecast to grow from 14.6k in year 1, up to 17.4k by year 10 (a growth of 20%). This growth is in line with trends anticipated for the LGA as a service centre for the wider hinterland.
- Domestic overnight visitor use of the Interpretive Centre is anticipated to grow from 15.2k in year 1 to 16.7k by year 10 (a growth of 9%).
- International overnight visitor use of the Interpretive Centre is forecast to grow by 5%, increasing from 1.86k visitors in year 1, growing to 1.95k by year 10.
- Local use of the Interpretive Centre is forecast to consolidate slowly over the 10-year period, growing slightly from 3.26k in year 1, to 3.3k by year 10. Local use is anticipated to consolidate simply because the majority of interested locals are anticipated to visit the facility when it first opens. Use of the Interpretive Centre in the following years will likely comprise repeat visitors using the café, retail as well as for live performances.

Figure 16: Interpretive Centre Visitation – Year 1, 5 and 10



7. COST BENEFIT ASSESSMENT

The following cost benefit assessment is provided to indicate the net effect of different options for Council and community to consider. As to be expected, each model has a variety of pluses and minuses and needs to be carefully evaluated. Overall, however, the purpose of offering the various models is to indicate where and how Council, in particular, can achieve the best economic and financial return whilst delivering a high-quality product which meets market expectations.

7.1. Comparative Model Findings

Table 4 provides a top-line assessment of the five models created. In summary:

- Model 1 provides a model where Council effectively operates all of the facilities within the proposed MRIC and combined information centre;
- Model 2 provides for Council to operate all facilities except for the café which is leased out and which separately provides a rental return back to Council;
- Model 3 has no café within the proposed MRIC complex but, instead, utilises the neighbouring Spoons Riverside Restaurant which assumes that the location would be at or next to the current art gallery site;
- Model 4 provides for a Council operated high tech model with no café included; and
- Model 5 provides for a collocated MRIC along with the Art Gallery which would be redeveloped at the same time, and which would need to utilise the adjacent Spoons Café/Restaurant.

The key findings from Table 4 highlight the following.

- The required yield which has been maintained at the same level for all of the five models assessed reflecting that this is a public good project rather than a commercial project so the required yield to be achieved is low.
- The discount rate (which mirrors the likely cost of borrowing) is set at the same rate for each of the five models.
- Visitation across models 1-4 has been kept constant reflecting the likely level of market penetration for locals, domestic visitors (day and overnight) as well as international, whilst Model 5 is higher by an additional 11k reflecting the likely visitation to the Art Gallery which is part of the combined MRIC visitor experience.
- Visitation has been kept constant (except for model 4) to reflect likely visitation numbers out for year 10 as well with the subsequent slightly higher level of visitation for Model 5 which includes the Art Gallery.
- Model 4 has 10% higher visitation per annum (excluding locals) to reflect higher market demand due to the high-tech interactive walls, floors, touch screens etc. though we suspect this level of visitor growth will be hard to sustain without significant marketing and wider regional appeal to the Murray region generally.
- Revenue in year 1 reflects the difference with or without the café and noting that Models 3-5 have no café as it has been assumed that the desired location will be adjacent to or combined with the Art Gallery allowing for Spoons Riverside Restaurant being utilised as the facilities café and noting that there is no demand for a second café in this location because of the level of current demand and spare capacity, particularly mid-week for Spoons currently.
- Revenue in year 10 reflects the likely revenue streams identified with the Art Gallery component offering the chance for additional revenue streams over and above what the MRIC can generate along with the information centre.
- Expenditure in year 1 is higher for Model 1, primarily because Council would need to operate the café and its associated staffing and operating costs whilst Model 5 (the combined the art gallery model) is higher reflecting the need for additional

expenditure for its exhibition program and Model 4 (the high-tech option model) is also high reflecting the maintenance and related costs associated with offering a high-tech interactive series of displays and experiences.

- The ongoing cost of expenditure is shown in Model 1 which is higher and reflects the operating costs which Council would need to cover along with Model 4 being the high-tech model and the ongoing costs of trying to maintain high quality and interactive displays and experiences.
- Council's required contribution to achieve a positive net present value and a positive internal rate of return indicates the likely cost which Council would need to contribute on an ongoing annual basis based on the cash flow modelling. Care is needed, however, as Model 5 combines not only the new MRIC and information centre but also the Art Gallery so whilst the cost to Council is higher than the other models, it combines effectively three council contributing facilities. The more attractive model, by virtue of the reduced level of Council ongoing contribution, is Model 2 or Model 3 where the café is either leased out by Council to a third party or, if possible, as per Model 3, Spoons Riverside Restaurant provides the café experience instead.
- Council's current contribution to cover the information centre's lease, the ongoing operating loss of the information centre, the contribution required to cover the Art Gallery costs are provided in the next three rows to illustrate what the current standalone costs are for each of these important elements which are provided in the various five models compared.
- The forecasted contribution for 2017/18 for Pioneer Settlement is provided merely to illustrate that the various combined council facilities are able to be provided at a lower contribution cost than what the Pioneer Settlement is forecasted to cost Council is the forthcoming year.
- The net reduction or effective saving in Council's contribution per annum illustrates that the MRIC either without a café or with a café leased out provides the most attractive result financially along with the combined Art Gallery/MRIC model which also is without a café on site. It is therefore important for Council to determine whether the desire for a combined MRIC and Art Gallery is a preferable model going forward as the net result compared to what the current cost is for the Art Gallery alone as well as the information centre is quite attractive.
- The lesser cost models (1-3) have similar estimated capital costs which reflect that they are really the MRIC with the information centre combined, whilst Models 1 and 2 are marginally higher because they include an onsite café, Model 3 is slightly reduced because there is no café combined.
- The high-tech model (Model 4) will require a higher capital cost because interactive displays and experiences are expensive to provide and do require higher levels of upgrade to refresh and replace in years 5 and 10.
- The capital cost for the combined Art Gallery, MRIC and information centre of \$12m reflects the doubling of space as the estimated art gallery space requirement is 1,300 sqm whilst the MRIC and information centre combined is estimated at 1,200 sqm along with a slightly higher fitout cost as well.
- The level of upgrades indicated in year 5 reflect the quality of the proposed build which means a lower upgrade/refresh for Models 1-3 but a higher upgrade cost in year 5 for Model 4 because of the high-tech interactive displays and experiences and the need for covering the larger footprint for the Art Gallery combined model (Model 5).
- A similar scenario exists for the upgrades required in year 10 though the cost for the upgrades for the high-tech interpretative model are higher again reflecting the need for new and improved interactive attractions and experiences and the likelihood of new technology to be introduced.
- The net effect is that each of the models is able to provide a positive cash flow from year 1-10 with only Model 4 having a negative cash flow in year 10 due to the cost of the interactive upgrades required.
- The modelling deliberately reflects the desire for an internal rate of return above 5% and a positive net present value above \$250k to illustrate the economic viability of each of the models but with a level of financial contribution from Council to achieve this desired outcome.

Without an annual financial contribution from Council as indicated in the model below, each of the five models would have a negative NPV and most would have a strong negative IRR without the council contribution included.

As illustrated in Table 4, if Council is comfortable with a combined Art Gallery and MRIC/information centre combined facility, Model 5 would appear to offer the best net saving to Council overall. If the combined Art Gallery and MRIC model is not favoured, then it is preferable that Council consider either Model 2 or Model 3, noting that Model 2 is the model where the café would be leased out to a third party and Model 3 would have no café within the facility assuming it was located between the Art Gallery and Spoons Riverside Restaurant and therefore would use the Spoons facilities which would be adjacent.

Table 4: Summary Cost Benefit Assessment for Models 1-5

	Model 1	Model 2	Model 3	Model 4	Model 5
Required Yield	3%	3%	3%	3%	3%
Discount rate	5%	5%	5%	5%	5%
Visitors to MRIC - Year 1	55k	55k	55k	58k	66k
Visitors to MRIC - Year 10	62k	62k	62k	66k	76k
Revenue - Year 1	\$601k	\$470k	\$446k	\$475k	\$655k
Revenue - Year 10	\$690k	\$551k	\$521k	\$550k	\$793k
Expenditure - Year 1	\$647k	\$423k	\$422k	\$577k	\$825k
Expenditure - Year 10	\$802k	\$526k	\$525k	\$690k	\$1m
Council contribution p/a to achieve positive NPV & IRR	\$200k	\$70k	\$100k	\$420k	\$560k
Net reduction/saving in Council contribution p/a per model	\$418k	\$548k	\$518k	\$198k	\$530k
CAPEX	\$6.1m	\$6.1m	\$6.1m	\$10.6m	\$12.4m
Upgrades Required - Year 5	\$100k	\$100k	\$100k	\$500k	\$350k
Upgrades Required - Year 10	\$100k	\$100k	\$100k	\$700k	\$350k
Cashflow - Year 1	\$304k	\$267k	\$274k	\$468k	\$540k
Cashflow - Year 10	\$138k	\$144k	\$145k	-\$270k	\$117k
IRR	6.6%	6.5%	6.5%	5.9%	5.6%
NPV	\$770k	\$761k	\$764k	\$787k	\$567k

7.2. Model 1: Council Operating Model

The following cost benefit assessment indicates the ability of the MRIC with the information centre combined and including a café with its ability to generate a positive IRR and NPV based on an annual Council community contribution of \$200k. In addition, an estimated net saving from the current visitor centre lease (reflecting the large downstairs area of the building) and indicated at \$150k is also shown as a net saving.

Table 5: Cost Benefit Assessment – Model 1

Cost Benefit Assessment for Murray River Interpretive Centre - Model 1 (Council operate all elements)											
Assumptions											
Required Yield	3.0%										
Discount rate	5%										
		1	2	3	4	5	6	7	8	9	10
Visitation estimates for Swan Hill LGA											
Domestic Day	2016	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Domestic Overnight	211,408	217,750	219,927	222,127	224,348	226,592	228,857	231,146	233,457	235,792	238,150
International Overnight	4,589	4,658	4,681	4,704	4,728	4,751	4,775	4,799	4,823	4,847	4,871
Total Visitation	445,463	466k	473k	480k	487k	495k	502k	510k	518k	526k	534k
Local Population Living In Swan Hill	20,449	20,390	20,413	20,437	20,459	20,483	20,507	20,531	20,555	20,579	20,604
Visitation estimate for the MRIC											
Visitors											
Domestic Day	6.0%	14,594	14,886	15,184	15,487	15,797	16,113	16,435	16,764	17,099	17,441
Domestic Overnight	7.0%	15,242	15,395	15,549	15,704	15,861	16,020	16,180	16,342	16,505	16,670
International Overnight	40%	1,863	1,872	1,882	1,891	1,901	1,910	1,920	1,929	1,939	1,949
Locals											
Locals (visiting 2 times p/year on average)	8%	3,262	3,266	3,270	3,273	3,277	3,281	3,285	3,289	3,293	3,297
Total Estimated Visitation to Interpretive Centre		34,962	35,419	35,884	36,356	36,836	37,324	37,820	38,324	38,836	39,357
Total to the co-located Information Centre	7%	20,000	20,303	20,612	20,926	21,245	21,569	21,900	22,235	22,576	22,924
Total to the combined MRIC		54,962	55,723	56,496	57,282	58,081	58,894	59,720	60,559	61,413	62,281
Revenue Streams											
	<i>Average spend</i>										
In-house café - 35% of MRIC visitation penetration rate	\$12	\$230,840	\$239,887	\$243,217	\$246,599	\$250,040	\$253,538	\$257,093	\$260,707	\$264,381	\$268,118
Merchandise (online and via shop retail outlet) - 15% of MRIC visitation penetration rate	\$15	\$123,664	\$128,511	\$130,295	\$132,107	\$133,950	\$135,824	\$137,728	\$139,665	\$141,633	\$143,635
Entry to touring exhibitions (30% of Interpretive Centre visitation)	\$8	\$83,909	\$85,006	\$86,122	\$87,255	\$88,407	\$89,578	\$90,768	\$91,978	\$93,207	\$94,457
Art classes, symposiums, event attendance (10% of Interpretive Centre visitation)	\$20	\$69,924	\$70,839	\$71,768	\$72,712	\$73,673	\$74,648	\$75,640	\$76,648	\$77,672	\$78,714
Leasing of function space for events	\$250	\$5,000	\$5,125	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244
10 % sale of art and craft work displayed (5% of Interpretive Centre visitation)	\$200	\$34,962	\$35,419	\$35,884	\$36,356	\$36,836	\$37,324	\$37,820	\$38,324	\$38,836	\$39,357
Live music cover charge (15% of Interpretive Centre penetration as evening experience)	\$10	\$52,443	\$53,129	\$53,826	\$54,534	\$55,255	\$55,986	\$56,730	\$57,486	\$58,254	\$59,035
Info Centre revenue from user fees, charges, other income		\$76,145	\$78,429	\$80,782	\$83,206	\$85,702	\$88,273	\$90,921	\$93,649	\$96,458	\$99,352
Total Revenue		\$600,743	\$617,916	\$626,365	\$634,949	\$643,680	\$652,556	\$661,578	\$670,751	\$680,076	\$689,560
Expenditure											
Maintenance and cleaning estimated	\$1,600	\$19,200	\$19,680	\$20,172	\$20,676	\$21,193	\$21,723	\$22,266	\$22,823	\$23,393	\$23,978
Salaries		\$310,000	\$317,750	\$325,694	\$333,836	\$342,182	\$350,737	\$359,505	\$368,493	\$377,705	\$387,148
Salary on costs (holiday, sick leave, super loadings)	20%	\$62,000	\$63,550	\$65,139	\$66,767	\$68,436	\$70,147	\$71,901	\$73,699	\$75,541	\$77,430
Marketing and promotion (5% of revenue)		\$30,037	\$30,788	\$31,558	\$32,347	\$33,155	\$33,984	\$34,834	\$35,705	\$36,597	\$37,512
Merchandise cost of sales	40%	\$49,466	\$52,689	\$53,421	\$54,164	\$54,920	\$55,688	\$56,469	\$57,262	\$58,069	\$58,890
Website maintenance		\$2,500	\$2,563	\$2,627	\$2,692	\$2,760	\$2,829	\$2,899	\$2,972	\$3,046	\$3,122
Café cost of sales	35%	\$80,794	\$86,059	\$87,254	\$88,468	\$89,702	\$90,957	\$92,232	\$93,529	\$94,847	\$96,187
Communication charges		\$6,000	\$6,150	\$6,304	\$6,461	\$6,623	\$6,788	\$6,958	\$7,132	\$7,310	\$7,493
Accounting-auditing fees		\$6,000	\$6,150	\$6,304	\$6,461	\$6,623	\$6,788	\$6,958	\$7,132	\$7,310	\$7,493
Insurance re public liability		\$24,000	\$24,600	\$25,215	\$25,845	\$26,492	\$27,154	\$27,833	\$28,528	\$29,242	\$29,973
utilities		\$35,618	\$36,508	\$37,421	\$38,356	\$39,315	\$40,298	\$41,305	\$42,338	\$43,396	\$44,481
ongoing building maintenance		\$21,473	\$22,117	\$22,780	\$23,464	\$24,167	\$24,893	\$25,639	\$26,408	\$27,201	\$28,017
Total Expenditure		\$647,087	\$668,604	\$683,887	\$699,538	\$715,568	\$731,985	\$748,799	\$766,021	\$783,659	\$801,724
Council community service contribution		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Net saving		-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000
EBITDA		\$303,656	\$299,312	\$292,479	\$285,411	\$278,112	\$270,570	\$262,778	\$254,731	\$246,417	\$237,836
Capital Costs											
Earthworks, site preparation, excavation (4.5%)	\$125,268										
Pavements/terraces/outdoor decking	\$120,000										
Concrete and tilt panels (1200 sqm)	\$480,000										
Structural steel and internal framing	\$528,000										
Carpentry, fix out, plastering and painting	\$312,000										
Kitchen and fixtures	\$146,124										
Cladding and roofing	\$336,000										
Electrical	\$216,000										
Hydraulic (plumber) including fire services	\$237,600										
Mechanical (air conditioning)	\$144,000										
Glazing	\$264,000										
Projectors/AV displays , AV equipment PC sum	\$145,000										
Furniture PC sum	\$100,000										
Carparking, access roads and landscaping (2000 sqm), fencing PC sum	\$170,000										
Stormwater, onsite water detention PC Sum	\$120,000										
Fitout costs (1200 sqm)	\$1,380,000										
Service relocation	\$70,000										
Consultant and Design Costs (6%)	\$286,123										
Contractors OH and Profit Margin (8%)	\$381,498										
Contingency (10%)	\$489,399										
Upgrades (year 5 and 10)						-\$100,000					-\$100,000
Total Establishment Costs	\$6.05m										
Project Value											\$ 7,927,858
Cash Flow	-\$6,051,012	\$ 303,656	\$ 299,312	\$ 292,479	\$ 285,411	\$ 178,112	\$ 270,570	\$ 262,778	\$ 254,731	\$ 246,417	\$ 8,065,694
IRR	6.6%										
NPV	\$769.7k										

7.3. Model 2: Café Leased Out Model

Model 2 is similar to Model 1 except that Council would not be running the café; instead, it would lease this out to a third party. As such, there is an additional revenue stream referring to the lease fee which the third party would pay to Council though no direct café revenue would be provided under this model.

The capital cost is marginally lower because of the lack of need to cover the fitout for a café though the capital cost would need to make provision for a commercial kitchen for someone to lease.

The ongoing annual contribution council would need to make to generate a positive NPV and a positive IRR is lower than Model 1 because of the reduced expenditure and related operating costs associated with running the café.

Table 6: Cost Benefit Assessment – Model 2

Cost Benefit Assessment for Murray River Interpretive Centre - Model 2 (Café is leased out)											
Assumptions											
Required Yield	3.0%										
Discount rate	5.0%										
		1	2	3	4	5	6	7	8	9	10
Visitation estimates for Swan Hill LGA											
Domestic Day	2016	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Domestic Overnight	229,466	243,234	248,099	253,061	258,122	263,285	268,550	273,921	279,400	284,988	290,687
International Overnight	211,408	217,750	219,927	222,127	224,348	226,592	228,857	231,146	233,457	235,792	238,150
Total Visitation	445,463	466k	473k	480k	487k	495k	502k	510k	518k	526k	534k
Local Population Living In Swan Hill											
	20,449	20,390	20,413	20,437	20,459	20,483	20,507	20,531	20,555	20,579	20,604
Visitation estimate for the MRIC											
Visitors											
Domestic Day	2015	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Domestic Overnight	6.0%	14,594	14,886	15,184	15,487	15,797	16,113	16,435	16,764	17,099	17,441
International Overnight	7.0%	15,242	15,395	15,549	15,704	15,861	16,020	16,180	16,342	16,505	16,670
Locals	40%	1,863	1,872	1,882	1,891	1,901	1,910	1,920	1,929	1,939	1,949
Locals											
Locals (visiting 2 times p/year on average)	8%	3,262	3,266	3,270	3,273	3,277	3,281	3,285	3,289	3,293	3,297
Total Estimated Visitation to Interpretive Centre		34,962	35,419	35,884	36,356	36,836	37,324	37,820	38,324	38,836	39,357
Total to the co-located Information Centre	7%	20,000	20,303	20,612	20,926	21,245	21,569	21,900	22,235	22,576	22,924
Total to the combined MRIC		54,962	55,723	56,496	57,282	58,081	58,894	59,720	60,559	61,413	62,281
Revenue Streams											
	<i>Average spend</i>										
Lease fee from café		\$24,000	\$24,600	\$25,215	\$25,845	\$26,492	\$27,154	\$27,833	\$28,528	\$29,242	\$29,973
Merchandise (online and via shop retail outlet) - 15% of MRIC visitation penetration rate	\$15	\$123,664	\$128,511	\$130,295	\$132,107	\$133,950	\$135,824	\$137,728	\$139,665	\$141,633	\$143,635
Entry to touring exhibitions (30% of Interpretive Centre visitation)	\$8	\$83,909	\$85,006	\$86,122	\$87,255	\$88,407	\$89,578	\$90,768	\$91,978	\$93,207	\$94,457
Art classes, symposiums, event attendance (10% of Interpretive Centre visitation)	\$20	\$69,924	\$70,839	\$71,768	\$72,712	\$73,673	\$74,648	\$75,640	\$76,648	\$77,672	\$78,714
Leasing of function space for events	\$250	\$5,000	\$5,125	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244
10 % sale of art and craft work displayed (5% of Interpretive Centre visitation)	\$200	\$34,962	\$35,419	\$35,884	\$36,356	\$36,836	\$37,324	\$37,820	\$38,324	\$38,836	\$39,357
Live music cover charge (15% of Interpretive Centre penetration as evening experience)	\$10	\$52,443	\$53,129	\$53,826	\$54,534	\$55,255	\$55,986	\$56,730	\$57,486	\$58,254	\$59,035
Info Centre revenue from user fees, charges, other income		\$76,145	\$78,429	\$80,782	\$83,206	\$85,702	\$88,273	\$90,921	\$93,649	\$96,458	\$99,352
Total Revenue		\$470,047	\$481,059	\$489,146	\$497,400	\$505,833	\$514,445	\$523,239	\$532,221	\$541,394	\$550,767
Expenditure											
Maintenance and cleaning estimated	\$1,000	\$12,000	\$12,300	\$12,608	\$12,923	\$13,246	\$13,577	\$13,916	\$14,264	\$14,621	\$14,986
Salaries		\$220,000	\$225,500	\$231,138	\$236,916	\$242,839	\$248,910	\$255,133	\$261,511	\$268,049	\$274,750
Salary on costs (holiday, sick leave, super loadings)	20%	\$44,000	\$45,100	\$46,228	\$47,383	\$48,568	\$49,782	\$51,027	\$52,302	\$53,610	\$54,950
Marketing and promotion (5% of revenue)		\$23,502	\$24,090	\$24,692	\$25,309	\$25,942	\$26,591	\$27,256	\$27,937	\$28,635	\$29,351
Merchandise cost of sales	40%	\$49,466	\$52,689	\$53,421	\$54,164	\$54,920	\$55,688	\$56,469	\$57,262	\$58,069	\$58,890
Website maintenance		\$2,500	\$2,563	\$2,627	\$2,692	\$2,760	\$2,829	\$2,899	\$2,972	\$3,046	\$3,122
Café cost of sales	deleted										
Communication charges		\$3,600	\$3,690	\$3,782	\$3,877	\$3,974	\$4,073	\$4,175	\$4,279	\$4,386	\$4,496
Accounting-auditing fees		\$6,000	\$6,150	\$6,304	\$6,461	\$6,623	\$6,788	\$6,958	\$7,132	\$7,310	\$7,493
Insurance re public liability		\$24,000	\$24,600	\$25,215	\$25,845	\$26,492	\$27,154	\$27,833	\$28,528	\$29,242	\$29,973
utilities		\$23,745	\$24,457	\$25,191	\$25,947	\$26,725	\$27,527	\$28,353	\$29,203	\$30,079	\$30,982
ongoing building maintenance		\$14,315	\$14,744	\$15,187	\$15,642	\$16,112	\$16,595	\$17,093	\$17,606	\$18,134	\$18,678
Total Expenditure		\$423,128	\$435,884	\$446,391	\$457,160	\$468,199	\$479,513	\$491,110	\$502,997	\$515,182	\$527,671
Council community service contribution		\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
Net saving	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000
EBITDA		\$266,919	\$265,175	\$262,755	\$260,240	\$257,635	\$254,932	\$252,129	\$249,224	\$246,213	\$243,096
Capital Costs											
Earthworks, site preparation, excavation (4.5%)	\$125,268										
Pavements/terraces/outdoor decking	\$120,000										
Concrete and tilt panels (1200 sqm)	\$480,000										
Structural steel and internal framing	\$528,000										
Carpentry, fix out, plastering and painting	\$312,000										
Kitchen and fixtures	\$146,124										
Cladding and roofing	\$336,000										
Electrical	\$216,000										
Hydraulic (plumber) including fire services	\$237,600										
Mechanical (air conditioning)	\$144,000										
Glazing	\$264,000										
Projectors/AV displays , AV equipment PC sum	\$145,000										
Furniture PC sum	\$100,000										
Carparking, access roads and landscaping (2000 sqm), fencing PC sum	\$170,000										
Stormwater, onsite water detention PC Sum	\$120,000										
Fitout costs (1200 sqm)	\$1,380,000										
Service relocation	\$70,000										
Consultant and Design Costs (6%)	\$286,123										
Contractors OH and Profit Margin (8%)	\$381,498										
Contingency (10%)	\$489,399										
Upgrades (year 5 and 10)						-\$100,000					-\$100,000
Total Establishment Costs	\$6.05m										
Project Value											\$ 8,103,187
Cash Flow	-\$6,051,012	\$ 266,919	\$ 265,175	\$ 262,755	\$ 260,240	\$ 157,635	\$ 254,932	\$ 252,129	\$ 249,224	\$ 246,213	\$ 8,246,283
IRR	6.5%										
NPV	\$731.1k										

7.4. Model 3: No Café Model

The capital cost is marginally more because there of the need to create a covered walkway from the MRIC to Spoons Restaurant to cater for inclement weather even though there is no café within the MRIC structure. It is assumed in this model that the MRIC could be located on land close to Spoons Riverside Restaurant and that Spoons would be able to offer an adjoining café experience to support the MRIC.

The level of Council ongoing contribution is slightly higher than Model 2 primarily because of the lack of revenue associated with the café lease opportunity which Model 2 provides back to Council.

Table 7: Cost Benefit Assessment – Model 3

Cost Benefit Assessment for Murray River Interpretive Centre - Model 3 (No Cafe)											
Assumptions											
Required Yield	3.0%										
Discount rate	5.0%										
	2016	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Visitation estimates for Swan Hill LGA											
Domestic Day	229,466	243,234	248,099	253,061	258,122	263,285	268,550	273,921	279,400	284,988	290,687
Domestic Overnight	211,408	217,750	219,927	222,127	224,348	226,592	228,857	231,146	233,457	235,792	238,150
International Overnight	4,589	4,658	4,681	4,704	4,728	4,751	4,775	4,799	4,823	4,847	4,871
Total Visitation	445,463	466k	473k	480k	487k	495k	502k	510k	518k	526k	534k
Local Population Living In Swan Hill											
	20,449	20,390	20,413	20,437	20,459	20,483	20,507	20,531	20,555	20,579	20,604
Visitation estimate for the MRIC											
Visitors	2015	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Domestic Day	6.0%	14,594	14,886	15,184	15,487	15,797	16,113	16,435	16,764	17,099	17,441
Domestic Overnight	7.0%	15,242	15,395	15,549	15,704	15,861	16,020	16,180	16,342	16,505	16,670
International Overnight	40%	1,863	1,872	1,882	1,891	1,901	1,910	1,920	1,929	1,939	1,949
Locals											
Locals (visiting 2 times p/year on average)	8%	3,262	3,266	3,270	3,273	3,277	3,281	3,285	3,289	3,293	3,297
Total Estimated Visitation to Interpretive Centre		34,962	35,419	35,884	36,356	36,836	37,324	37,820	38,324	38,836	39,357
Total to the co-located Information Centre	7%	20,000	20,303	20,612	20,926	21,245	21,569	21,900	22,235	22,576	22,924
Total to the combined MRIC		54,962	55,723	56,496	57,282	58,081	58,894	59,720	60,559	61,413	62,281
Revenue Streams											
	<i>Average spend</i>										
Merchandise (online and via shop retail outlet) - 15% of MRIC visitation penetration rate	\$15	\$123,664	\$128,511	\$130,295	\$132,107	\$133,950	\$135,824	\$137,728	\$139,665	\$141,633	\$143,635
Entry to touring exhibitions (30% of Interpretive Centre visitation)	\$8	\$83,909	\$85,006	\$86,122	\$87,255	\$88,407	\$89,578	\$90,768	\$91,978	\$93,207	\$94,457
Art classes, symposiums, event attendance (10% of Interpretive Centre visitation)	\$20	\$69,924	\$70,839	\$71,768	\$72,712	\$73,673	\$74,648	\$75,640	\$76,648	\$77,672	\$78,714
Leasing of function space for events	\$250	\$5,000	\$5,125	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244
10 % sale of art and craft work displayed (5% of Interpretive Centre visitation)	\$200	\$34,962	\$35,419	\$35,884	\$36,356	\$36,836	\$37,324	\$37,820	\$38,324	\$38,836	\$39,357
Live music cover charge (15% of Interpretive Centre penetration as evening experience)	\$10	\$52,443	\$53,129	\$53,826	\$54,534	\$55,255	\$55,986	\$56,730	\$57,486	\$58,254	\$59,035
Info Centre revenue from user fees, charges, other income		\$76,145	\$78,429	\$80,782	\$83,206	\$85,702	\$88,273	\$90,921	\$93,649	\$96,458	\$99,352
Total Revenue		\$446,047	\$456,459	\$463,931	\$471,555	\$479,342	\$487,291	\$495,406	\$503,693	\$512,153	\$520,794
Expenditure											
Maintenance and cleaning estimated	\$1,000	\$12,000	\$12,300	\$12,608	\$12,923	\$13,246	\$13,577	\$13,916	\$14,264	\$14,621	\$14,986
Salaries		\$220,000	\$225,500	\$231,138	\$236,916	\$242,839	\$248,910	\$255,133	\$261,511	\$268,049	\$274,750
Salary on costs (holiday, sick leave, super loadings)	20%	\$44,000	\$45,100	\$46,228	\$47,383	\$48,568	\$49,782	\$51,027	\$52,302	\$53,610	\$54,950
Marketing and promotion (5% of revenue)		\$22,302	\$22,860	\$23,431	\$24,017	\$24,618	\$25,233	\$25,864	\$26,511	\$27,173	\$27,853
Merchandise cost of sales	40%	\$49,466	\$52,689	\$53,421	\$54,164	\$54,920	\$55,688	\$56,469	\$57,262	\$58,069	\$58,890
Website maintenance		\$2,500	\$2,563	\$2,627	\$2,692	\$2,760	\$2,829	\$2,899	\$2,972	\$3,046	\$3,122
Communication charges		\$6,000	\$6,150	\$6,304	\$6,461	\$6,623	\$6,788	\$6,958	\$7,132	\$7,310	\$7,493
Accounting-auditing fees		\$4,000	\$4,100	\$4,203	\$4,308	\$4,415	\$4,526	\$4,639	\$4,755	\$4,874	\$4,995
Insurance re public liability		\$24,000	\$24,600	\$25,215	\$25,845	\$26,492	\$27,154	\$27,833	\$28,528	\$29,242	\$29,973
utilities		\$23,745	\$24,457	\$25,191	\$25,947	\$26,725	\$27,527	\$28,353	\$29,203	\$30,079	\$30,982
ongoing building maintenance		\$14,315	\$14,744	\$15,187	\$15,642	\$16,112	\$16,595	\$17,093	\$17,606	\$18,134	\$18,678
Total Expenditure		\$422,328	\$435,064	\$445,550	\$456,299	\$467,316	\$478,608	\$490,182	\$502,046	\$514,207	\$526,672
Council community service contribution		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Net saving	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000
EBITDA		\$273,719	\$271,395	\$268,381	\$265,256	\$262,026	\$258,683	\$255,224	\$251,647	\$247,946	\$244,122
Capital Costs											
Earthworks, site preparation, excavation (4.5%)	\$120,942										
Pavements/terraces/outdoor decking	\$120,000										
Concrete and tilt panels (1200 sqm)	\$480,000										
Structural steel and internal framing	\$528,000										
Carpentry, fix out, plastering and painting	\$312,000										
Kitchen and fixtures	\$50,000										
Cladding and roofing	\$336,000										
Electrical	\$216,000										
Hydraulic (plumber) including fire services	\$237,600										
Mechanical (air conditioning)	\$144,000										
Glazing	\$264,000										
Projectors/AV displays , AV equipment PC sum	\$145,000										
Furniture PC sum	\$100,000										
Carparking, access roads and landscaping (2000 sqm), fencing PC sum	\$170,000										
Stormwater, onsite water detention PC Sum	\$120,000										
Fitout costs (1200 sqm)	\$1,380,000										
Service relocation	\$70,000										
undercover walkway to Spoons Restaurant for F&B	\$175,000										
Consultant and Design Costs (6%)	\$280,356										
Contractors OH and Profit Margin (8%)	\$373,808										
Contingency (10%)	\$479,354										
Upgrades (year 5 and 10)						-\$100,000					-\$100,000
Total Establishment Costs	\$6.10m										
Project Value											
Cash Flow	-\$6,102,060	\$ 273,719	\$ 271,395	\$ 268,381	\$ 265,256	\$ 262,026	\$ 258,683	\$ 255,224	\$ 251,647	\$ 247,946	\$ 8,137,400
IRR	6.5%										
NPV	\$733.8k										

7.5. Model 4: High Tech Model

Model 4 is a high tech model which has a strong focus on offering interactive high-tech displays and experiences to make the facility more appealing to different audiences. Whilst all of the other models would have interactive experiences (cooking schools, audiovisual facilities etc.), it is only Model 4 which would include a number of higher tech components including interactive walls and floors. These would allow the visitor to immerse themselves in the experiences with technology offering cutting-edge experiences to entertain and educate at the same time.

The challenge is that the capital cost of providing this is noticeably higher because of the cost of interactive displays and associated equipment. This has been estimated as \$3.4m for the high-tech interactive display floors, walls and multiple screens, along with other audiovisual experiences which would need to be offered and, in addition, a slightly higher design cost component has been included to reflect the likely charge out rates of the specialists which would need to be engaged. The capital cost rises from approximately \$6.05m for Models 1-3 to \$10.5m for Model 4.

The visitation numbers under Model 4 have been increased by 10% above those for Models 1-3, though we note that the sound and light show created for Pioneer Settlement have not appeared to have generated a stronger visitor market. Whilst a high-tech interactive series of displays and experiences should make the MRIC a more appealing experience for many markets initially, it is questionable whether this is able to generate constant higher visitation to Swan Hill in the medium-longer term, though we have shown a constant 10% increase over the ten year period modelled assuming this outcome could be achieved.

Whilst the two experiences (MRIC and Pioneer Settlement) have a number of differences, it is unlikely that additional visitor markets will venture to Swan Hill just because of high quality interactive high-tech experiences which this type of technology is able to offer. There will initially be a novelty factor which will act as a drawcard for some visitor markets, but we suspect it will struggle to sustain stronger growth longer term. This is predicated on:

- The relative geographic isolation of Swan Hill and the challenge of getting stronger visitor flows generally to the broader Murray River region;
- The various niche markets (grey nomads, highly seasonal caravaners, business travellers, school groups) who are the primary visitor markets to Swan Hill and who have limited disposable income to spend (on merchandise etc.);
- The challenge of updating and refreshing higher tech interactive displays and experiences to maintain constant visitor interest and demand as per the challenge with the sound and light show at the Pioneer Settlement; and
- The challenge of growing additional visitor markets with limited tourism product within the LGA, noting that a high-tech MRIC would struggle to be a standalone attraction to motivate sufficient visitors to come primarily for that experience alone.

The other challenge with Model 4 is that to achieve a positive NPV and IRR, it does necessitate a higher level of Council annual funding contribution (\$420k) which is significantly higher than Models 1-3. Council would need to be comfortable that this level of annual contribution could be contained, to avoid the scenario experienced with ongoing higher council contributions required for the Pioneer Settlement sound and light show.

Table 8: Cost Benefit Assessment – Model 4

Cost Benefit Assessment for Murray River Interpretive Centre (Model 4 - High Tech Option)										
Assumptions										
Required Yield	3.0%									
Discount rate	5.0%									
	1	2	3	4	5	6	7	8	9	10
Visitation estimates for Swan Hill LGA										
2016	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Domestic Day	229,466	243,234	248,099	253,061	258,122	263,285	268,550	273,921	279,400	284,988
Domestic Overnight	211,408	217,750	219,927	222,127	224,348	226,592	228,857	231,146	233,457	235,792
International Overnight	4,589	4,658	4,681	4,704	4,728	4,751	4,775	4,799	4,823	4,847
Total Visitation	445,463	466k	473k	480k	487k	495k	502k	510k	518k	526k
Local Population Living in Swan Hill	20,449	20,390	20,413	20,437	20,459	20,483	20,507	20,531	20,555	20,579
Visitation estimate for the MRIC										
2015	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Visitors										
Domestic Day	6.0%	16,053	16,375	16,702	17,036	17,377	17,724	18,079	18,440	18,809
Domestic Overnight	7.0%	16,767	16,934	17,104	17,275	17,448	17,622	17,798	17,976	18,156
International Overnight	40%	2,049	2,060	2,070	2,080	2,091	2,101	2,112	2,122	2,133
Locals										
Locals (visiting 2 times p/year on average)	8%	3,262	3,266	3,270	3,273	3,277	3,281	3,285	3,289	3,293
Total Estimated Visitation to Interpretive Centre		38,132	38,635	39,146	39,665	40,192	40,729	41,274	41,828	42,391
Total to the co-located Information Centre	7%	20,000	20,303	20,612	20,926	21,245	21,569	21,900	22,235	22,576
Total to the combined MRIC		58,132	58,938	59,758	60,590	61,437	62,298	63,173	64,063	64,967
Revenue Streams										
	<i>Average spend</i>									
Merchandise (online and via shop retail outlet) - 15% of MRIC	\$15	\$130,797	\$132,611	\$134,455	\$136,328	\$138,234	\$140,171	\$142,139	\$144,141	\$146,176
Entry to touring exhibitions (30% of Interpretive Centre visitation)	\$8	\$91,517	\$92,723	\$93,950	\$95,195	\$96,461	\$97,749	\$99,057	\$100,386	\$101,737
Art classes, symposiums, event attendance (10% of Interpretive)	\$20	\$76,264	\$77,269	\$78,291	\$79,329	\$80,385	\$81,457	\$82,547	\$83,655	\$84,781
Leasing of function space for events	\$250	\$5,000	\$5,125	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092
10 % sale of art and craft work displayed (5% of Interpretive)	\$200	\$38,132	\$38,635	\$39,146	\$39,665	\$40,192	\$40,729	\$41,274	\$41,828	\$42,391
Live music cover charge (15% of Interpretive Centre penetration)	\$10	\$57,198	\$57,952	\$58,718	\$59,497	\$60,288	\$61,093	\$61,910	\$62,741	\$63,586
Info Centre revenue from user fees, charges, other income		\$76,145	\$78,429	\$80,782	\$83,206	\$85,702	\$88,273	\$90,921	\$93,649	\$96,458
Total Revenue		\$475,052	\$482,744	\$490,595	\$498,604	\$506,781	\$515,128	\$523,646	\$532,344	\$541,221
Expenditure										
Maintenance and cleaning estimated	\$1,000	\$50,000	\$51,250	\$52,531	\$53,845	\$55,191	\$56,570	\$57,985	\$59,434	\$60,920
Annual interactive displays maintenance contract		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Salaries		\$230,000	\$235,750	\$241,644	\$247,685	\$253,877	\$260,224	\$266,729	\$273,398	\$280,233
Salary on costs (holiday, sick leave, super loadings)	20%	\$46,000	\$47,150	\$48,329	\$49,537	\$50,775	\$52,045	\$53,346	\$54,680	\$56,047
Marketing and promotion (5% of revenue)		\$23,753	\$24,346	\$24,955	\$25,579	\$26,218	\$26,874	\$27,546	\$28,234	\$28,940
Merchandise cost of sales	40%	\$52,319	\$53,044	\$53,782	\$54,531	\$55,294	\$56,068	\$56,856	\$57,656	\$58,470
Website maintenance		\$2,500	\$2,563	\$2,627	\$2,692	\$2,760	\$2,829	\$2,899	\$2,972	\$3,046
Communication charges		\$6,000	\$6,150	\$6,304	\$6,461	\$6,623	\$6,788	\$6,958	\$7,132	\$7,310
Accounting-auditing fees		\$4,000	\$4,100	\$4,203	\$4,308	\$4,415	\$4,526	\$4,639	\$4,755	\$4,874
Insurance re public liability		\$24,000	\$24,600	\$25,215	\$25,845	\$26,492	\$27,154	\$27,833	\$28,528	\$29,242
utilities		\$23,745	\$24,339	\$24,947	\$25,571	\$26,210	\$26,865	\$27,537	\$28,225	\$28,931
ongoing building maintenance		\$14,315	\$14,744	\$15,187	\$15,642	\$16,112	\$16,595	\$17,093	\$17,606	\$18,134
Total Expenditure		\$576,631	\$588,036	\$599,722	\$611,696	\$623,966	\$636,538	\$649,420	\$662,620	\$676,146
Council community service contribution to achieve positive NPV		\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000
Net saving	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000
EBITDA		\$468,421	\$464,708	\$460,873	\$456,907	\$452,816	\$448,590	\$444,226	\$439,723	\$435,074
Capital Costs										
Earthworks, site preparation, excavation (4.5%)	\$125,268									
Pavements/terraces/outdoor decking	\$120,000									
Concrete and tilt panels (1200 sqm)	\$480,000									
Structural steel and internal framing	\$528,000									
Carpentry, fix out, plastering and painting	\$312,000									
Kitchen and fixtures	\$146,124									
Cladding and roofing	\$336,000									
Electrical	\$216,000									
Hydraulic (plumber) including fire services	\$237,600									
Mechanical (air conditioning)	\$144,000									
Glazing	\$264,000									
Projectors/AV displays , AV equipment PC sum	\$145,000									
Furniture PC sum	\$100,000									
Carparking, access roads and landscaping (2000 sqm), fencing PC	\$170,000									
Stormwater, onsite water detention PC Sum	\$120,000									
Hi-tech interactive display screens and audio visual	\$3,400,000									
Fitout costs (1200 sqm)	\$1,380,000									
Service relocation	\$70,000									
undercover walkway to Spoons Restaurant for F&B	\$175,000									
Consultant and Design Costs (8.5%)	\$694,342									
Contractors OH and Profit Margin (8%)	\$653,498									
Contingency (10%)	\$829,399									
Upgrades (year 5 and 10)						-\$500,000				-\$700,000
Total Establishment Costs	\$10.65m									
Project Value										\$ 14,342,646
Cash Flow	-\$10,646,230	\$ 468,421	\$ 464,708	\$ 460,873	\$ 456,907	\$ -47,184	\$ 448,590	\$ 444,226	\$ 439,723	\$ 435,074
IRR	5.9%									
NPV	\$ 787,157									

7.6. Model 5: MRIC – Art Gallery Combined Model

Model 5 assumes that any redevelopment of the Art Gallery can be undertaken as part of combined development with the MRIC. It is also assumed that there will not be an onsite café but, rather, the existing Art Gallery site and land adjacent to it would be able to be utilised for this combined facility and will allow café services to be provided from Spoons, being the adjacent café/restaurant with spare capacity, particularly mid-week.

We have not seen financial data from Spoons (a private business in a Council owned building) to indicate the level of spare capacity available but have relied on anecdotal feedback from the operators which indicates that whilst the café is often busy during weekend periods with a number of weddings and other functions, during the mid-week period, the facilities are often heavily underutilised. Therefore, if one was to introduce an additional café within the MRIC, it is more likely to take market share from Spoons rather than growing the overall market for dining experiences.

The fundamental difference with Model 5 compared to the other models includes the higher capital cost (\$12.4m) which reflects a built structure of twice the size as the MRIC/information centre proposed in Models 1-4. Approximately 1,200sqm has been set aside for the MRIC and information centre component whilst the Art Gallery is estimated to need 1,300sqm. Whilst it is likely that the Art Gallery would ideally like additional space beyond this, it is assumed that a number of combined spaces might be available to offer some cost effective shared facilities, including:

- back of house storage and exhibition display spaces;
- front of house reception, information centre, Art Gallery and MRIC combined reception area;
- shared back of house staff facilities;
- shared loading dock and other support facilities; and
- the ability to utilise spaces between the MRIC and the Art Gallery with moveable walls and flexibility to allow for a variety of experiences, shows and functions.

The current forecasted budget for the Art Gallery for 2017/18 indicates a Council contribution of (which also includes an element of capital works). In addition, there are user fees, grant income and major project income associated with the Art Gallery which will boost the revenue streams for a combined facility.

As a result of a variety of shared facilities, the ongoing annual council contribution to achieve a positive NPV and IRR is estimated at \$560k which is only marginally more than the budget forecasted for 2017/18 for the Art Gallery alone. Importantly, the forecasted Council contribution for the visitor information centre is estimated at for the 2017/18 financial year. There is a combined net saving therefore from Model 5 down from an estimated \$1.09m to \$560k. This is effectively a net saving/ reduction in Council's overall contribution for these various combined elements of \$530k which is significant.

This Model 5 presupposes the ability to construct a facility to combine the MRIC, Art Gallery and information centre on the existing Art Gallery site with the option of developing such a collocated facility over two levels, or potentially using additional land adjacent between Spoons Riverside Restaurant and the existing Art Gallery. It is understood that the Art Gallery is now severely constrained by the lack of back of house facilities for storage which is generating a number of occupational health and safety issues and making it difficult to offer an ongoing quality experience whilst meeting changing local and visitor demands. Previous designs have been put forward for an updated art gallery space though these were developed over the last 6 years. The potential to find some economies of scale without negatively impacting on the quality of the overall experience for the Art Gallery and new MRIC are factors which make this model attractive.

The estimated capital cost (\$12.4m) is more than double what the cost of a MRIC/information centre as a standalone facility and attraction would be. Hence, Council needs to consider whether the increased capital cost is something it can absorb, noting that the forecasted financial benefits as estimated in the modelling, offer an attractive level of potential cost saving through combining the new Art Gallery and the MRIC and the information centre.

Table 9: Cost Benefit Assessment – Model 5

Cost Benefit Assessment for Murray River Interpretive Centre - Model 5 (combined with Art Gallery)											
Assumptions											
Required Yield	3.0%										
Discount rate	5.0%										
	1	2	3	4	5	6	7	8	9	10	
Visitation estimates for Swan Hill LGA											
Domestic Day	229,466	243,234	248,099	253,061	258,122	263,285	268,550	273,921	279,400	284,988	290,687
Domestic Overnight	211,408	217,750	219,927	222,127	224,348	226,592	228,857	231,146	233,457	235,792	238,150
International Overnight	4,589	4,658	4,681	4,704	4,728	4,751	4,775	4,799	4,823	4,847	4,871
Total Visitation	445,463	466k	473k	480k	487k	495k	502k	510k	518k	526k	534k
Local Population Living In Swan Hill	20,449	20,390	20,413	20,437	20,459	20,483	20,507	20,531	20,555	20,579	20,604
Visitation estimate for the MRIC											
Visitors											
Domestic Day	6.0%	14,594	14,886	15,184	15,487	15,797	16,113	16,435	16,764	17,099	17,441
Domestic Overnight	7.0%	15,242	15,395	15,549	15,704	15,861	16,020	16,180	16,342	16,505	16,670
International Overnight	40%	1,863	1,872	1,882	1,891	1,901	1,910	1,920	1,929	1,939	1,949
Locals											
Locals (visiting 2 times p/year on average)	8%	3,262	3,266	3,270	3,273	3,277	3,281	3,285	3,289	3,293	3,297
Total Estimated Visitation to Interpretive Centre	-	34,962	35,419	35,884	36,356	36,836	37,324	37,820	38,324	38,836	39,357
Total to the co-located Information Centre	20,000	20,000	20,303	20,612	20,926	21,245	21,569	21,900	22,235	22,576	22,924
Total to the co-located Art Gallery	10,000	11,000	11,550	12,128	12,730	13,357	14,019	14,717	15,451	16,221	17,027
Total to the combined MRIC/Art Gallery/info centre	40,000	65,962	67,273	68,624	70,652	72,692	74,753	76,839	78,946	81,074	83,211
Revenue Streams											
	<i>Average spend</i>										
Merchandise (online and via shop retail outlet) - 15% of MRIC visitation penetration rate	\$15	\$148,414	\$155,148	\$158,264	\$160,635	\$163,049	\$165,505	\$168,003	\$170,545	\$173,131	\$175,762
Entry to touring exhibitions (30% of Interpretive Centre visitation)	\$8	\$83,909	\$85,006	\$86,122	\$87,255	\$88,407	\$89,578	\$90,768	\$91,978	\$93,207	\$94,457
Art classes, symposiums, event attendance (10% of Interpretive Centre visitation)	\$20	\$69,924	\$70,839	\$71,768	\$72,712	\$73,673	\$74,648	\$75,640	\$76,648	\$77,672	\$78,714
Leasing of function space for events	\$250	\$5,000	\$5,125	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244
10% sale of art and craft work displayed (5% of Interpretive Centre visitation)	\$200	\$34,962	\$35,419	\$35,884	\$36,356	\$36,836	\$37,324	\$37,820	\$38,324	\$38,836	\$39,357
Live music cover charge (15% of Interpretive Centre penetration as evening experience)	\$10	\$52,443	\$53,129	\$53,826	\$54,534	\$55,255	\$55,986	\$56,730	\$57,486	\$58,254	\$59,035
Info Centre revenue from user fees, charges, other income		\$76,145	\$78,429	\$80,782	\$83,206	\$85,702	\$88,273	\$90,921	\$93,649	\$96,458	\$99,352
Art Gallery revenue from user fees, charges, grants, major projects		\$183,925	\$189,443	\$195,126	\$200,980	\$207,009	\$213,219	\$219,617	\$226,205	\$232,991	\$239,980
Total Revenue		\$654,722	\$672,539	\$687,026	\$701,063	\$715,450	\$730,191	\$745,297	\$760,777	\$776,641	\$792,902
Expenditure											
Maintenance and cleaning estimated	\$2,000	\$24,000	\$24,600	\$25,215	\$25,845	\$26,492	\$27,154	\$27,833	\$28,528	\$29,242	\$29,973
Salaries		\$385,000	\$394,625	\$404,491	\$414,603	\$424,968	\$435,592	\$446,482	\$457,644	\$469,085	\$480,812
Salary on costs (holiday, sick leave, super loadings)	20%	\$77,000	\$78,925	\$80,898	\$82,921	\$84,994	\$87,118	\$89,296	\$91,529	\$93,817	\$96,162
Marketing and promotion (5% of revenue)		\$32,736	\$33,555	\$34,393	\$35,253	\$36,135	\$37,038	\$37,964	\$38,913	\$39,886	\$40,883
Merchandise cost of sales	40%	\$59,366	\$63,611	\$64,888	\$65,860	\$66,850	\$67,857	\$68,881	\$69,923	\$70,984	\$72,063
Website maintenance		\$3,500	\$3,588	\$3,677	\$3,769	\$3,863	\$3,960	\$4,059	\$4,160	\$4,264	\$4,371
Communication charges		\$12,000	\$12,300	\$12,608	\$12,923	\$13,246	\$13,577	\$13,916	\$14,264	\$14,621	\$14,986
Accounting-auditing fees		\$4,000	\$4,100	\$4,203	\$4,308	\$4,415	\$4,526	\$4,639	\$4,755	\$4,874	\$4,995
Insurance re public liability		\$36,000	\$36,900	\$37,823	\$38,768	\$39,737	\$40,731	\$41,749	\$42,793	\$43,863	\$44,959
utilities		\$47,490	\$48,915	\$50,138	\$51,391	\$52,676	\$53,993	\$55,342	\$56,726	\$58,144	\$59,598
exhibition project expenses, public programs		\$99,960	\$102,959	\$106,048	\$109,229	\$112,506	\$115,881	\$119,357	\$122,938	\$126,626	\$130,425
plant hire		\$15,055	\$15,507	\$15,972	\$16,451	\$16,945	\$17,453	\$17,976	\$18,516	\$19,071	\$19,643
ongoing building maintenance		\$28,630	\$29,489	\$30,374	\$31,285	\$32,223	\$33,190	\$34,186	\$35,211	\$36,268	\$37,356
Total Expenditure		\$824,737	\$849,072	\$870,725	\$892,606	\$915,049	\$938,069	\$961,681	\$985,901	\$1,010,744	\$1,036,227
Council community service contribution (to achieve positive NPV)		\$560,000	\$560,000	\$560,000	\$560,000	\$560,000	\$560,000	\$560,000	\$560,000	\$560,000	\$560,000
Net saving	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000	-\$150,000
EBITDA		\$539,985	\$533,467	\$526,301	\$518,457	\$510,401	\$502,122	\$493,616	\$484,877	\$475,897	\$466,675
Capital Costs											
Earthworks, site preparation, excavation (4.5%)	\$260,601										
Pavements/terraces/outdoor decking	\$200,000										
Concrete and tilt panels (2500 sqm)	\$1,000,000										
Structural steel and internal framing	\$1,100,000										
Carpentry, fix out, plastering and painting	\$650,000										
Kitchen and fixtures	\$146,124										
Cladding and roofing	\$700,000										
Electrical	\$550,000										
Hydraulic (plumber) including fire services	\$495,000										
Mechanical (air conditioning)	\$400,000										
Glazing	\$550,000										
Projectors/AV displays, AV equipment PC sum	\$245,000										
Furniture PC sum	\$200,000										
Carparking, access roads and landscaping (2000 sqm), fencing PC	\$170,000										
Stormwater, onsite water detention PC Sum	\$120,000										
Fitout costs (2500 sqm)	\$3,000,000										
Service relocation	\$95,000										
undercover walkway to Spoons Restaurant for F&B	\$175,000										
Consultant and Design Costs (6%)	\$577,267										
Contractors OH and Profit Margin (8%)	\$769,690										
Contingency (10%)	\$988,172										
Upgrades (year 5 and 10)							-\$350,000				-\$350,000
Total Establishment Costs	\$12.39m										
Project Value											\$ 15,555,849
Cash Flow	-\$12,391,854	\$ 539,985	\$ 533,467	\$ 526,301	\$ 518,457	\$ 510,401	\$ 502,122	\$ 493,616	\$ 484,877	\$ 475,897	\$ 15,672,525
IRR		5.6%									
NPV		\$566.8k									

8. FUNDING OPTIONS

8.1. Funding Options for Infrastructure

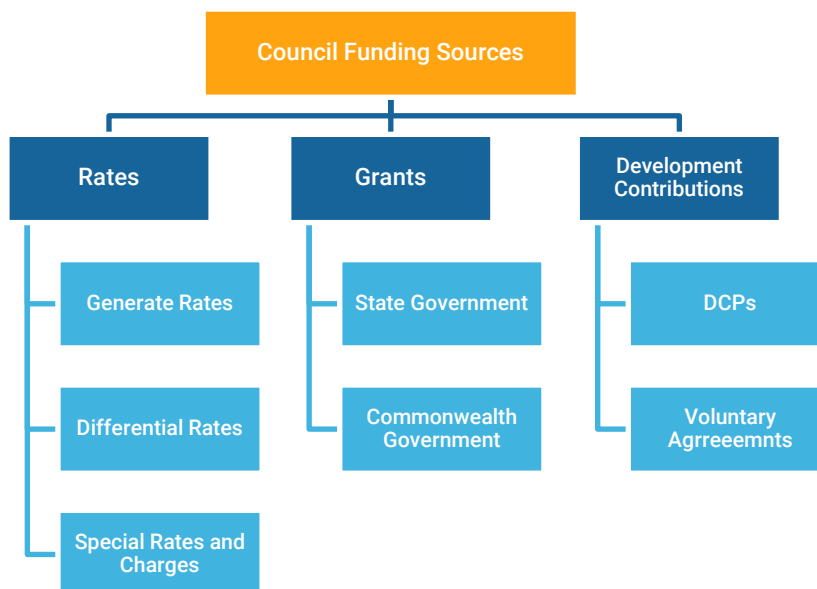
In all of the options explored in the analysis, there will be a requirement for external sources of funding to meet the majority of capital costs of the MRIC. Limited funding for the development would likely be provided by Council or the local community unless there is State Government funding provided.

The option identified as the most sustainable of those evaluated in the analysis is the colocation of the MRIC with the information centre and the Swan Hill Art Gallery. This option offers cost savings realised through resource sharing, reduced commercial leasing requirements around the current Information Centre, and the potential to draw in additional revenue to commercial facilities/ income streams through the cross-over of visitors from one facility to the other.

Under this option, revenue would not exceed operating costs and Council operating cost contributions would be limited to around \$560,000 annually. This is significantly lower than Councils current contribution to the Art Gallery and the information centre.

The following figure summarises the broad range of Council funding options for infrastructure.

Figure 17: Overview of Infrastructure Funding Options



8.2. State Government Grants

There are a number of program streams of the Regional Jobs and Infrastructure Fund that are currently open and for which an interpretative centre development is likely eligible to apply for funding. These Regional Jobs and Infrastructure Fund components have been identified as follows:

- Regional Skills Fund:
 - RSF - Regional Skills Fund
- Regional Infrastructure Fund:
 - RIF - Rural Development Fund
 - RIF - Visitor Economy
 - RIF - Productive and Liveable Cities and Centres
 - RIF - Enabling Infrastructure

The RSF can fund a specific skills development program for staff at local government or another organisation. Priority will be given to projects including those that support disadvantaged groups as part of a long-term, strategic approach with industry on meaningful career-based employment.

The RIF Visitor Economy is possibly the most suitable stream to consider for the development of an interpretative centre according to the information provided. The funding is aimed at projects that create new or redevelop existing tourism and cultural assets that improve the attractiveness of regional Victoria and stimulate increased visitation and private sector investment.

Eligible projects would include:

- projects that showcase nature-based experiences including opportunities in state and national parks;
- multi-use and single-use trails in regions with an existing tourism sector;
- new adventure or experiential tourism opportunities;
- projects that enhance existing tourism experiences or remove barriers to the growth of the tourism sector; and
- projects that support regional Victoria's development as a year-round destination.

Infrastructure grants for cultural projects may be available for:

- regionally significant performing arts centres and regional art galleries;
- regionally significant museums which manage extensive collections or archives; and
- projects which enhance existing cultural experiences or remove barriers to the growth of existing cultural sectors.

Local governments are eligible to apply. Applications for funding need to demonstrate the local economic benefits, social and environmental benefit, alignment with state and regional priorities and demonstrated project need, demonstrated project feasibility and delivery, and the financial viability (of the applicant).

Applications must also address how the project maximises value to the state. However, applicants must be able to demonstrate that the viability of the project is not dependent on ongoing funding or continuing government support.

Under the Regional Infrastructure Fund, funding can be made available for business case development or built infrastructure works where sufficient prior work has been done to scope a business case. Funding will not be provided to meet the ongoing operational costs of the development.

8.3. Other Forms of Funding

Other forms of funding could potentially include the following:

- Development Contributions
- Voluntary Agreements
- Special Rates and Charges
- Tax Increment Financing (TIF)

8.3.1. Development Contributions (DCPs)

The current DCP system is used for 'shared' or 'off-site' infrastructure. The principle is that developers should pay their fair share for the cost of specified infrastructure, with fair share being defined as estimated share of use of the infrastructure. Because more than one developer/landholder is involved in a DCP scheme, and the infrastructure is ultimately public infrastructure, a council is provided with the responsibility to manage and co-ordinate the DCP process.

The simplest example of a DCP is the provision of a public road that serves only two properties. The cost apportionment approach is 50% apportionment between the two properties. In a DCP, a council can build the road and charge the two properties at development permit stage (planning or building permit) for a 50% share of the cost of the road; however in practice for such a simple example the outcome would typically be executed by an agreement or works in lieu of payment arrangement.

For a more complex development setting, such as in an established area that will experience some growth, and having multiple different land uses and thousands of properties, the principles remain the same. Each individual developer should pay a sum equal to the share of demand their development will (or is estimated to) place on the infrastructure that is needed. An example is a drainage system that serves 1,000 properties (or units of demand). Each individual property should pay 1 / 1,000 or a 0.1% share of the cost of that item.

A DCP can cover any form of capital works infrastructure investment, including roads, paths, drainage and community facility and open space projects (including open space land purchase and works). An interpretive centre would be classed as a community facility and consequently, could be included in a DCP. However, the potential to recapture the full cost of the interpretive centre through the use of a DCP mechanism is limited. Community infrastructure contributions are capped at a maximum of \$1,150 per dwelling.

The method to prepare a DCP is stated in detail in the 2007 DCP Guidelines⁷⁴. Essentially, the key steps are to:

- Identify infrastructure that is required to service an area or areas or the municipality;
- Identify development and projected future development in the area that will make use of the infrastructure (based on strategic or structure plans and Planning Scheme);
- Apportion the cost of the infrastructure across all anticipated existing and future users of the infrastructure using the method specified in the Guidelines; and
- Summarise the information in tables that show: charges that are required to be paid by area; and the infrastructure that the charges are based on and will be delivered within a specified period of time.

⁷⁴ Development Contribution Guidelines (2007)

DCPs can only be used to fund capital works projects, and therefore could not be used to finance the ongoing operation of the interpretative centre.

The potential for cost recovery through the use of a DCP could be explored further as explained here.

- The project build cost is assumed to be \$5.93 million;
- The local catchment will increase to around 20,900 population – or 9,200 dwellings up to the end of the timeframe of an indicative DCP (say 20 years);
- While the exact proportion of demand that could be allocated to local use would need to be explored further, this example assumes the majority of use of a community facility is allocated to local demand – or around 80%;
- The share of the capital cost that could be attributed to local usage is around \$4,744,000. (i.e. 80% * \$5.93 million);
- On a per unit basis the local usage charge would be \$517 per dwelling (i.e. \$4,744,000/9,200);
- Swan Hill is projected to see an increase of around 770 dwellings over the period. A \$517 Community infrastructure charge for each new dwelling would result in a cash collection of around **\$399,000**, or 6.7% of the total development cost.

The use of a DCP could potential fund a significant component of the potential MRIC development.

8.3.2. Voluntary Agreements

Councils are able to enter into a legal agreement with developers for any legal purpose (enabled via Section 173 of Planning and Environment Act). This can include formalising infrastructure provision and contribution requirements.

In the realm of development contributions, legal agreements are often used to formalise and 'lock in' a contribution requirement. The legal agreement provides parties subject to the agreement with more certainty especially where some elements of a contribution requirement are otherwise implied or not explicit.

8.3.3. Special Rates and Charges

A scheme that can be established to recover part or the full cost of individual projects from property owners. This tool is generally suited to projects that have a relationship to particular properties and areas.

A special rate or charge is applied to a defined area for a defined period of time in addition to the general rate to pay for a particular project or program that benefits the defined area (enabled by Section 163 of the Local Government Act).

The scheme can be set to recover part or the full cost of the project from property owners.

The special rate or charge is generally applied to properties to recover all or a share of the cost of works or projects that benefit the defined properties.

A typical example is a local road or drainage scheme upgrade, which provides a special benefit to abutting properties. The properties that receive a special benefit from the project can be charged a share of the cost of the project over a selected period of time, to pay in full or part for the project.

Each scheme requires an implementation process to be followed, including formal consultation and potentially VCAT review if a party appeals.

This special rate and charge tool is generally suited to projects or programs that have a tight relationship to particular properties. Such schemes are prepared for an individual project. Otherwise, a special rate scheme covering a larger number of projects could be apportioned to a larger area.

Another approach that can be considered is to apply part of the cost of the project (e.g. road) to abutting properties via a special rate and charge scheme (such as Road Part A), and part of the project to a DCP (such as Road Part B).

There may be potential to implement a special rate and charges to fund an interpretive centre. If there is strong community support for the Interpretive Centre development, the centre could be fully funded using a Special Rate and Charge. If the council is proposing to raise more than two-thirds of the total cost of a project as a special rate or charge, the affected ratepayers must also be given a formal right to object. If objections are received from a majority of properties within 28 days, Council cannot approve the special rate scheme.

In this instance, if Council opted to fund the capital cost component of the Interpretive Centre through a Special Rate, the affected properties could be across the LGA. This would require a \$650 contribution from each rateable property. Spread over a five-year period, this would amount to an additional rating charge of around \$130 per rateable property. The time period to which the special rate might apply could be spread over more or fewer years depending on the level of support from the local community.

8.4. Conclusions

Councils have access to a range of infrastructure funding tools in addition to the DCP system, namely conditions, agreements, and special rate and charge schemes.

It is possible to use a range of tools to help deliver infrastructure as long as avoidance of 'double dipping' is respected; this means that a particular infrastructure project should not be used to justify the adoption or operation of more than one tool.

The applicability of these tools – notably the DCP and the Special Rates and Charges Schemes - to fund the MRIC development should be tested further and explored to understand the level of commitment from council and the extent of community support for the project.

In summary, the quantum of the preferred model 5, offering a collocated MRIC with the Art Gallery and information centre, is likely to be challenging for Council to fund without State or Commonwealth funding assistance. The benefit however of this model is that it would satisfy the criteria for the RIF visitor economy and sustainable communities funding programs as this model will offer an ability to:

- grow the regional visitor economy;
- profile the natural environment and showcase nature;
- strengthen the arts and cultural sectors through providing a fit for purpose arts based facility;
- add a new visitor attraction to support the visitor economy;
- support training and upskilling of a wide range of age groups and to support community groups;
- strengthen understanding and promotion of Indigenous culture;
- support the need for liveable cities by offering important amenities which are currently lacking; and
- offer future proofing through the use of multi- purpose spaces which offer design flexibility to cater for smaller and larger activities and events.

Prior to making any grant funding application, Council would need to determine if and how it is willing to financially contribute to the project, as this would be a first step requirement before trying to leverage funding from State or Commonwealth government sources.



9. SUPPORTING DOCUMENTATION

9.1. Supporting Documentation 1 - Bibliography

- Interpretive Centre & Large Object Conservation Facility, Architectural Report & Concept Drawings, August 2010, Troppo Architects, Taylor Cullity Lethlean
- Local Government Area Profiles, 2015, Swan Hill (RC), Victoria, TRA
- Monthly Visitor Numbers (Yearly Comparison) and Monthly Visitor Numbers (Financial Yearly Comparison)
- Murray Market Profile: year ending December 2014, Tourism Victoria
- Pioneer Settlement Swan Hill, Review of Plans, strategies and Future Directions, 4 July 2014, Kava Consulting Pty Ltd
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- Swan Hill Car Parking Strategy, 20 June 2016, prepared for Swan Hill Rural City Council, Traffix Group
- Swan Hill Regional Art Gallery Feasibility Report 28/09/09, Williams Boag Architects
- Swan Hill Regional Art Gallery Survey
- Swan Hill Regional Art Gallery: Schematic Design & Cost Plan Report 28/11/12, Williams Boag Architects
- Swan Hill Riverfront Masterplan, 12 August 2015, sponsored by Swan Hill Rural City Council, Prepared by Andrea Murphy & Stewart Thomson, Archaeology At Tardis
- Swan Hill Riverfront Masterplan, 24 September 2015, sponsored by Swan Hill Rural City Council, Prepared by Andrea Murphy & Stewart Thomson, Archaeology At Tardis
- Swan Hill Riverfront Masterplan: Landscape Style Guide – Materials and Furniture Palette, February 2014, State Government Victoria, Swan Hill Rural City Council
- Swan Hill Riverfront Masterplan: Masterplan Report, October 2013, State Government Victoria, Swan Hill Rural City Council
- Tourism Region Profiles, 2015, Mallee, Victoria, Tourism Research Australia
- Tourism Statistics Swan Hill Region (provided by Council), National Visitor Survey, Tourism Research Australia
- Travel to the Swan Hill region: For the period July 2015 to June 2016, Murray Regional Tourism
- Visitors Pioneer Settlement, Background information Commercial Development Strategy Riverside Project
- <https://www.visitthemurray.com.au/about-the-region/swan-hill>

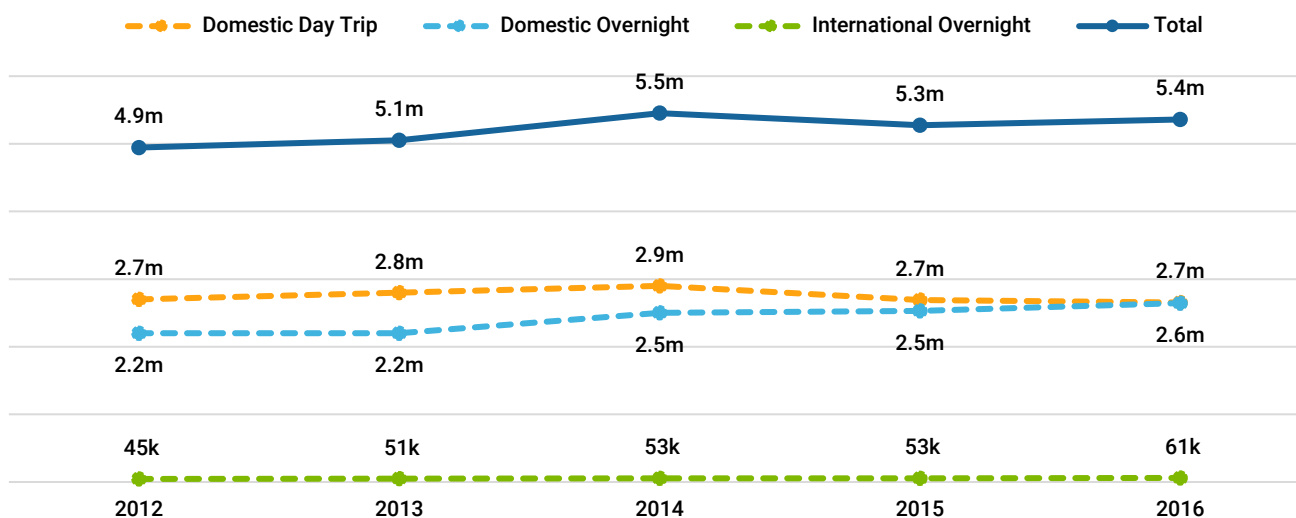
9.2. Supporting Documentation 2 – Murray Region Visitation Assessment

9.2.1. Total Visitation

Total visitation to The Murray Region (TMR) increased from 4.9m visitors in 2012 to 5.4m visitors in 2016 (Figure 17). Over the five-year period assessed (2012-2016), visitation grew, on average, by 2% on per annum.

As of September 2016, 50% of visitors to TMR were estimated to be domestic day visitors, 49% were domestic overnight visitors and 1% were international overnight visitors.

Figure 18: The Murray Region Visitation, YE September 2012-2016⁷⁵

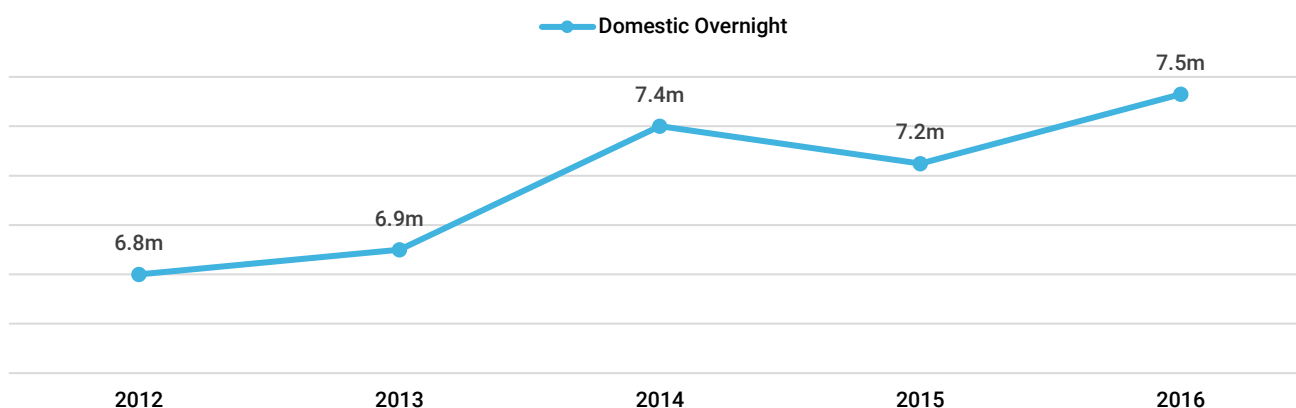


9.2.2. Visitor Nights

Due to small sample sizes for international overnight visitors, total visitor nights are only available for domestic overnight visitors to the TMR region.

From 2012 – 2016, domestic visitor nights increased from 6.8m nights to 7.5m nights (Figure 18).

Figure 19: The Murray Region, Domestic Overnight Visitor Nights, YE September 2013-2016⁷⁶



⁷⁵ Tourism Statistics Swan Hill Region (provided by Council), National Visitor Survey, Tourism Research Australia

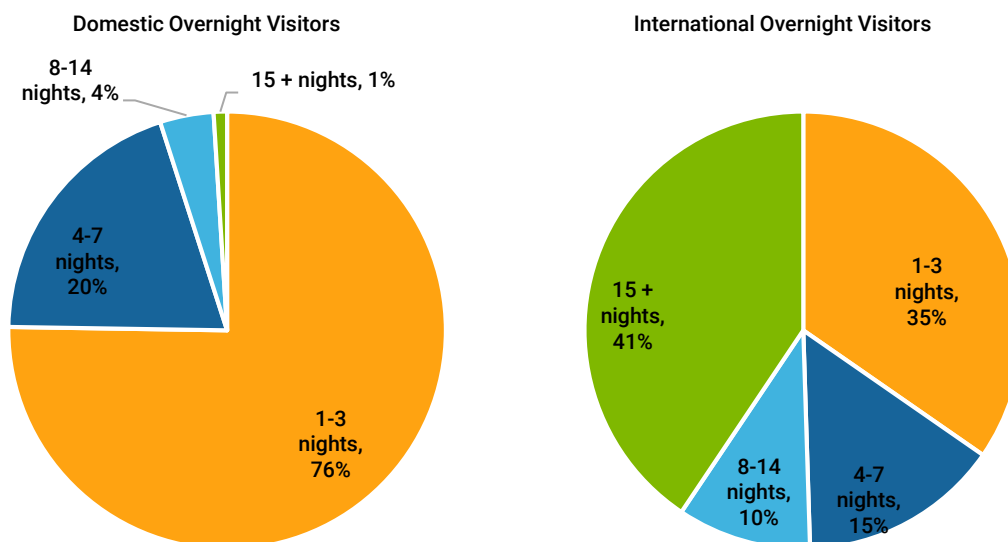
⁷⁶ Tourism Statistics Swan Hill Region (provided by Council), National Visitor Survey, Tourism Research Australia

9.2.3. Length of Stay

Figure 19 illustrates the length of stay for TMR in 2014.⁷⁷ Although it suggests that 41% of international overnight visitors stayed over 15 nights, The Group considers that the holiday/leisure figure for international visitors is lower, as international workers on short-term contracts and international students may possibly be skewing the results.

The domestic overnight figures, which show 76% of domestic visitors staying 1-3 nights are therefore likely to be more accurate for capturing the true length of stay for leisure visitors and interpretive centre visitors especially.

Figure 20: The Murray Region Visitor Length of Stay⁷⁸



9.2.4. Purpose of Visit

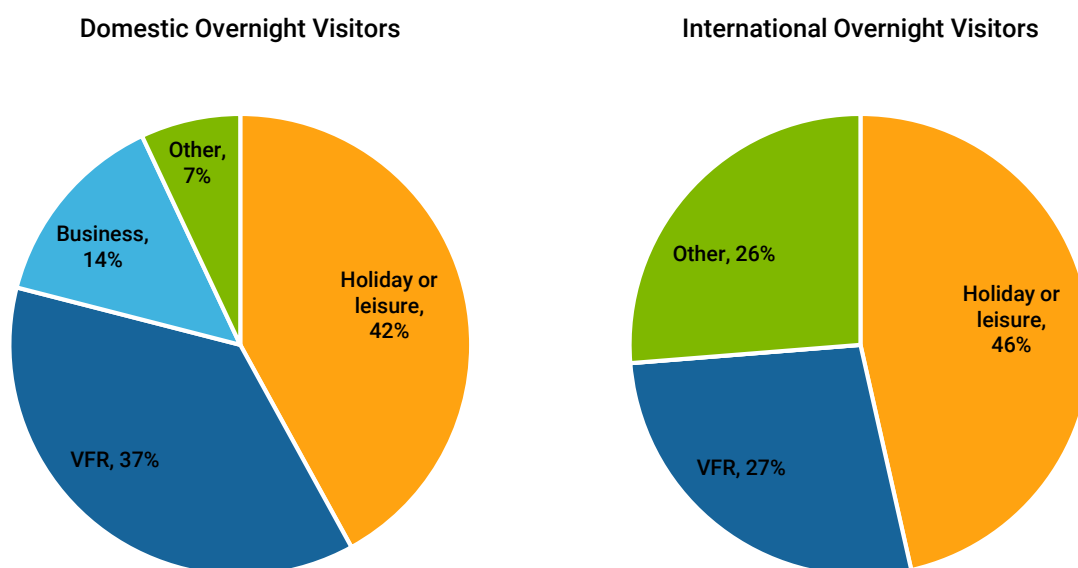
Figure 20 provides a breakdown of the purpose of visit to TMR in 2014. Visitors travelling on a holiday, accounted for the largest percentage of visitors, with 42% of domestic overnight visitors and 46% of international overnight visitors travelling on a holiday. This is significant as the vast majority of people who would visit the interpretive centre are expected to be those travelling for leisure/holiday purposes.

The next largest percentage of visitors were those visiting friends and relatives (VFR), accounting for 37% of domestic overnight visitors and 27% of international overnight visitors. This group are also likely to use the interpretive centre as locals and their friends and family from outside the region may visit together.

⁷⁷ Data for Length of Stay, Purpose of Visit and Visitor Expenditure was not available for YE September 2016. The most recent date for which this data is available for is YE December 2014.

⁷⁸ Murray Market Profile: year ending December 2014, Tourism Victoria

Figure 21: The Murray Region Purpose of Visit, YE December 2014⁷⁹



9.2.5. Visitor Expenditure

Table 10 shows a breakdown of visitor expenditure for TMR in 2014. Total visitor expenditure is estimated at \$936m per annum. The majority of this spend comes from the domestic market (93%), while the international market makes up the remaining 7%.

Table 10: The Murray Region, Visitor Expenditure, YE December 2014⁸⁰

Visitor Type	Total Spend	Average Spend Per Trip	Average Spend Per Night
Domestic	\$875m	\$400	\$128
International	\$61m	\$1,390	\$47
Total	\$936m	-	-

⁷⁹ Murray Market Profile: year ending December 2014, Tourism Victoria. Note for International Overnight, the business category was not included in 'Murray Market Profile: year ending December 2014, Tourism Victoria.' This is thought to be due to small sample sizes.

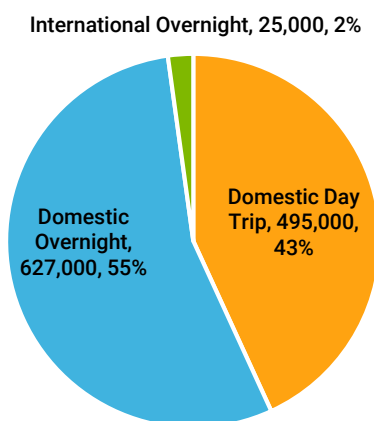
⁸⁰ Murray Market Profile: year ending December 2014, Tourism Victoria

9.3. Supporting Documentation 3 – Mallee Visitation Assessment

9.3.1. Total Visitation

In 2015, Mallee received 1.1m visitors (Figure 21). Domestic overnight visitation accounted for more than half of total visitation (627k visitors, or, 55% of total visitation), followed by 495k domestic day visitors (43% of total visitation) and 25k international visitors (2% of total visitation).

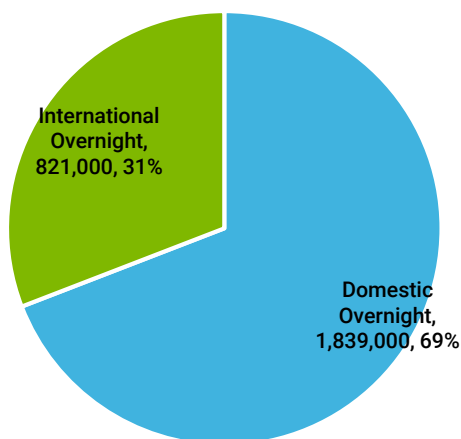
Figure 22: Mallee Visitation, 2015⁸¹



9.3.2. Visitor Nights

In 2015, Mallee received 2.7m visitor nights in total (Figure 22). This comprised 1.8m domestic nights (69%) and 821k international nights (31%).

Figure 23: Mallee, Visitor Nights, 2015⁸²



⁸¹ Tourism Region Profiles, 2015, Mallee, Victoria, Tourism Research Australia

⁸² Tourism Region Profiles, 2015, Mallee, Victoria, Tourism Research Australia

9.3.3. Average Length of Stay

Figure 23 provides a summary of the average length of stay (ALOS) for both domestic and international visitors to Mallee in 2015. While the ALOS for international visitors (33 nights) compared to domestic visitors (3 nights) is considerably higher, it is likely that the domestic overnight figures are more realistic for capturing an accurate ALOS. As with the ALOS data for TMR, international workers on short-term contracts may be skewing the results along with international students.

Figure 24: Mallee, ALOS, 2015⁸³



9.3.4. Purpose of Visit

Table 11 provides a breakdown of the purpose of visit to Mallee in 2015. Visitors travelling on a holiday, accounted for the largest percentage of visitors, with 44% of domestic overnight visitors and 60% of international overnight visitors travelling on a holiday. It is assumed that most people who would visit the interpretive centre are those travelling on a holiday with some VFR visitors as well.

The next largest percentage of visitors were those visiting friends and relatives (VFR), accounting for 32% of domestic overnight visitors.

Table 11: Purpose of Visit for Mallee, 2015⁸⁴

Purpose	Domestic Overnight	Domestic % Split	International Overnight	International % Split
Holiday	278,000	44%	15,000	60%
VFR	201,000	32%	-	-
Business	111,000	18%	-	-
Other	37,000 ⁸⁵	6%	10,000 ⁸⁶	40%
Total	627,000	100%	25,000	100%

9.3.5. Visitor Activity Types

Figure 24 illustrates the visitor activity types undertaken by domestic overnight and international overnight visitors in Mallee in 2015. Culture and heritage tourism ranks behind food and wine and nature-based tourism. Importantly, 22% of domestic overnight visitors and 60% of international overnight visitors participate in culture and heritage experiences. These tourists would be likely to visit the MRIC.

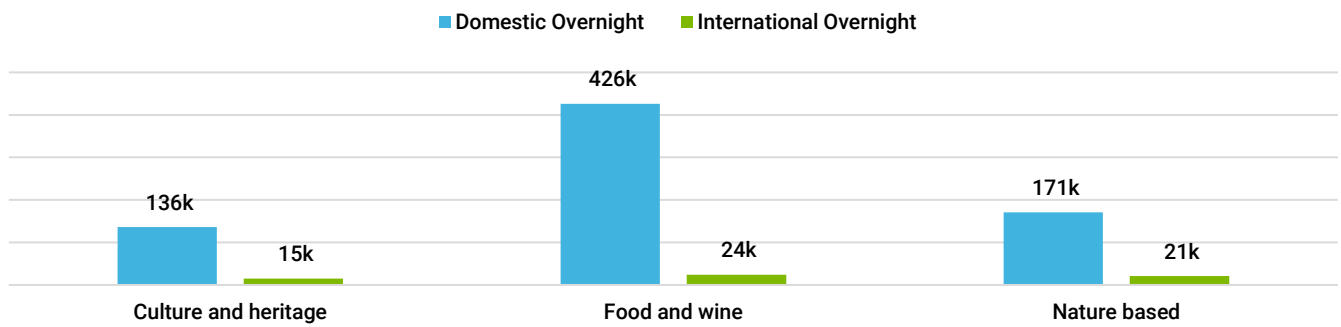
⁸³ Tourism Region Profiles, 2015, Mallee, Victoria, Tourism Research Australia

⁸⁴ Tourism Region Profiles, 2015, Mallee, Victoria, Tourism Research Australia

⁸⁵ Calculated by subtracting total domestic overnight visitors by the sum of other purposes of visit

⁸⁶ Calculated by subtracting holiday from international overnight total visitors. Note Other also includes VFR and Business.

Figure 25: Visitor Activity Types for Mallee, 2015⁸⁷



9.3.6. Visitor Expenditure

Table 12 illustrates estimated visitor expenditure for Mallee in 2015. Total visitor expenditure is estimated at \$395m per annum. The majority of this spend comes from the domestic overnight market (71%), followed by the domestic day market (21%) and the international overnight market (8%). This reflects the added value generated by overnight visitor spend on accommodation, food and beverage and additional retail spend.

The average spend per visitor is \$344 which equates to approximately \$117 per night.

Table 12: Visitor Expenditure for Mallee, 2015⁸⁸

Visitor Type	Total Expenditure	Average Spend Per Trip	Average Spend Per Night
Domestic Day Trip	\$84m	\$169	-
Domestic Overnight	\$280m	\$446	\$152
International Overnight	\$31m	\$1,266	\$38
Total	\$395m	\$344	\$117

⁸⁷ Tourism Region Profiles, 2015, Mallee, Victoria, Tourism Research Australia

⁸⁸ Tourism Region Profiles, 2015, Mallee, Victoria, Tourism Research Australia

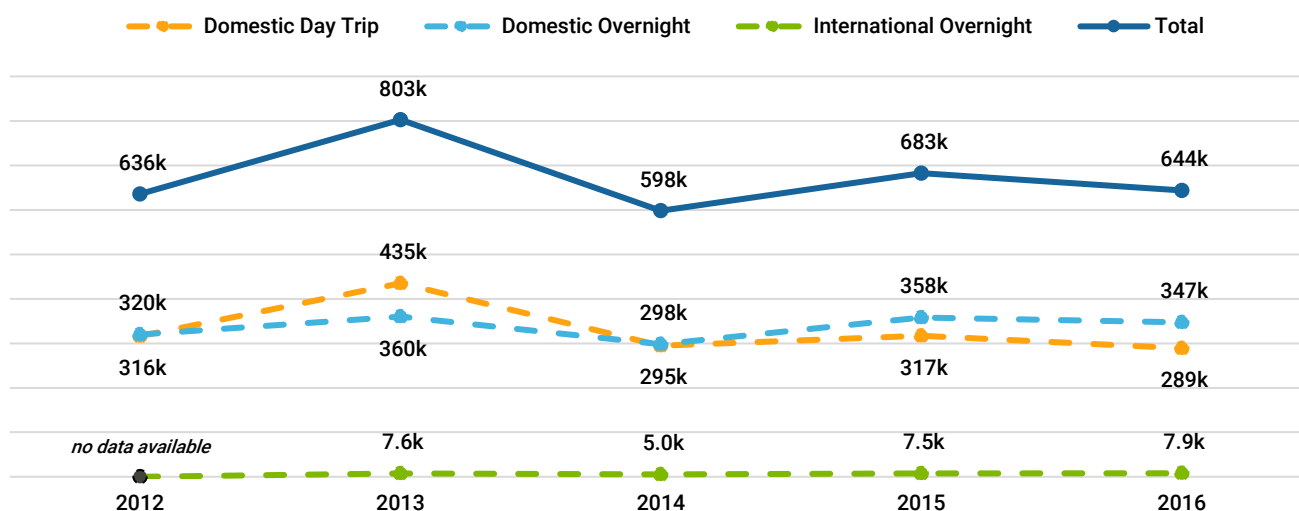
9.4. Supporting Documentation 4 – Swan Hill Region Visitation Assessment

9.4.1. Total Visitation to Swan Hill Region

In 2016, the Swan Hill Region (which includes the areas of Gannawarra, Kerang, Robinvale, Swan Hill, Swan Hill Region, and Wentworth-Balranald Region) received an estimated 644k visitors (Figure 25). Over the five-year period assessed (2012 – 2016), visitation fluctuated from a low of 598k in 2014 to a high of 803k in 2013.

In 2016, domestic overnight visitation comprised more than half of total visitation (347k visitors – or 54% of total visitation), followed by 289k domestic day visitors (45% of total visitation) and 8k international visitors (1% of total visitation).

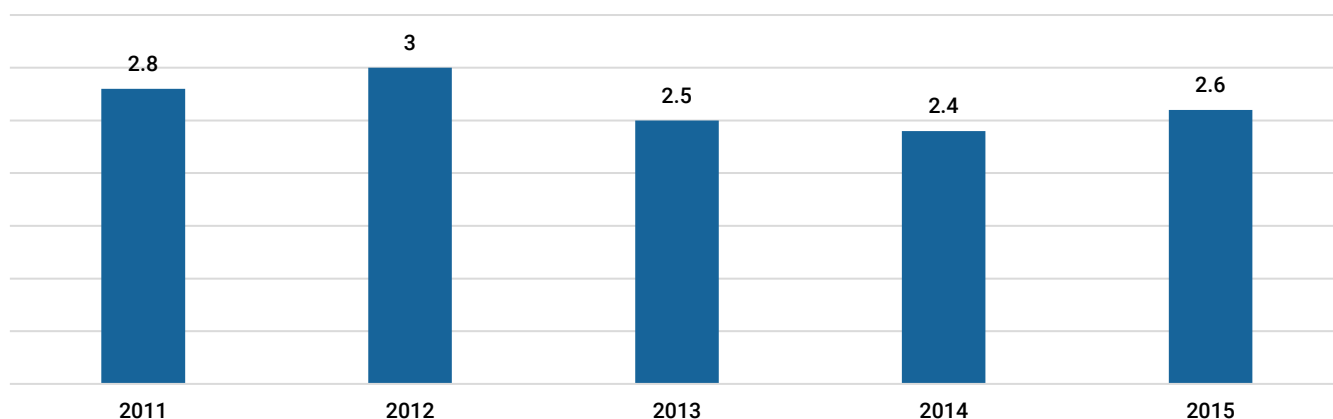
Figure 26: Swan Hill Region Visitation, YE September 2012-2016⁸⁹



9.4.2. Average Length of Stay

Figure 26 provides a summary of Swan Hill region’s ALOS over the past six years. Over this period, the ALOS for domestic and international overnight visitors ranged from 2.4 – 3 nights.

Figure 27: Swan Hill Region, Domestic & International Overnight ALOS, YE Sept 2011-2015⁹⁰



⁸⁹ Tourism Statistics Swan Hill Region (provided by Council), National Visitor Survey, Tourism Research Australia. Note, no data was available for international overnight visitation in 2012.

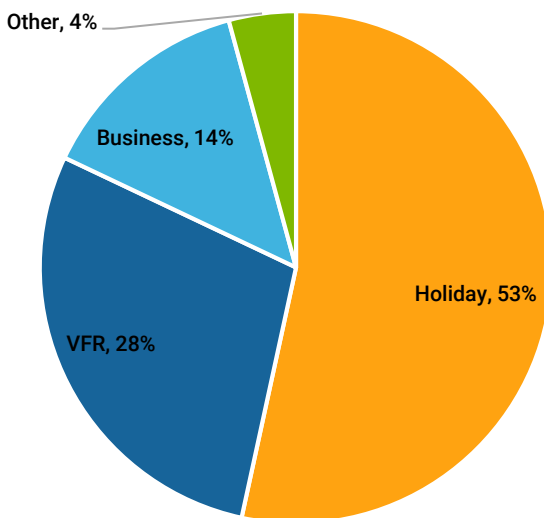
⁹⁰ Tourism Statistics Swan Hill Region (provided by Council), National Visitor Survey, Tourism Research Australia

9.4.3. Purpose of Visit

Figure 27 provides a breakdown of the purpose of visit to the Swan Hill Region for domestic overnight visitors⁹¹ from 2013-2016 (based on a four-year average). Over this period, visitors travelling on a “holiday” accounted for the largest percentage of visitors (53%). This is significant as it is assumed that most people who will visit the MRIC are those travelling for holiday or leisure purposes.

The next largest percentage of visitors was those visiting friends and relatives (VFR) (28%). It is also expected that a majority of VFR travellers would visit the MRIC.

Figure 28: Swan Hill Region Purpose of Visit (Domestic Overnight Visitors), 4-year average YE Sept 2013-16⁹²



⁹¹ Note, data was not available for purpose of visit for domestic day and international overnight visitors.

⁹² Tourism Statistics Swan Hill Region (provided by Council), National Visitor Survey, Tourism Research Australia

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