



Sunshine Coast
Council

THE STAFFORD GROUP



MARY CAIRNCROSS SCENIC RESERVE BUSINESS CASE ASSESSMENT

Prepared for Sunshine Coast Regional Council

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The Group's cost benefit assessments always include a residual project value for a projects asset(s) in its calculations. On this occasion, the Client (Sunshine Coast Regional Council) has specifically requested that no residual project value be included in the cost benefit assessment.

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CONTENTS

1.	EXECUTIVE SUMMARY	7
2.	INTRODUCTION	12
3.	MARKET SOUNDING REPORT	14
4.	POTENTIAL CONSTRAINTS	38
5.	SUPPLIER INTEREST	39
6.	DEVELOPMENT OPTION ANALYSIS.....	40
7.	FINANCIAL ANALYSIS	56
8.	ECONOMIC ANALYSIS.....	79
9.	SOCIAL IMPACT ANALYSIS.....	89
10.	ENVIRONMENTAL IMPACT ANALYSIS	100
11.	FUNCTIONAL RELATIONSHIP	106
12.	DEVELOPMENT OPTION ANALYSIS.....	111
13.	RECOMMENDED DEVELOPMENT OPTION	119
14.	APPENDICES	124



LIST OF FIGURES

FIGURE 1: MCSR LOCATION	14
FIGURE 2: SITE LAYOUT AND PROJECT AREA.....	15
FIGURE 3: SUNSHINE COAST RESIDENT POPULATION	17
FIGURE 4: GLASS HOUSE, MALENY, MONTVILLE RESIDENT POPULATION - 1996, 2001, 2006.....	18
FIGURE 5: HISTORIC VISITATION (2007-2011) TO SUNSHINE COAST REGION	19
FIGURE 6: HISTORIC VISITATION (2007-2011) TO HINTERLAND REGION	20
FIGURE 7: HINTERLAND FORECASTED VISITATION 2012 - 2022.....	21
FIGURE 8: VISITOR TYPE TO SUNSHINE COAST.....	22
FIGURE 9: REASON FOR VISITATION.....	23
FIGURE 10: FEATURES THAT ATTRACT	31
FIGURE 11: IMPORTANCE OF ELEMENTS IN VISITOR ATTRACTIONS TO THE FAMILY MARKET	33
FIGURE 12: BEST PRACTICE TEA HOUSES.....	41
FIGURE 13: BEST PRACTICE OUTDOOR CLASSROOMS	42
FIGURE 14: BEST PRACTICE INTERACTIVE FLOORS	45
FIGURE 15: BEST PRACTICE TOUCH TABLES	45
FIGURE 16: INTERACTIVE WALLS	46
FIGURE 17: BEST PRACTICE CANOPY WALK	47
FIGURE 18: MARKET DEMAND FOR EACH OPTION	77
FIGURE 19: COMPETITION ANALYSIS - MALENY.....	86
FIGURE 20: COMPETITION ANALYSIS – MONTVILLE	88
FIGURE 21: COMPETITION ANALYSIS – GLASS HOUSE	88
FIGURE 22: FUNCTIONAL RELATIONSHIP DIAGRAM, DEVELOPMENT OPTION 1	106
FIGURE 23: FUNCTIONAL RELATIONSHIP DIAGRAM, DEVELOPMENT OPTIONS 2.....	107
FIGURE 24: FUNCTIONAL RELATIONSHIP DIAGRAM, DEVELOPMENT OPTIONS 3.....	109
FIGURE 25: FUNCTIONAL RELATIONSHIP DIAGRAM, DEVELOPMENT OPTION 4	110
FIGURE 26: BEST PRACTICE DESTINATION IPHONE APPLICATIONS.....	127
FIGURE 27: BEST PRACTICE DIY TOUR APPLICATION	128



LIST OF TABLES

TABLE 1: SUMMARY OF DEVELOPMENT OPTIONS ATTAINMENT OF PROJECT CRITERIA	8
TABLE 2: SUNSHINE COAST FORECASTED VISITATION TO 2017	20
TABLE 3: VISITOR SPEND AND ALOS.....	24
TABLE 4: SWOT ANALYSIS	1
TABLE 5: EMERGING MARKET TRENDS	26
TABLE 6: ANALYSIS OF EMERGING SOCIAL TRENDS	28
TABLE 7: NICHE MARKET MATRIX.....	35
TABLE 8: NICHE MARKET MATRIX – DEVELOPMENT OPTION SPECIFIC	37
TABLE 9: POTENTIAL CONSTRAINTS.....	38
TABLE 10: RETAIL MIX.....	43
TABLE 11: DEVELOPMENT OPTION 1 OVERVIEW	48
TABLE 12: DEVELOPMENT OPTION 2 OVERVIEW	49
TABLE 13: DEVELOPMENT OPTION 3 OVERVIEW	51
TABLE 14: DEVELOPMENT OPTION 4 OVERVIEW	53
TABLE 15: DEVELOPMENT CONCEPTS FOR BUSINESS CASE ASSESSMENT	55
TABLE 16: CASH FLOW ANALYSIS - DEVELOPMENT OPTION 1	57
TABLE 17: CASH FLOW ANALYSIS - DEVELOPMENT OPTION 2	58
TABLE 18: CASH FLOW ANALYSIS - DEVELOPMENT OPTION 3	59
TABLE 19: CASH FLOW ANALYSIS - DEVELOPMENT OPTION 4	60
TABLE 20: CAPITAL EXPENDITURE	62
TABLE 21: ASSUMPTIONS	65
TABLE 22: POSSIBLE REVENUE STREAMS FOR MCSR.....	69
TABLE 23: COST BENEFIT - DEVELOPMENT OPTION 1	71
TABLE 24: COST BENEFIT - DEVELOPMENT OPTION 2	72
TABLE 25: COST BENEFIT - DEVELOPMENT OPTION 3	74
TABLE 26: COST BENEFIT - DEVELOPMENT OPTION 4	75
TABLE 27: BASE VISITATION TO MCSR	76
TABLE 28: TOP LINE ECONOMIC ANALYSIS.....	80
TABLE 29: ECONOMIC IMPACT – VISITOR SPEND	82
TABLE 30: DEVELOPMENT OPTIONS - SOCIAL BENEFITS ATTAINMENT RANKING.....	93
TABLE 31: STAKEHOLDER IMPACT RISK ASSESSMENT	94
TABLE 32: ENVIRONMENTAL IMPACT ANALYSIS	100
TABLE 33: BUILDING DESIGN VARIABLES - ENVIRONMENTAL ASSESSMENT MATRIX	101
TABLE 34: DEVELOPMENT OPTION COMPARISON MATRIX	111
TABLE 35: COST BENEFIT SUMMARY	119
TABLE 36: DEVELOPMENT OPTION RANKING BASED ON CRITERIA.....	120
TABLE 37: SENSITIVITY ANALYSIS – DEVELOPMENT OPTION 3 – VISITOR NUMBERS.....	121



TABLE 38: SENSITIVITY ANALYSIS – DEVELOPMENT OPTION 3 - CAPITAL EXPENDITURE	122
TABLE 39: SENSITIVITY ANALYSIS – DEVELOPMENT OPTION 3 - OPERATING COSTS	123
TABLE 40: VISITATION NUMBERS.....	131
TABLE 41: SENSITIVITY ANALYSIS - VISITOR NUMBERS -25%	132
TABLE 42: SENSITIVITY ANALYSIS - VISITOR NUMBERS -15%	133
TABLE 43: SENSITIVITY ANALYSIS - VISITOR NUMBERS -10%	134
TABLE 44: SENSITIVITY ANALYSIS - VISITOR NUMBERS +10%	135
TABLE 45: SENSITIVITY ANALYSIS - VISITOR NUMBERS +15%	136
TABLE 46: SENSITIVITY ANALYSIS - VISITOR NUMBERS +25%	137
TABLE 47: SENSITIVITY ANALYSIS – CAPITAL EXPENDITURE -20%.....	138
TABLE 48: SENSITIVITY ANALYSIS – CAPITAL EXPENDITURE -10%.....	139
TABLE 49: SENSITIVITY ANALYSIS – CAPITAL EXPENDITURE +10%	140
TABLE 50: SENSITIVITY ANALYSIS – CAPITAL EXPENDITURE +20%	141
TABLE 51: SENSITIVITY ANALYSIS – OPERATING COSTS -30%	142
TABLE 52: SENSITIVITY ANALYSIS – OPERATING COSTS -20%	143
TABLE 53: SENSITIVITY ANALYSIS – OPERATING COSTS -10%	144
TABLE 54: SENSITIVITY ANALYSIS – OPERATING COSTS +10%	145
TABLE 55: SENSITIVITY ANALYSIS – OPERATING COSTS +20%	146
TABLE 56: SENSITIVITY ANALYSIS – OPERATING COSTS +30%	147



1. EXECUTIVE SUMMARY

Mary Cairncross Scenic Reserve (MCSR) is recognised for its significant conservation values and has been a popular destination for local residents and visitors to the Sunshine Coast over the past 50 years. Sunshine Coast Regional Council (Council) has commissioned The Stafford Group (The Group) to develop a Business Case Assessment to inform the redevelopment of the built precinct of the MCSR. The assessment identifies the redevelopment scenario most likely to maximise the future viability of the building precinct, while maintaining or enhancing the environmental, social and economic values of MCSR.

As part of this Assessment, The Group utilised the four redevelopment options generated by Council and conducted a series of analyses on these options (financial, social, economic and environmental) to determine the optimal development option for MCSR.

Council has defined a number of constraints on redevelopment, including limiting building works to a tightly defined precinct which matches the already disturbed footprint and avoids adverse impacts on the surrounding rainforest. Large increases in additional visitors to the Rainforest itself and the visual impact of new buildings must be minimised and the assessment of options must also respond to the intent of the terms of the Deed of Trust for MCSR and other strategic documents.

The car park at MCSR is already at capacity during peak periods and we understand that it will not be expanded. To increase revenue for reinvestment in MCSR, Council will need to focus on increasing visitor numbers during quieter periods (i.e. cold/inclement weather, early morning and late afternoons) and increasing visitor spend (on retail and café items as well as donations) by visitors to MCSR.

The following indicates MCSR's unique selling points and why the Reserve warrants further investment and improvement to support its sustainability:

- The Reserve is one of the primary tourism attractions in the Hinterland and Sunshine Coast;
- Expansive views can be captured of the Rainforest and Glass House Mountains;
- The MCSR has an accessible rainforest, close to the car park and other facilities;
- Strong community engagement and support exists which helps foster an authentic experience for visitors;



- The MCSR has a high level of in kind staff resource and volunteer support;
- The MCSR has previously been able to attract grant funding and donations; and
- The Reserve has strong partnerships with schools, universities and other learning institutions.

The following table provides a summary of the results derived from each of the development options. These development options were pre-determined by Council and advised to the Group.

TABLE 1: SUMMARY OF DEVELOPMENT OPTIONS ATTAINMENT OF PROJECT CRITERIA

RFQ CRITERIA (OUT OF 10)	DEVELOPMENT OPTION 1	DEVELOPMENT OPTION 2	DEVELOPMENT OPTION 3	DEVELOPMENT OPTION 4
Responds to the needs of the stakeholders	4	5	8	8
Enhances and expands visitor experience and appreciation of MCSR values	4	7	9	9
Aligns with the strategic direction set by guiding documents	6	7	8	7
Maximises revenue streams for council and its third party commercial partner	4	7	8	8
Minimises whole of life costs	6	7	7	4
Provides best net outcome for the local economy	5	7	8	9
Minimises adverse environmental impacts	7	7	7	6
Optimises legibility and relationships between complimentary functions (i.e. through layout)	3	7	8	8
Maximises multifunctionality, adaptability and flexibility	3	7	8	8
TOTAL (OUT OF 90)	42/90	61/90	71/90	67/90



Whilst the above table illustrates that Option 3 is the better development option followed by Option 4, The Group considers that Option 2 should be favoured over Option 4 as a possible fall back option because it offers a better NPV result and requires a much lower capital cost (\$2.6m) than Option 4 (\$4.3m).

Key points from the analysis to note include:

- The development options range in size, expenditure, income, possible environmental impacts, social benefits and the ability to showcase the natural assets of the area;
- Visitor numbers to MCSR in the first year range from an estimated 133k (development option 1) to 158k (development option 4) and are based on anecdotal information and the market demand study undertaken by The Group as no visitor data is currently collected;
- The capital expenditure outlay ranges from an estimated \$1.4m in development option 1 to \$4.3m for development option 4;
- The average annual operating cost ranges from \$301k to \$474k;
- All of the Net Present Values (NPV) for the four options generate a negative result. Technically, each option therefore fails the requirement to show a positive NPV;
- As the development is a public good rather than a commercial project, preference should be given to those options which result in the less negative NPV. As both option 2 and option 3 are similar in their result, consideration should also be given to the option with the stronger cash flow able to be generated;
- Option 3, whilst generating a marginally higher negative NPV than option 2, generates a stronger annual average EBITDA (\$256k).
- Option 3 and 4, whilst they have the largest gross floor area, have the ability to have a reduced physical footprint as they are anticipated to be built over two levels. The two level design also provides an opportunity to introduce enhanced sustainable building design principles (such as solar panels and rainwater collection);
- With the increased visitation expected to the new facilities, particularly during the off peak season, development options 3 and 4 are expected to generate a greater economic contribution to the local economy through increased visitor nights, average length of stay and visitor expenditure;



- The social benefit of each of the development options outweighs the social benefit currently being achieved at MCSR. Options 3 and 4 in particular generate increased social benefit by appealing to the needs and desires of MCSR stakeholders. Social benefit is realised through the increased ability to educate and inform, greater exposure to the environment and culture, increased access to the MCSR for people with a disability and enhanced facilities for the local community and visitors to utilise for meetings/functions;
- The financial results, in conjunction with the numerous environmental, economic and social benefits that are expected to arise as a result of this development option, illustrates why option 3 is the recommended development option to achieve the criteria specified in the Tender Brief;
- Development option 3 includes the integration of a tea house-café experience. Under option 4, a restaurant was to be considered however it was determined to be in conflict with competitive neutrality principles as it would directly compete with restaurants at Cairncross Corner. Additionally, the operating hours required to run a viable restaurant would need to include operating the restaurant during evenings. Feedback received indicated that concerns exist regarding any operation of the Precinct during evenings as this could cause environmental impacts on native fauna (specifically the light sensitive pink underwing moth *Phyllodes imperialis* (southern subs) which is listed as 'Endangered' under the *Environmental Protection and Biodiversity Conservation Act 1999* and for which MCSR is the only confirmed breeding location) and be in conflict with the Deed of Trust.

The Group appreciates that there are some community members closely associated with MCSR who may want to see minimal change to the current building layout and operational model. Balanced against this however, is the need and opportunity to enhance the potential for visitor learning/educative experiences and to provide better connection between complementary site functions and to optimise financial returns for reinvestment in MCSR.

The facilitation of an integrated built development, tightly controlled within the existing built precinct, will create a more inviting and welcoming experience for locals as well as visitors. This in turn will improve understanding of the importance of MCSR and the need to protect it for future generations.

A non-integrated style of development (as per the status quo and development option 1) will limit learning and conservation experiences and reduce its appeal to a broader range of stakeholders and interest groups.



The Group therefore recommends the following:

- Sunshine Coast Regional Council note that Option 3 should be considered the preferred development option followed by Option 2 because of the greater triple bottom line benefits able to be generated and stronger delivery to the RFQ criteria stipulated in the brief;
- If however it is felt by Council that the capital cost of Option 3 is too high (noting it is estimated at \$3.5m) and there is considered limited prospect of accessing the higher quantum for Option 3, then Option 2 may need to be the fall back position (with a capital cost estimated at \$2.6m). This could be supported by the slightly better NPV result achieved by Option 2, though our assessment indicates that stronger outcomes are generated by Option 3 overall;
- Stakeholders should be appropriately informed of the preferred option which Council proposes to follow, noting that there is strong community interest in the MCSR especially in the Hinterland area from local communities; and
- Overall, the development option recommended will support a variety of education, conservation and cultural enhancements. The forested area of MCSR can remain untouched and will continue to provide an important conservation refuge and recreational attraction for local communities and visitors.



2. INTRODUCTION

The Stafford Group (The Group) was commissioned by Sunshine Coast Regional Council (Council) to develop a Business Case Assessment to inform the redevelopment of the Mary Cairncross Scenic MCSR (MCSR).

The purpose of the Business Case Assessment is to determine the most sustainable redevelopment and operating scenario for the MCSR whilst respecting the original intent of the Trust Deed by complementing the environmental, social and economic values inherent to the MCSR.

Specifically, the brief required that the development options suggested be measured against the following criteria:

- Responds to the needs of the stakeholders;
- Enhances and expands the visitor experience and appreciation of MCSR values;
- Aligns with the strategic direction set by guiding documents;
- Maximises revenue streams for Council and its third party commercial partner;
- Minimises whole of life costs;
- Provides best net outcome for the local economy;
- Minimises adverse environmental impacts;
- Optimises legibility and relationships between complimentary functions (i.e. through layout); and
- Maximises multifunctionality, adaptability and flexibility.

2.1. METHODOLOGY

The Group adopted the following approach in this Assessment:

- Initial contact was made with the Project Officer to compile documents, source relevant background information as well as to formalise site visit proceedings;
- A Market Sounding Report was developed from information sourced from the Project Officer and utilising background data found through primary and secondary data sources. This included a top-line assessment of domestic and international visitor statistics to assess future trends for MCSR;



- A site visit of the area which included a detailed assessment of the current state of the MCSR;
- The Group met with the Project Steering Committee to provide an update on current progress as well as future requirements;
- Analysis of each of the pre-identified development options, including an analysis of the financial, economic, social, environmental impacts of each option and the associated risks;
- Functional relationship diagrams for each development option were developed with the aim to improve connectivity between key functional areas; and
- An assessment of each development option was undertaken to determine the most viable and optimal model for MCSR.



3. MARKET SOUNDING REPORT

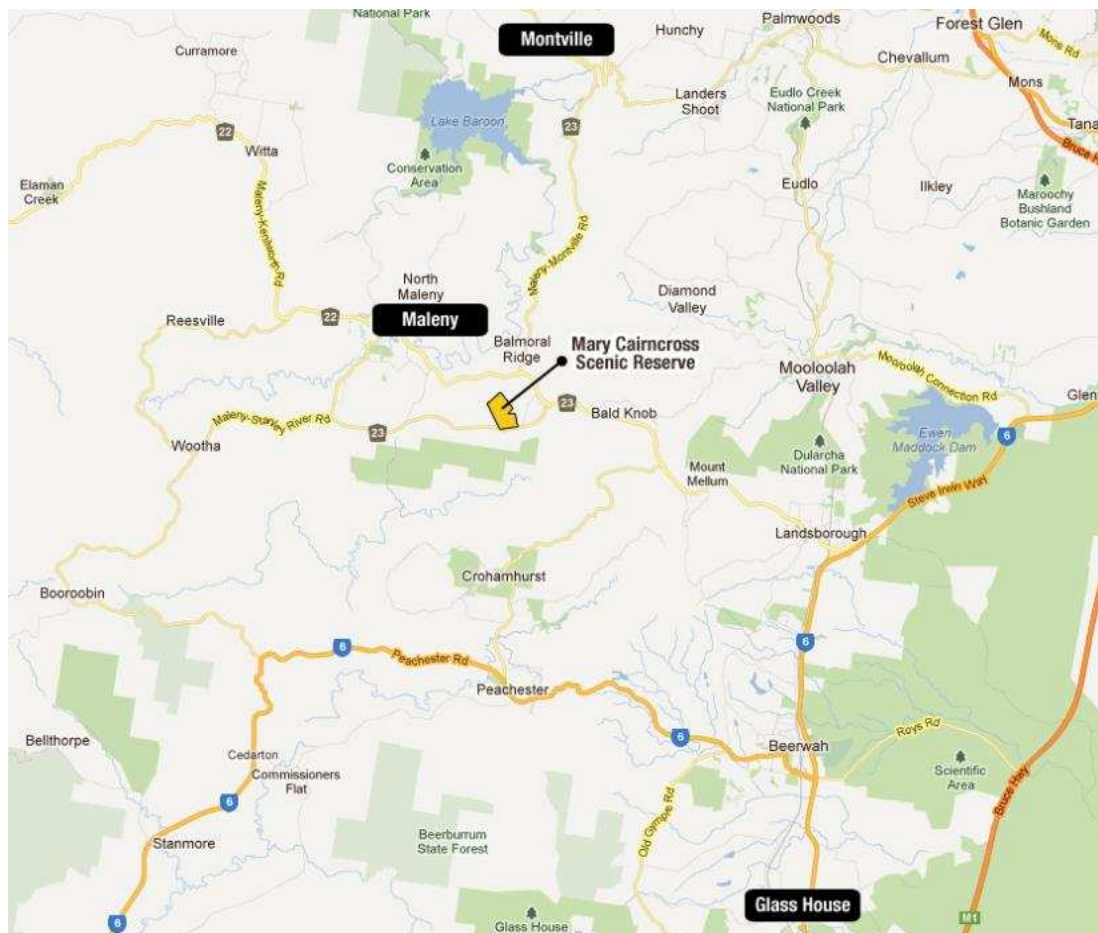
3.1. LOCATION

MCSR is situated in the Blackall Range (East Maleny) approximately 88km north of Brisbane and 30km west of Caloundra. The MCSR is located in the Sunshine Coast and is considered to be one of the primary tourism icons of the region and one of the few remaining remnant subtropical rainforests in Australia growing in optimum conditions in deep, flat basalt soils in a high rainfall area.

The MCSR covers an area of 530,000 square meters and sits approximately 425m above sea level. It is home to a wide range of flora and fauna and has a particularly wide range of bird life, with 139 species recorded within the boundaries of the MCSR.¹

The figure below provides an overview of the MCSR location in the context of Maleny, Montville and the Glass House Mountains.

FIGURE 1: MCSR LOCATION



¹<http://www.mary-cairncross.com.au/sunshine-coast-rainforest-animals.php>

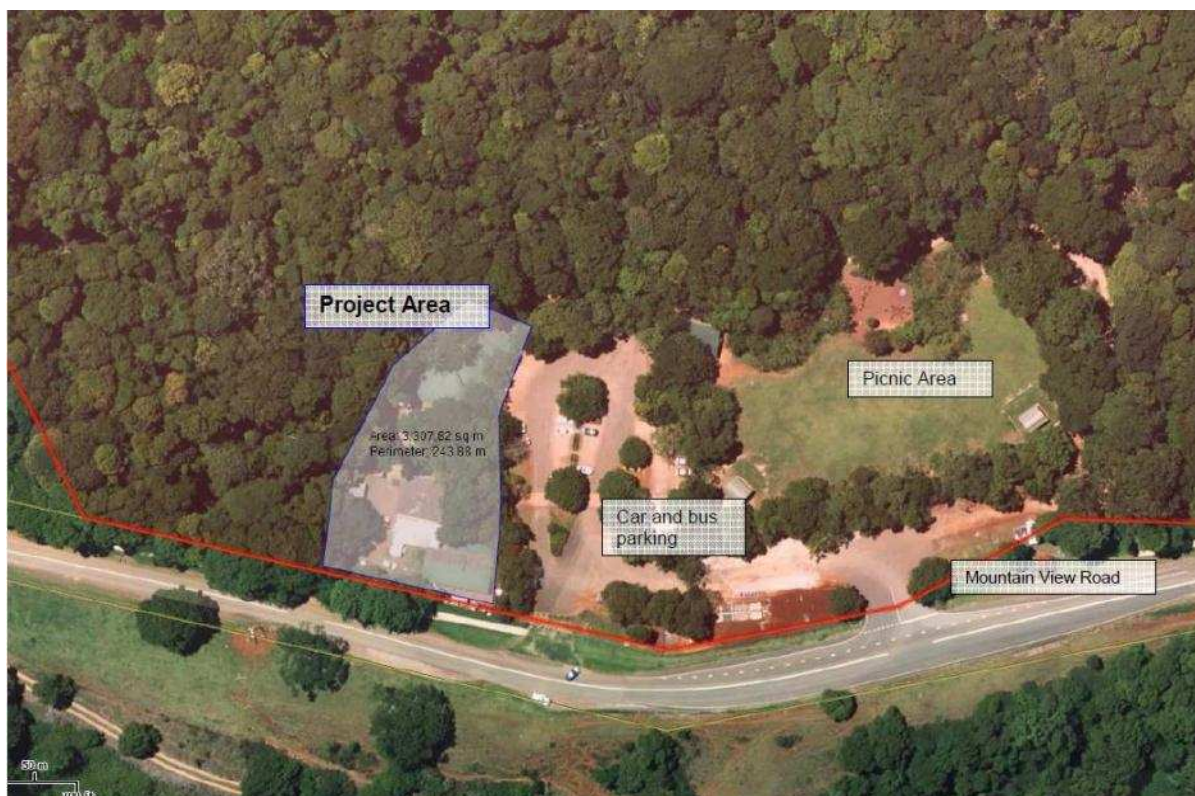


3.2. SITE LAYOUT

The main facilities available are located on the Southern end of the MCSR, with visitors having access to a visitor and education centre, a café with alfresco seating, a large picnic area as well as toilet facilities. The main rainforest walk is approximately 1km in length and is accessed through the visitor and education centre.

With respect to this Assessment, only the visitor and interpretation centre, the café, staff offices and the immediate surroundings were to be studied. This is classified as the Project Area (Figure 2 below demonstrates this).

FIGURE 2: SITE LAYOUT AND PROJECT AREA





3.3. MARKET DEMAND

To assess the most viable development option for MCSR, The Group has developed a top-line market demand assessment of the MCSR as a subset of the Sunshine Coast Hinterland region and the Sunshine Coast region overall.²

The market demand assessment indicates the likely level of interest from locals, regional day visitors, intrastate, interstate and potentially international visitors to the site. This is particularly important as it helps verify the size, scale, and sophistication of facilities required in order to appeal to various visitor markets. Though we note that some in the local community may prefer MCSR and the development area to remain largely unchanged, to appeal to a wider visitor market, a range of facilities of a certain standard are likely to be needed.

It is important to note that the recommended redevelopment option must achieve a critical mass of visitors to prove its viability. This is to ensure:

- The long term commercial viability of the development area as part of the MCSR to maximise returns for MCSR management and reinvestment;
- Maximum visitor spend can be achieved with secondary as well as primary attractors;
- Maximising the commercial attractiveness of future developments in and around the area; and
- Ensure long term sustainability of the MCSR as an attraction within the Sunshine Coast region.

In saying this however it must be recognised that MCSR is already at capacity during peak periods. Focus on achieving a critical mass of visitors therefore should be on increasing visitation during off-peak periods (i.e. before 10.30am, after 3.00pm, during wet/overcast days and in winter).

3.3.1. Sunshine Coast Resident Population

Sunshine Coast's resident population has experienced steady growth over the past 10 years, having increased by just over 35% (88k) from 2001–2011.³ The growth experienced by the Sunshine Coast is

² The Reserve, Maleny, Montville and Glass House have limited visitor statistics. As a result, top line visitation data and assumptions have had to be applied to assess top line market demand.

³Australian Bureau of Statistics, Cat. No. 3218.0 - Regional Population Growth, Australia, 2009

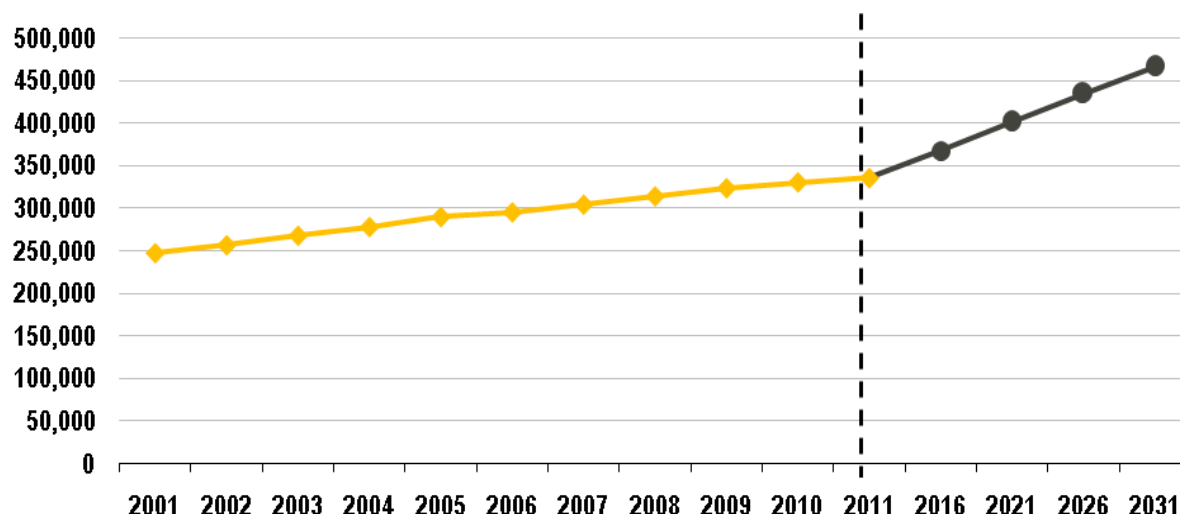


slightly higher than the growth rate experienced by Queensland over the same period (estimated at 26%).⁴

The Sunshine Coast is expected to experience sustained population growth over the next 20 years, with the resident population forecasted to increase by over 39% (131k residents) by 2031.⁵ The population of Queensland is estimated at over 4.5m residents, with the Sunshine Coast region comprising just over 7% of the state's population.⁶

Figure 3 below illustrates this growth.

FIGURE 3: SUNSHINE COAST RESIDENT POPULATION⁷



As the population grows, the need for higher quality and more outdoor-open space areas becomes important. The MCSR is therefore an important regional asset to be protected and maintained so that successive generations (and a growing population base) continue to have access to it for recreational purposes.

The localities of Glass House, Maleny and Montville were identified as being the immediate localities of the MCSR. Figure 4 on the following page provides an overview of the population growth experienced by these localities between 1996 and 2006, estimated at 33% (1,196 residents), 24% (903 residents) and 48% (2,266 residents) respectively.

⁴Office of economic and statistical research - Estimated resident population 2001 - 2011

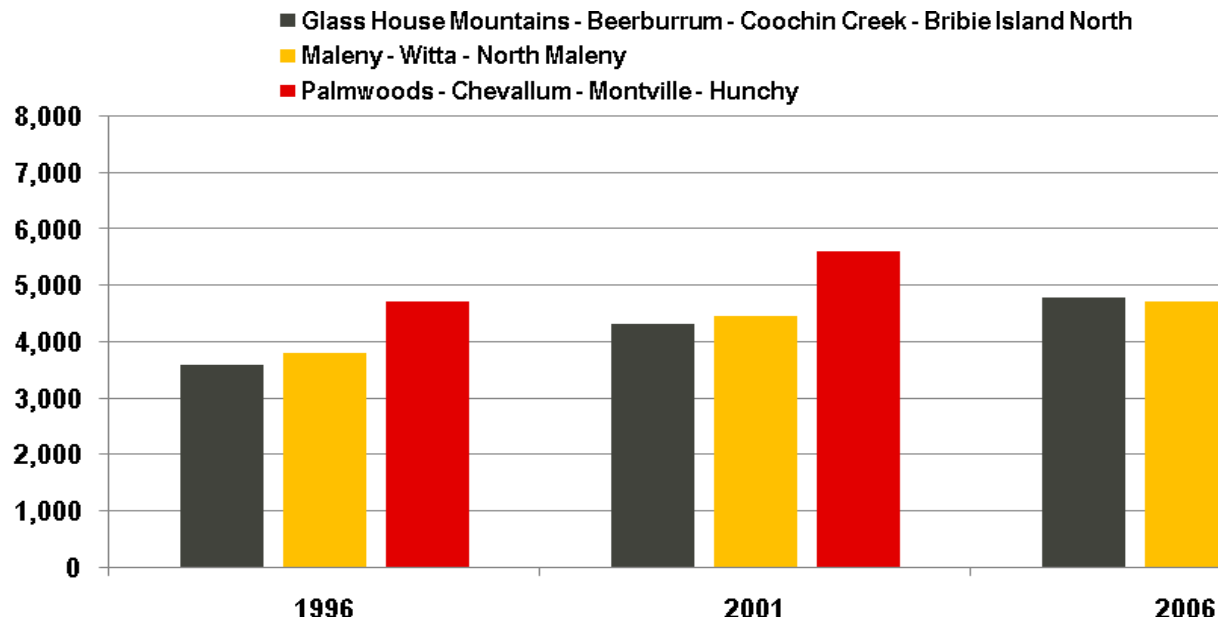
⁵ Population and Dwelling Profile, Sunshine Coast Regional Council, April 2012, Office of Economic and Statistical Research, Queensland Treasury and Trade

⁶Office of economic and statistical research - Estimated resident population 2001 - 2011

⁷ Note that population forecasts for 2016, 2021, 2026 and 2031 have been provided by ABS. forecasts have not been provided for all years within this period but rather at 5 year increments.



FIGURE 4: GLASSHOUSE, MALENY, MONTVILLE RESIDENT POPULATION - 1996, 2001, 2006



The growing population of both the Sunshine Coast region and the immediate localities of MCSR will be beneficial for the proposed redevelopment of the MCSR site for two primary reasons.

Firstly, the site is already a popular attraction for Sunshine Coast residents, looking to visit the Hinterland and any improvements made will further stimulate this interest as well as revive interest for repeat visitation by locals. A larger population will therefore further support the viability of the redevelopment of MCSR, helping to grow greater awareness and education regarding the ecological and historical significance of the site.

Secondly, locals play an important role in referring visiting friends and relatives to key attractions within their locality and consequently, a larger resident population is more like to generate a greater number of visitor referrals to the site.

It is important to note that although the redevelopment of the built precinct of the MCSR is likely to result in higher visitor numbers, it is the intention that not all of these visitors will necessarily visit the Rainforest, but rather will be attracted to utilise the new facilities (such as the viewing platform and enhanced education centre and café) to obtain an interactive and educative experience. The human footprint on the rainforest therefore is not anticipated to significantly increase.



3.3.2. Historic Visitation to Sunshine Coast

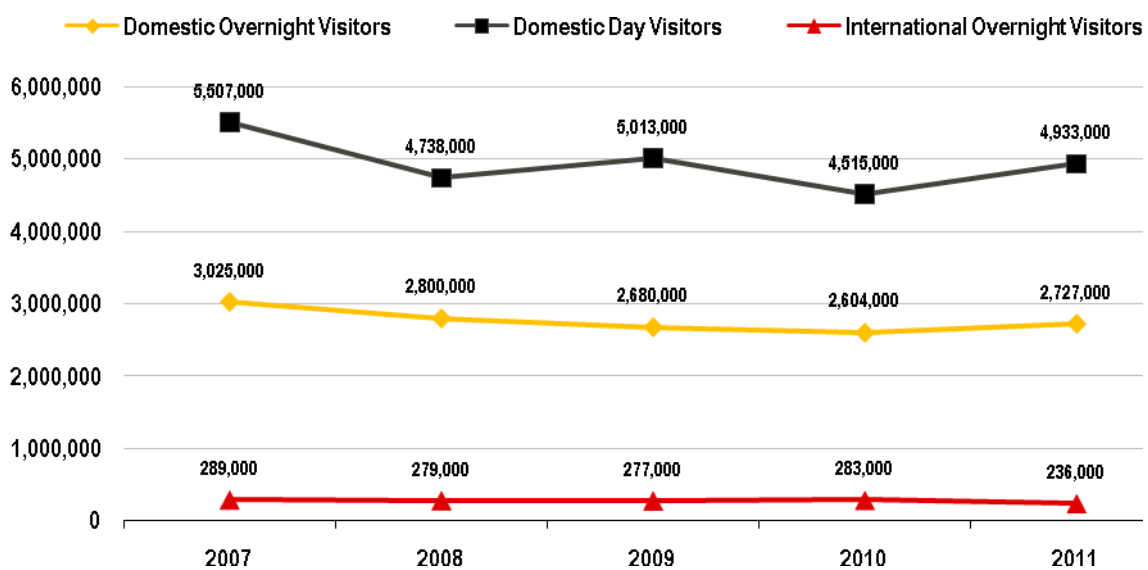
Overall, tourism with the Sunshine Coast region, in line with state trends, has been in decline over the last few years and up until recently. Over the past 4 years, the region has experienced a 10% decline in total visitation⁸, falling from 8.8m in 2007 to 7.9m in 2011.⁹

The drop in visitation has been evident across domestic day, domestic overnight and international overnight visitor source markets, falling by 10% (298k visitors), 10.5% (574k visitors) and 18% (53k visitors) respectively.

This decrease in visitation has been driven by broader macro-economic issues, such as the recession which impacted visitation from Europe and North America especially, gradually slowing economies in Asia and the high Australian dollar in conjunction with budget air carriers encouraging Australians to travel abroad.

Figure 5 below provides an overview of this decline in visitation.

FIGURE 5: HISTORIC VISITATION (2007-2011) TO SUNSHINE COAST REGION¹⁰



MCSR has not historically recorded visitation numbers. As a result, it is difficult to assess whether visitation to MCSR has declined in line with in visitation to the Sunshine Coast region.

⁸ Source markets include domestic overnight visitors, domestic day visitors and international overnight visitors

⁹ Note that Tourism Queensland (TQ) figures have been used over Sunshine Coast Destination Limited (SCDL) figures provided in their December 2011 Quarter Report, because TQ figures are a December Year End as opposed to SCDL figures which were a September year end.

¹⁰ Sunshine Coast Regional Snapshot, YE December 2007 - 2011, Tourism QLD

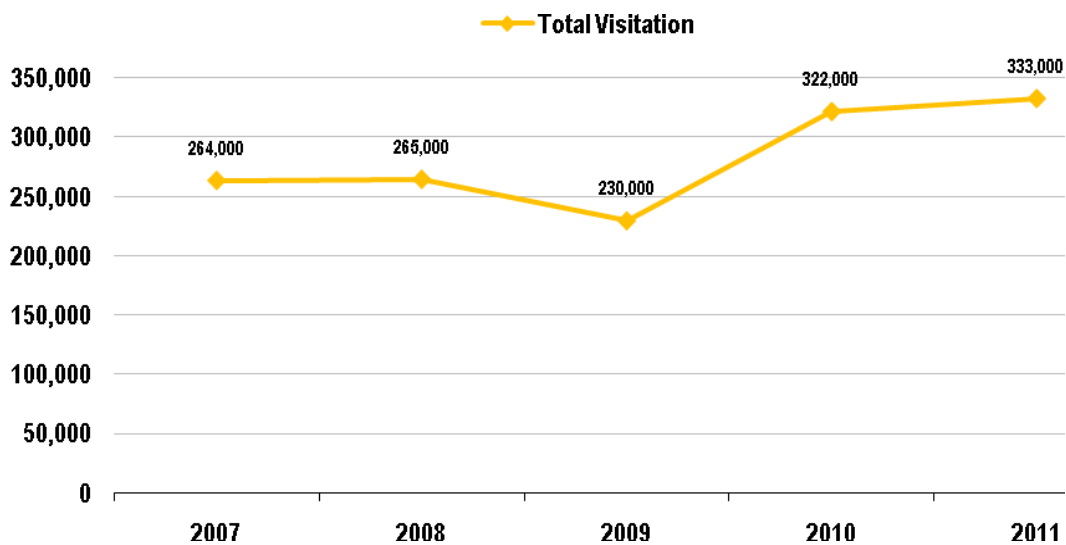


3.3.3. Historic Visitation to Hinterland Region

Visitation to the Hinterland region over the past 5 years has grown by 26%, increasing from 264k in 2007 to 333k in 2011.¹¹ This growth has been driven by the cooler climate and appeal of product and experiences that the Hinterland offers.

The figure below illustrates the growth experienced in visitation to the Hinterland region from 2007-2011.

FIGURE 6: HISTORIC VISITATION (2007-2011) TO HINTERLAND REGION¹²



3.3.4. Forecasted Visitation to Sunshine Coast

Based on forecasts provided in the Sunshine Coast Tourism Opportunity Plan, visitation to the Sunshine Coast Region is expected to grow to 9.5m visitors by 2017.¹³ The table below illustrates where this growth is expected.

TABLE 2: SUNSHINE COAST FORECASTED VISITATION TO 2017

SUNSHINE COAST FORECASTED VISITATION				
	2006	2012	2017	Total Change
Domestic Overnight Visitors	2,655,000	3,028,000	3,197,000	↑ 20%
Domestic Day Visitors	4,490,000	5,031,660	5,812,000	↑ 29%
International Visitors	268,000	360,000	446,000	↑ 66%
Total	7,413,000	8,419,660	9,455,000	↑ 28%

¹¹ Note these are September YE figures as provided by Sunshine Coast Destination Limited

¹² December 2011 Quarter Report, Sunshine Coast Destination Limited, page 25.

¹³ Sunshine Coast Tourism Opportunity Plan, 2009-2017, page 9.



It is important to note that this is a conservative forecast and does not take into account increased visitation as a result of the development of new and the enhancement of existing attractors in the region. As MCSR is viewed as being one of the Sunshine Coast's most iconic tourism products, its redevelopment may have the potential to help boost future visitation figures.

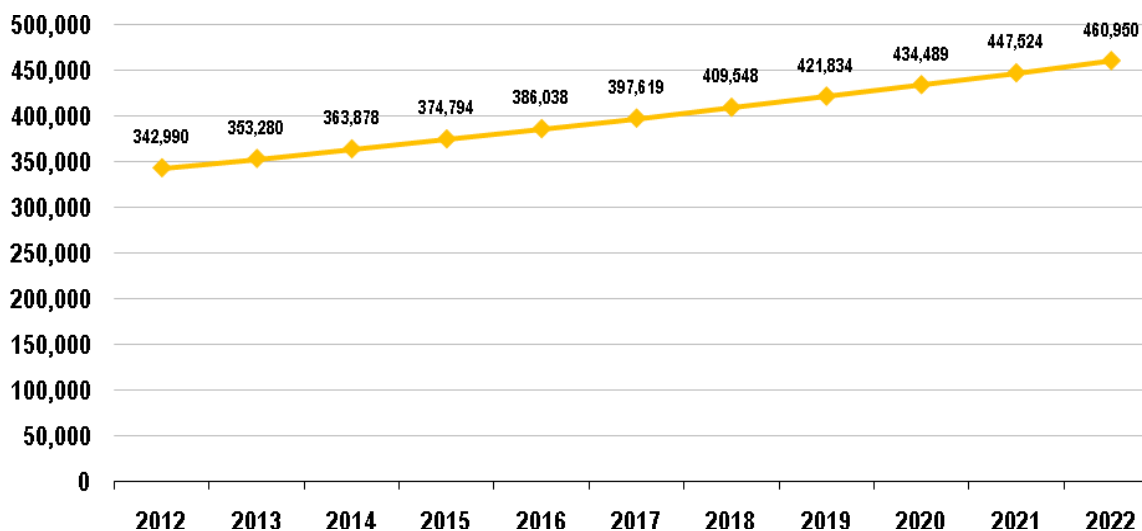
The Sunshine Coast, as one of Queensland's largest four tourism regions, has a pivotal role to play in stimulating interstate and international visitation growth especially. The redevelopment proposed for the MCSR is therefore of strategic value not only to the Sunshine Coast but also to the State in strengthening overall visitor appeal. Tourism Queensland has been supportive of the redevelopment of the MCSR as evidenced in the Tourism Opportunity Plan for the Sunshine Coast, which highlights the MCSR as a catalyst project for development across the region.

3.3.5. Forecasted visitation to Hinterland Region

Based on historic visitation to the Hinterland Region, it is anticipated that visitation to the region will experience a steady increase growing from just under 343k in 2012 to just under 461k by 2022.

It is anticipated that in the short term, a large part of this growth will be stimulated through increases in domestic visitation as opposed to international visitation.¹⁴

FIGURE 7:HINTERLAND FORECASTED VISITATION 2012 - 2022¹⁵



¹⁴“The outlook is better for visitor numbers to the Sunshine Coast domestically. The International market is now forecast to be weaker in 2012 due to the European debt woes.” - December 2011 Quarter Report, Sunshine Coast Destination Limited, page 56.

¹⁵ Based on historic visitation growth 2010-2011 indicated in December 2011 Quarter Report, Sunshine Coast Destination Limited, page 25.



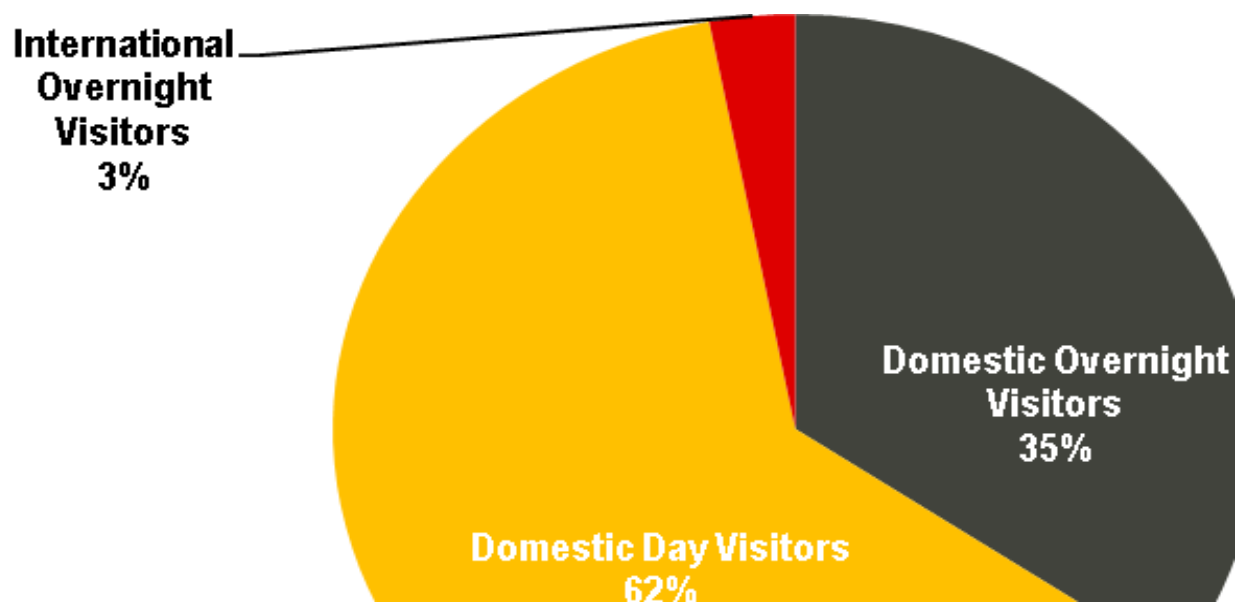
3.3.6. Visitor Profile

The majority of visitors to the Sunshine Coast region are domestic day trippers (62%) and while The Group does not discount the important role domestic day trippers play, it is important that strategies are considered to convert a portion of these day trippers to overnight visitors, as generally overnight visitors contribute far more to the overall economy.¹⁶

Whilst the direct aim of this Assessment is not to increase visitation to MCSR during peak periods particularly, it is important to recognise the vital role MCSR plays in dispersing visitors throughout the Sunshine Coast region, increasing overall length of stay as well as generating higher visitor expenditure.

The figure below demonstrates the average visitor breakdown for the Sunshine Coast in 2011.

FIGURE 8: VISITOR TYPE TO SUNSHINE COAST



3.3.7. Motivation to Visit

Across all visitor source markets, the primary reason for visitation to the Sunshine Coast was holiday, followed by visiting friends and relatives.¹⁷ The redevelopment of MCSR will particularly appeal to this large holiday and VFR market especially, as many visitors are keen to explore the region even if they have primarily visited for a beach holiday. The scenically attractive hinterland and its towns offer an important product to compliment the beach destinations. The MCSR is an important part of this product mix.

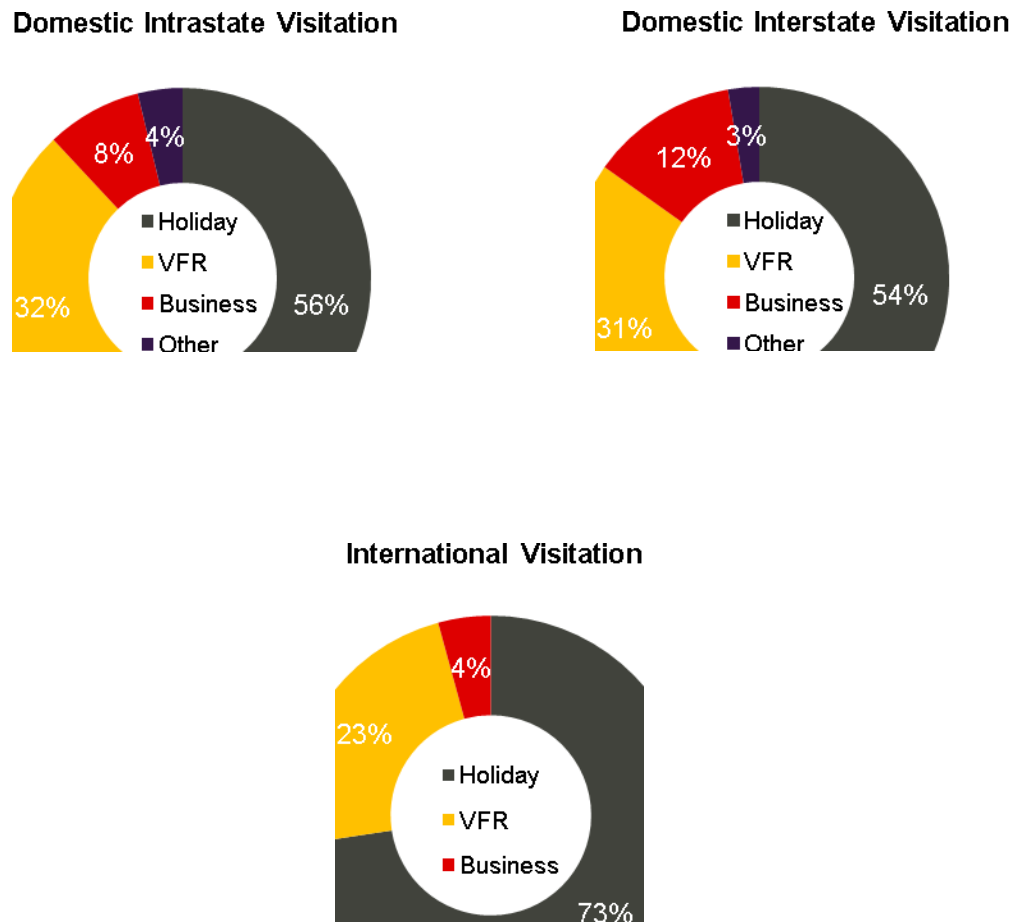
¹⁶Sunshine Coast Regional Snapshot, YE December 2007 - 2011, Tourism QLD

¹⁷Sunshine Coast Regional Snapshot, YE December 2007 - 2011, Tourism QLD



Figure 9 on the following page demonstrates the motivation for visit the Sunshine Coast from domestic intrastate, interstate and international source markets.

FIGURE 9: REASON FOR VISITATION



3.3.8. Average Length of Stay and Visitor Expenditure

International visitors to the Sunshine Coast spend the longest time within the region, at approximately 10.6 nights per trip. On average, international overnight visitors to the Sunshine Coast region spend \$906 per trip.

Domestic visitors, whilst they do not stay in the region for as long as international visitors spend the most per night at \$93 per night (in comparison to international visitors who spend \$85 per night).¹⁸

¹⁸Domestic Tourism Snapshot, YE December 2011, Tourism QLD and International Tourism Snapshot, YE December 2011, Tourism QLD



TABLE 3: VISITOR SPEND AND ALOS

SUNSHINE COAST VISITOR SPEND AND ALOS	
December 2011	
Domestic Visitors	
Average Length of Stay	6.5 nights
Average Spend Per Trip Per Visitor	\$606
Average Spend Per Night Per Visitor	\$93
International Overnight	
Average Length of Stay	10.6 nights
Average Spend Per Trip Per Visitor	\$906
Average Spend Per Trip Per Visitor	\$85



3.4. SWOT ANALYSIS

The following table provides a SWOT analysis, highlighting strengths and opportunities to build on as well as weaknesses and threats to address to improve the future potential of the MCSR as a location which contributes to the local economy, maximises the visitor experience and fosters environmental learning, community values and partnerships.

TABLE 4: SWOT ANALYSIS

STRENGTHS

1. Rainforest valued for conservation significance, natural values and scenery
2. Reserve is viewed as one of the primary iconic attractions of the Sunshine Coast
3. Community support for Reserve
4. Local knowledge of volunteers and community focus provides authentic visitor experience
5. Partnerships with learning institutes (e.g. University of Sunshine Coast)
6. Strong local utilisation of the Reserve with schools recognising educational values
7. Stunning scenery and vistas overlooking the Glass House Mountains
8. Proximity to Brisbane and the wider Sunshine Coast region
9. Green landscape which is an attractive juxtaposition to the coastal landscape
10. Cooler climate, particularly during summer, which attracts those after a slightly cooler experience

WEAKNESSES

11. Facilities have a lack of connectivity and flow and fail to capitalise on positive interactions between retail/education, staff/volunteers
12. Buildings and interpretative materials are dated and in need of renovation to keep up with consumer expectations
13. Despite the parking lot being redeveloped in 2011, parking is limited to 70 cars and 3-4 coaches. During peak periods the car park is at capacity and on the street parking is dangerous.
14. Lack of leveraging off the views that can be captured of the Glass House Mountains
15. Outdoor café seating limits use in wet and cold weather
16. Adverse weather conditions severely impact visitation to the site with limited wet weather activities

OPPORTUNITIES

- Creation of an integrated café/visitor centre/interpretation centre to improve connectivity and flow
- Development of multi-level viewing platform (built into integrated centre) to capture views of both the Glass House Mountains and into the canopy (level 1) and on top of the canopy (level 2)
- Build understanding and appreciation of existing 'points of difference' e.g. authentic local knowledge, community focus or 'heart', learning and partnerships, better and more interactive interpretation of values.
- Increase education / extension into broader community and schools.
- Potential to utilise new technologies (e.g. mobile application) in the future to provide interactive and contemporary interpretation and other information
- Development of a tea house café to capitalise on the authentic nature of the Reserve

THREATS

- Industry ambivalence to participation
- Some community concern over change/development at MCSR which could lead to loss of support and some 'points of difference'
- Inappropriate development and overcrowding impacting on landscape character and visitor experience
- Weaker economic conditions restricting travel
- Inability to attract new tourism investment
- Lack of new products nation-wide impacting international interest in Australia
- Second recession wave
- Low cost air travel in conjunction with the high Australian dollar encouraging Australian residents to travel internationally



3.5. EXPECTATIONS

The tourism market is constantly evolving. This, in conjunction with constant growth and innovation in the technology sector, is altering and driving higher visitor expectations.

The following section outlines top line market trends evident in the current national and international tourism markets as well as market opportunities that could be valuable for facilitating growth in the MCSR and Sunshine Coast visitor markets.

3.5.1. Emerging market trends

The following table highlights current market trends, and the implications for MCSR.

TABLE 5: EMERGING MARKET TRENDS

MARKET TRENDS	DESCRIPTION AND IMPLICATION FOR MCSR
INCREASING USE OF AIR TRANSPORT	<ul style="list-style-type: none"> Increasing use of air transport (including low-cost carriers) as an alternative to long-haul drive holidays Visitors often do not have cars with them and therefore, covering large distances is difficult. These visitors tend to stay in resort style hubs where attractions/facilities are close together or where transport is provided. MCSR, in conjunction with other attractions, needs to consider developing packages so that visitors can undertake multiple experiences. Not everyone is or will be self-drive.
HIGH AUSTRALIAN DOLLAR	<ul style="list-style-type: none"> The high Australian Dollar and competitively priced international flights leads to flat domestic and growing international travel An increasing number of Australian's are travelling overseas and as a result overnight visitation demand for destinations and attractions is threatened
SHORT-BREAK TREND	<ul style="list-style-type: none"> Increasing trend towards short-breaks (including an increase in fly-drive) The Hinterland and MCSR are located close to Brisbane and Caloundra and could capitalise on this market by introducing a range of marketing initiatives to encourage weekend, short-break visitation.
VALUE OVER PRICE	<ul style="list-style-type: none"> Experience Seekers looking for 'value' not price These travellers are looking for experiences of value and if an experience is high quality and presents a wow factor, price is not a major determining factor.
MEDIA FRAGMENTATION AND TECHNOLOGY PUSHING ONLINE BOOKINGS	<ul style="list-style-type: none"> Media Fragmentation and Technology pushing online bookings MCSR should note that consumer preference for gathering information and booking is moving away from its traditional method, to online. The introduction of a mobile app which not only provides visitors with information about the MCSR but which also provides interpretative and interactive experiences.
INCREASING COMPETITION	<ul style="list-style-type: none"> Increasing competition in the tourism market – visitors see \$6m in advertising daily and over 100 destinations and attractions per week A strong marketing campaign is needed which clearly differentiates MCSR from its regional and state-wide competitors.





3.5.2. Emerging Social Trends

The following table provides an analysis of emerging top-level social trends that are noted to be driving changes in the current national and international tourism market. Entrepreneurial attractions and destinations are taking note of these trends, and adapting their offerings and marketing to suit changing needs.

TABLE 6: ANALYSIS OF EMERGING SOCIAL TRENDS

EMERGING TREND	DESCRIPTION OF TREND	IMPLICATION FOR MCSR
ADVENTURE/ADRENALIN	<ul style="list-style-type: none"> ▪ Identified as one of the fastest growing tourism segments worldwide ▪ Occurs in a natural environment or exotic outdoor setting ▪ Skywalks, aerial highways, zip lines, ▪ Adventure with different levels of adrenaline ▪ A 'bird's eye view' experience is being demanded offering spectacular scenery ▪ Can allow for exploration with a limited individual footprint 	<ul style="list-style-type: none"> ▪ The Sunshine Coasts Hinterland and its diverse landscapes and natural areas are well positioned for growth in adventure tourism ▪ The MCSR will be a passive visitor experience
INSTANTANEOUS TECHNOLOGY	<ul style="list-style-type: none"> ▪ Social Media: a key to our advertising future, advice from friends via Facebook and TripAdvisor is increasing in importance ▪ Mobile Phones: booking online, a large percentage of travellers use smart phones for travel and destination information. Up to 37% 	<ul style="list-style-type: none"> ▪ Currently, the MCSR has a very limited online presence, particularly in regards to social media. To attract and encourage generation Y and Z to visit the MCSR and to learn more about the environment, the MCSR and the surrounding region, there is a need to increase the MCSR social media presence. This could be through the development of a social media strategy which looks at the best



	<p>of international travellers accessed social media via their mobile phone¹⁹</p>	<p>ways to introduce and utilise technologies such as Facebook and twitter.</p> <ul style="list-style-type: none"> ▪ Potential also exists to develop a smart phone app focused on the MCSR, providing visitors with an educative experience about the MCSR as well as other information (such as maps and brochures). This will help reduce the MCSRreliance on paper brochures. Increasingly, Generation Y and Z view the provision of mobile applications as a necessary component of an experience.
<p>VOLUNTOURISM</p>	<ul style="list-style-type: none"> ▪ where you feel like you are making a difference ▪ popularity particularly with recent university graduates who seek real-world experience ▪ duration from very short (e.g. coral watch) up to a year (gap year experiences) ▪ generally cover food, entrance fees, campsite/cabin, tools for volunteer activity <p>Holidays Increasing in Range in Fees</p>	<ul style="list-style-type: none"> ▪ Potential exists to link in with current voluntourism programs and enable volunteers to participate in rainforest rehabilitation and research programs to help maximize the health of the MCSR.
<p>BESPOKE DESIRE</p>	<ul style="list-style-type: none"> ▪ time poor seeking more frequent, indulgent and luxurious short break vacations ▪ want luxury items again ▪ seeking out good food and wine driven by celebrity chefs and reality television crazes ▪ tailored, boutique products <p>Money rich, It is 'okay' to Focus on Desire for</p>	<ul style="list-style-type: none"> ▪ Increasingly, individuals are time poor. Therefore, attractions which provide visitors with quick but quality experiences are growing in popularity. The development of a viewing platform will be of benefit as it will appeal to time poor travellers as they can still obtain a view of the rainforest without having to undertake an entire walk and by doing so, they also will reduce the human footprint impact on the rainforest.

¹⁹Source: Mobile Technology in World Tourism, World Travel Monitor



<p>CULTURAL AND HERITAGE TRAVEL</p>	<ul style="list-style-type: none"> ▪ Cultural and heritage activities, for example, will have the largest growth rate of all visitor activities with an expected growth rate of up to 1.7% per annum by 2020. ▪ Increased interest by Gen Y & Z largely account for this growth.²⁰ 	<ul style="list-style-type: none"> ▪ There is a need for the MCSR to more cleverly and interestingly develop interpretation which delves into the cultural history of the MCSR and the surrounding Sunshine Coast region. Static interpretation, whilst it is important, does not always appeal to the majority of younger visitors.
<p>HEALTHY LIFESTYLE</p>	<ul style="list-style-type: none"> ▪ Scepticism around orthodox biomedicine and swing towards alternative and more holistic therapies ▪ Health care has become more consumer directed ▪ People are more health conscious and interested in how they lead their lifestyles ▪ Pressure to conform to images of bodily perfection and eternal youth ▪ People are willing to spend on their health and wellbeing²¹ 	<ul style="list-style-type: none"> ▪ Potential exists for the MCSR to link in with health and well-being operators to provide a packaged experience in which visitors can undertake a trip to the MCSR. This could be packaged with a walking/cycling experience for those after a health active experience. ▪ Additionally, potential exists to introduce programs such as yoga to encourage visitors and locals to the MCSR.

²⁰Source: Cultural and Heritage Tourism in Australia 2007, Tourism Research Australia

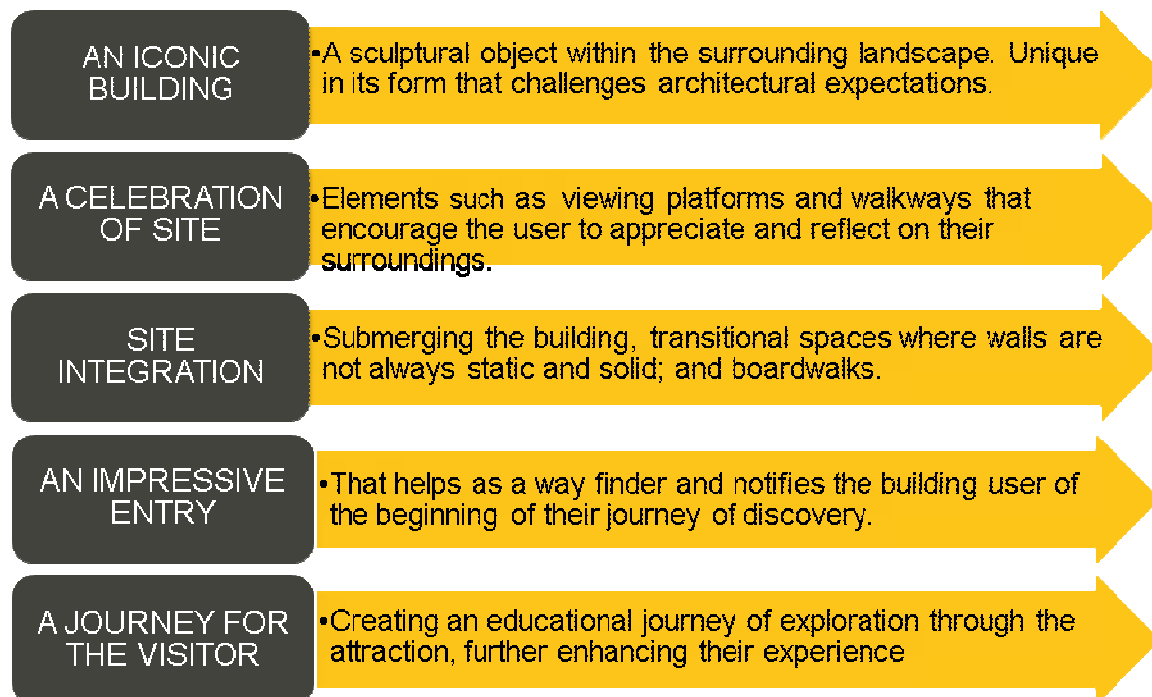
²¹Health Tourism in Australia: Supply, Demand and Opportunities, Voight et. al, 2010



3.5.3. Creating places that attract

In order to provide an assessment of how MCSR performs in regards to visitor appeal and to identify opportunities that exist, best practice visitor educative and interpretive centres have been assessed. The figure below provides a summary of these features which distinguish these centres as best practice.

FIGURE 10: FEATURES THAT ATTRACT



In relation to MCSR we note the following:

- The existing MCSR visitor education centre was developed some time ago and is dated and consequently not considered “a sculptural object”. Whilst the focus of the MCSR will continue to be the Rainforest, views and environmental learning, there is a need to recognise that visitor expectations are changing and the importance of having a built environment which directly complements the attractiveness of the natural environment must not be understated. The built environment need not be large scale but rather, the sculptural component could include serene and attractive interior spaces, entry elements which directly complement the natural environment and attractive interpretation;
- The existing visitor education centre has limitations particularly regarding visitor flow and connectivity to the café is not optimal for interpretative displays and could better connect the interior and exterior environment;



- The rainforest walk is a good walk, however it is quite a static experience with limited interpretation;
- There are limited interactive experiences that visitors are able to undertake; and
- The creation of an integrated discovery centre, which could provide interactive innovative interpretation components, a café and a retail and learning space would help stimulate greater interest in the MCSR, maximise visitor experience and promote up take of key messages associated with the Reserves natural and cultural significance. The 'journey' for visitors should begin at the car park and include common 'threads' that promote a sense discovery, continuity and integration.

3.5.4. Creating attractions and experiences

Case studies of experiential attractions show that interactive exhibits draw a positive reaction from the family market. Families are drawn by interactive, hands-on features and a focus on science which is both educational and entertaining.

A balance of attractions which maximises the interactive, high energy exhibits and minimises the focus on static displays and historical facts is important. Providing a clear cause and effect – when I do this, I get this reaction – is what children and teenagers look for.

Queensland and the Sunshine Coast region attract a large proportion of the family market. In order for the Hinterland and MCSR in particular to capture a greater share of this market, it is important that interactive exhibits and displays are developed which directly appeal to this family market.

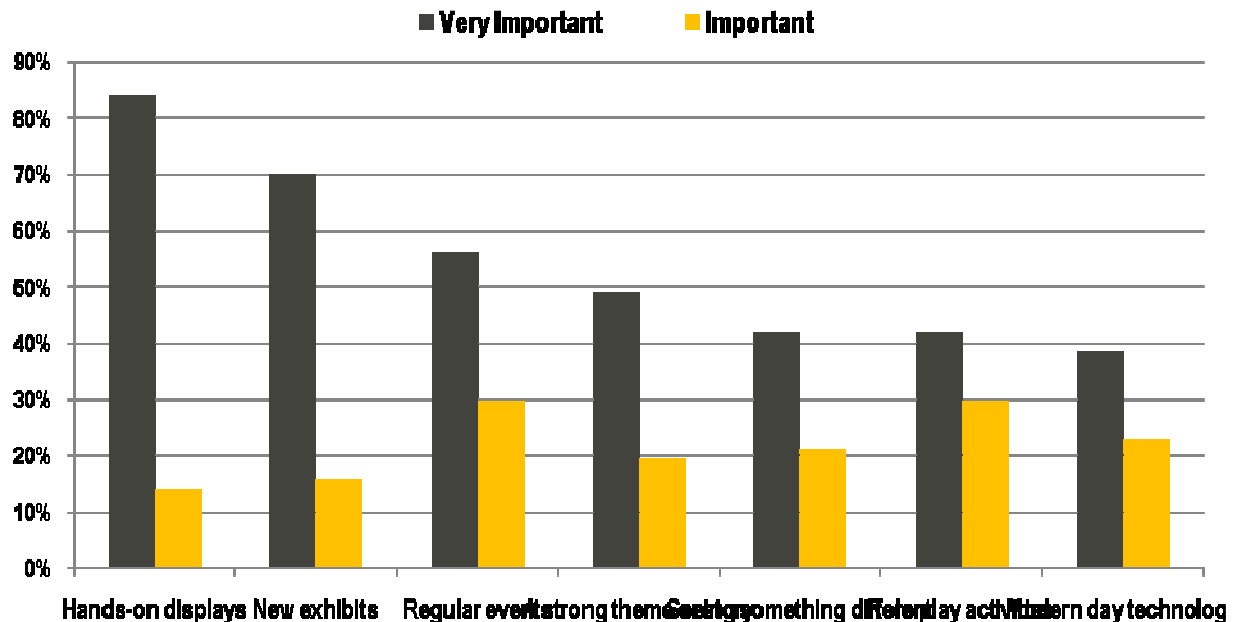
Research indicates that parents and their children want to explore and participate in activities which allow them to be creative. Having group activities and opportunities to mix with other children is also important. An important part of visiting attractions is being part of a space that is being enjoyed by others in their age group. The key point here is that for MCSR to attract more interstate, intra state and international visitors and especially the family market segment the built facilities would need to cater for more interactive creative activity to help explain the importance of the MCSR and what it stands for.

In regards to video/audio experiences, families expect an audio program to last no more than 30 minutes (the length of an average TV show) and to run frequently through the day so they do not have to plan their day around seeing the show.



At MCSR, interactive displays have the potential to attract visitors during wet weather, and programs and events may be scheduled to increase visitation during currently quieter periods (e.g. early morning and late afternoon).

FIGURE 11: IMPORTANCE OF ELEMENTS IN VISITOR ATTRACTIONS TO THE FAMILY MARKET



3.5.5. Technology in Visitor Interpretative and Educative Centres

Consumer demand and expectations for visitor experiences which incorporate interactive experiences is growing. A large portion of these experiences incorporate innovative technology. Today, visitor interpretative and educative centres do not simply exist to generate revenue, but rather primarily to improve the public's understanding about an attraction (its history, flora and fauna and culture). Innovative technologies are able to be utilised to present this information in an exciting and interesting way.

Successful visitor interpretative and educative centres are currently utilising the following technologies in delivering visitor services:

- Internet;
- Destination Marketing Systems;
- Web-Based Information/Interactive Kiosks;
- Email and Mailing Lists;
- Call Centres/Telephone Information lines;



- Television/Video presentations;
- Web-Based Tourist Guides; and
- Mobile/Wireless Devices/Solution (PDAs, Mobile Phones, WAP, Wi-Fi and Hotspots).
- These tools offer best practice examples and provide some valuable learning experiences for MCSR:
 - Be clear on what the market wants and how you can deliver it;
 - Have a clear and central theme that unifies the site;
 - Be flexible so that the site can meet the needs of various groups for many needs;
 - Avoid over-capitalising, this creates a need to generate revenue that begins a continuous pattern of development; and
 - Ensure the site is linked to the neighbourhood and surrounding attractions to increase the chance of local support and custom

3.6. NICHE MARKETS

Currently, the MCSR is targeting primarily those visitors interested in ecotourism or those who are self-drive. Through the redevelopment of the MCSR, potential exists to capture a wider range of niche market segments, including the adventure, arts and culture, small events, food and wine²² and indigenous markets.

3.6.1. Current markets captured comparison

Table 7 on the following page provides an overview of markets currently being captured by the MCSR and its competitors, such as Australia Zoo and Underwater World, and the future potential of the Reserve following redevelopment to capture additional markets.²³

²² Specifically focusing on those visitors after a bush food and local food experience

²³ Under development option 3.



TABLE 7: NICHE MARKET MATRIX

NICHE MARKETS	MCSR – CURRENT NICHE MARKETS TARGETED	MCSR – MARKETS TARGETED AFTER REDEVELOPMENT	AUSTRALIA ZOO - BEERWAH	UNDERWATER WORLD - MOOLOOLABA	MT TIBROGARGAN – GLASS HOUSE MOUNTAINS	NOOSA HEADS COASTAL TRACK - NOOSA HEADS
	✗	✓	✓	✓	✓	✓
	✗	✓	✗	✗	✗	✓
	✗	✗	✓	✓	✓	✓
	✗	✗	✗	✗	✗	✗
	✗	✗	✗	✗	✗	✗
	✓	✓	✓	✓	✓	✗
	✓	✓	✓	✓	✓	✓
	✗	✓	✓	✗	✗	✗
	✗	✓	✗	✗	✗	✗
	✗	✓	✓	✗	✓	✓
	2	7	6	4	5	5

²⁴ Food and wine niche market includes the bush food experiences including tastings, bush food discovery walks, cooking classes.





3.6.2. Markets captured by development option

The table below identifies the Reserve's current position as well as future potential markets that the MCSR could capture under each development option. Development options 3 and 4 are able to capture the most markets as a result of increased capital expenditure enabling a larger facility to be developed and greater services being offered. These options therefore present a larger social opportunity, capturing markets that may not have been targeted had the MCSR redevelopment not occurred.

TABLE 8: NICHE MARKET MATRIX – DEVELOPMENT OPTION SPECIFIC

NICHE MARKETS	CURRENT SCENARIO	POST REDEVELOPMENT			
	MCSR –NICHE MARKETS TARGETED	DEVELOPMENT OPTION 1	DEVELOPMENT OPTION 2	DEVELOPMENT OPTION 3	DEVELOPMENT OPTION 4
	×	×	✓	✓	✓
	×	×	×	✓	✓
	×	×	×	×	×
	×	×	×	×	×
	×	×	×	×	×
	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓
	×	×	✓	✓	✓
	×	×	✓	✓	✓
	×	✓	✓	✓	✓
	2	3	6	7	7



4. POTENTIAL CONSTRAINTS

The following table outlines constraints on redevelopment which have been set by Council based on strategic documents associated with MCSR, and a Building Development Prospectus 2011. These constraints have potential to limit growth in visitor numbers and ultimately impact on visitor education and economic returns.

TABLE 9: POTENTIAL CONSTRAINTS

CONSTRAINT	DESCRIPTION
	<p>The car park was recently redeveloped in 2011 and provides 72 car spaces, 2 coach and 3 small bus spaces. There is also a loading zone/bus set-down zone. The Group understands that the car park is not able to be expanded any further. During peak periods, the car park is full and street parking is restricted and dangerous. Given that the majority of visitors arrive by car, the size of the car park is an important constraint to increase visitation to the MCSR during peak periods.</p> <p>The need exists therefore to encourage visitation during non-peak periods (morning, afternoons, wet weather and during winter). An integrated, all-weather facility will help to encourage non-peak visitation. Potential shuttle services and the recently completed cycle path to Maleny provide some limited opportunities to enhance visitation.</p>
	<p>The footprint of redevelopment is limited to the existing disturbed area (i.e. area currently covered by buildings, rear of café car park, pedestrian areas, and gardens to café courtyard). Additional building levels would provide an opportunity to increase floor space while avoiding expanding the built footprint, and may also allow for some revegetation of former site.</p>
	<p>Given the potential for increased visitation to impact on the rainforest, it is our understanding that Council are seeking to minimise large increases in visitation to the Rainforest itself. This however does not preclude increased visitation to other facilities on the site, for example, the learning and interpretation centre, café and picnic areas.</p> <p>For a segment of visitors, a highly interactive and innovative interpretation Centre could provide a stand-alone attraction. Additionally, the development of a viewing platform would enable visitors to experience the rainforest environs, without having to enter the rainforest.</p>
	<p>Without further application, the current planning scheme limits buildings to 8.5m in height.</p> <p>Additionally, visual impacts of development must be minimised when viewed from the grassed forecourt to Education Centre, picnic areas, car park, walking tracks and other view points within the MCSR. This may be achieved through the form or finish of the building, preferably by maintaining a significant vegetative screening. Some impacts on the views from Mountain View Road may be acceptable (e.g. two story development).</p>



5. SUPPLIER INTEREST

As a result of visitation numbers to MCSR, The Group considers that there should be greater interest for retail suppliers at MCSR. Currently, this interest is very limited. There is preliminary interest however, for a good quality café-tea house facility, especially if there is catering opportunities associated with functions and small events to provide additional income streams.²⁵

Initial research indicates the following:

- There is limited interest in retailing (e.g. educational products and souvenirs) and this should be undertaken in house by Council (or its community partners). The forecasted revenue in all development options shows fairly attractive returns and it therefore provides an important revenue stream to the MCSR following redevelopment. If this function were to be contracted out, the return to an operator would most likely offer little residual return to the MCSR by way of a rental arrangement for space within the visitor interpretative centre. Though the risk to the MCSR from contracting out retail services would be reduced, the commensurate return would be unlikely to compensate for this;
- In the current economic climate it may be challenging attracting a well experienced café-tea house operator without offering a rent holiday for 1-2 years to compensate for the risks associated in investing in a fit-out at a new café structure at MCSR. The less flexibility offered, the greater the challenge; and
- The visitor interpretative centre/education centre should be operated by Council (or its community partners) as the expected revenue and limited size would not sustain a commercial operator's fee. Furthermore, the running of the centre should also include the retail-merchandise area which is integrated within it.

It is important to note that requirements which prevent the cafe/teahouse operator operating past 6pm and limitations on scale etc. reduce the commercial attractiveness to some operators. In essence the tea house concept would work best offering mostly morning teas, lunches and afternoon teas along with catering for the meeting/function room.

The tea house concept would also need to avoid offering a more extensive menu as the restaurants at Cairncross corner already do. There is a need for a clear point of difference particularly as there may be concern about Council introducing further competition into an already tough market.

²⁵ The Group spoke with a number of retail, café and tourism operators on a confidential basis to ascertain their interest in potentially being involved in the new facility.



6. DEVELOPMENT OPTION ANALYSIS

The following section provides an overview and analysis of the four development options for the MCSR. It is important to note that these development options were predetermined by Council and have been provided to The Group (however certain attributes of the development options were able to be modified).

6.1. DEVELOPMENT OPTION ELEMENTS²⁶

The following subsections detail each of the various elements which are included in the development options.

6.1.1. Food/drink services

This functional area includes all aspects of the MCSR which relate to the provision of food and beverages to visitors. Across all development options, this includes:

- The development of a kiosk/café, commercial kitchen, cold room and servery area;
- Undercover elevated seating ranging from seating 60 (option 2) to 80 (options 1, 3 and 4);
- Variable operating hours, with options 1 and 2 opening from 9am – 5pm (6pm in summer) and options 3 and 4 operating from 7am – 6.30pm to capitalise on the bird watchers and early riser markets as well as the afternoon tea market;
- No provision of alcohol (option 1), BYO (option 2) or a full licensed operation (options 3 and 4). Within options 3 and 4, it is up to the lessee's discretion whether they will allow diners to bring BYO. Generally, this would attract a corkage fee; and
- At this stage, the café operation will not allow for the closing of areas for private functions as during peak periods, the café is likely to be full. If the MCSR wanted to allow for private functions, a separate enclosed space would need to be designated.²⁷

Based on the MCSR's stunning scenery, the current clientele, as well as the size limitations based on the predetermined development options, The Group recommends that a teahouse style café be developed for options 2-4. The relaxing and clean characteristics of the teahouse will directly

²⁶ Note that The Group also conducted a workshop with Council personnel to discuss the development options and additional development components which could be investigated/adopted in the future. The findings of this workshop are included in Appendix 2.

²⁷ Note that if the MCSR wishes to have commercial functions held in this area, a separate semi-enclosed space will need to be designated to create a level of privacy as anyone prepared to pay for a commercial function in this area will expect a degree of exclusivity so there is no conflict between public users and those paying for a specific commercial or related purpose.



complement the MCSR. The tea house would be serving a 'Devonshire tea experience' including scones, cakes and other light meals. This would help ensure that the tea house is not competing with other restaurants on Cairncross corner. Additionally, the meals offered in the tea house should not need a large kitchen for preparation.

Figure 12 below illustrates best practice examples of successful teahouses.

FIGURE 12: BEST PRACTICE TEA HOUSES²⁸



Whilst a restaurant could have been considered for development options 3 and 4, the space allocated to the food/drink services functional area under the predetermined development options would not allow the creation of a commercial kitchen large enough to operate an 80-100 seat restaurant operation.

Additionally, the immediate locality of Mountain View Road has a number of restaurants (8 are listed within a 3km radius of the MCSR). Resulting from the Global Financial Crisis, many businesses are finding it increasingly difficult financially due to decreased consumer discretionary spending. The Group therefore considers that if Council were to open or facilitate the venture of a large restaurant and evening dining experience, this may be in direct competition with local businesses and therefore may meet resistance from the local community.

The development of a restaurant would also attract a different segment of visitors to MCSR, specifically those after a dining experience and not an educative one. The introduction of a restaurant therefore may not complement other experiences at the Reserve (educative experiences, interpretation, walks).

6.1.2. Covered picnic area/outdoor classroom

The covered picnic area/outdoor classroom across all options will be a new area which will principally cater for the large numbers of school groups who visit MCSR and require shelter for group activities. If the MCSR wishes to have commercial functions held in this area, a separate semi-enclosed space will need to be designated to create a level of privacy as anyone prepared to pay for a commercial function

²⁸ Houhai, China; Santa Fe, New Mexico; Boulder, Colorado



in this area will expect a degree of exclusivity so there is no conflict between public users and those paying for a specific commercial or related purpose.

FIGURE 13: BEST PRACTICE OUTDOOR CLASSROOMS²⁹



The outdoor classroom will enable parents and children to participate in a range of activities, all aimed at providing an educational experience in an interesting and engaging format.

6.1.3. Conference/meeting room/learning space

The meeting room across all development options will provide a small theatre style room for both MCSR visitors and varying degrees of commercial use. The room will be designed to allow for meetings of up to 40 individuals (seated).

The meeting room will be fitted out with a range of audio/video equipment to cater for small conferences and presentations.

6.1.4. Retail

The retail component of the Centre, if undertaken successfully, will be an important revenue generator for the MCSR. Development option 1 includes the provision of local produce/crafts and educational material, displayed in a small area within the kiosk and/or education centre. This space would be constrained due to its small size, which would ultimately impact on the number of items able to be stored and displayed. Given the café remains largely separate from the education centre under this development option, it would not capitalise on cross-patronage between the café and the retail in the education centre.

Development options 2-4 however include a larger separate space, allowing for a much more diverse range of products (local and regional) to be displayed and directly promotes cross-patronage between the food/beverage and interpretative centre (which includes retail) functions. Additionally, the multi-level facility which would be developed in options 3 and 4 could include the display of higher price point retail

²⁹San Diego Cooperative Charter School, USA; Crompton Primary School, UK; Avom Grove Charter School, USA



items (particularly photographs, sculptures and paintings/artwork) throughout the entire complex rather than just being displayed in the one area.

The following table illustrates the different retail mix focused on for each development option.

TABLE 10: RETAIL MIX

RETAIL MIX ELEMENT	OPTION 1	OPTION 2	OPTION 3	OPTION 4
	<ul style="list-style-type: none"> ▪ Local produce/crafts ▪ Basic educational material 	<ul style="list-style-type: none"> ▪ Local produce/crafts ▪ Regional produce and souvenirs ▪ Basic educational material 	<ul style="list-style-type: none"> ▪ Local produce/crafts ▪ Regional produce and souvenirs ▪ Bush foods, particularly focusing on region specific bush foods. ▪ Extensive educational material (DVDs, books, educational games, brain teasers) ▪ Eco-friendly products (natural soaps, perfumes, moisturisers, reusable bags) ▪ Paintings, artwork and sculptures 	<ul style="list-style-type: none"> ▪ Local produce/crafts ▪ Regional produce and souvenirs ▪ Bush foods, particularly focusing on region specific bush foods. ▪ Extensive educational material (DVDs, books, educational games, brain teasers) ▪ Eco-friendly products (natural soaps, perfumes, moisturisers, reusable bags) ▪ Paintings, artwork and sculptures
	Basic – separate from kiosk and education centre	Basic – integrated with education centre staff	Dedicated customer service staff/volunteer for retail, with extensive local and regional knowledge	Dedicated customer service staff/volunteer for retail, with extensive local and regional knowledge
	\$2.25	\$4.50	\$4.50-\$10.00	\$4.50-\$10.00

6.1.5. Discovery Centre

The visitor interpretation of ‘discovery’ centre will be the primary point of interpretation for the MCSR. Under development options 2-4, this will include an entirely new education centre, whilst under development option 1 it involves the refurbishment of the existing education centre.

The centre will feature a range of interactive and learning experiences; keeping families engaged and enthused to learn about MCSR’s natural and cultural values. Technologies which could be implemented include:



- Interactive floors (see Figure 14 on the following page for best practice examples): This could potentially be designed to simulate the Rainforest environment, allowing visitors to see how the rainforest changes as a result of human footprint.



FIGURE 14: BEST PRACTICE INTERACTIVE FLOORS³⁰



- Projected and/or touch screen tables: These tables can either be projected onto to create the scene or be an actual touch screen (see Figure 15 below for best practice examples). Touch tables create social interaction between people and are a platform for lively learning, conservation and engagement. The tables could tell a range of stories such as the history of the Rainforest and descriptions on the flora and fauna that live within.

FIGURE 15: BEST PRACTICE TOUCH TABLES³¹



- Interactive walls: These walls can be customised to feature a wide range of different scenarios (Figure 16 on the following page demonstrates some of these). For example, they can project a figure which mimics the actions of the person utilising the interactive wall or have the participant move and drags things along the wall. The MCSR could potentially install a “word wall” which allows people to collect words and images, or they could use a movie wall to create their own simple movie, which replays on the projected wall for them.

³⁰http://www.snibbeinteractive.com/platforms/socialfloor/products/bug_rug

³¹<http://www.snibbeinteractive.com/platforms/socialtable/products/socialtable-touch/photos/>



FIGURE 16: INTERACTIVE WALLS³²



Importantly, we consider that the centre be branded as a “Discovery” centre rather than an education centre. It needs to motivate, entice and engage visitors through a sense of discovering more about MCSR’s natural and cultural features. The branding of the Centre will have a direct correlation with this.

6.1.6. Viewing platform

To capitalise on the views that can be captured from MCSR of the Glass House Mountains and Rainforest, the development of a viewing platform has been proposed. The viewing platform would include:

- Development option 1: A basic 2 metre elevated platform with a ramp leading up to the main viewing deck for disabled access. This viewing platform would minimal provide views of the Glass House Mountains and views into the Rainforest; and
- Development options 2-4: A multi-level viewing platform in which the first level of the viewing platform is incorporated into the integrated building structure (discovery centre, tea house, meeting room). The platform could feature 2 separate levels the first of which provides a view of the Glass House Mountains and into of the Rainforest, the second level provides views of therainforest canopy as well as the Glass House Mountains.

6.1.7. Canopy walk

The canopy walk, due to the amount of capital expenditure required to develop and the associated ongoing maintenance cost, is only included in development option 4.

The canopy walk proposed would be limited to the front of the MCSR, running between an integrated building fronting Mountain View Rd and the current beginning of the rainforest walk. The walk would not run through the existing Rainforest due to potential adverse environmental impacts.

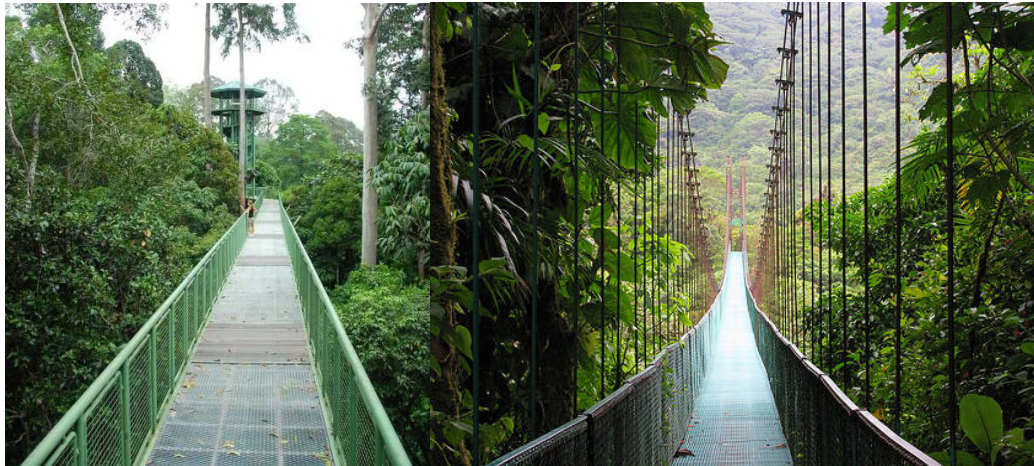
³²http://www.snibbeinteractive.com/downloads/Snibbe_Interactive_Catalog.pdf



To provide a passive-thrill and learning experience, the canopy walk could be a suspended walk linked to several viewing platform/towers which feature interpretation.

The figure below provides an example of a best practice canopy walk which is located in Sandakan Rainforest Discovery Centre, Sabah.

FIGURE 17: BEST PRACTICE CANOPY WALK



6.1.8. General building structure

The building structure across the four development option differs significantly. The following provides an overview of the included building structures:

- Elevated light timber structure with separate pavilions: Development option 1 includes this style of development and involves a rebuild of the kiosk/café and refurbishment of the existing education centre as well as the development of some new buildings. Whilst this option is not the most ideal in terms of long term financial viability and the ability to educate and provide an interesting and engaging experience, it involves the least capital expenditure (\$1.4m);
- One level, slab on ground, integrated development: Development option 2 includes this form of development and involves the construction of an entirely new facility/structure. An engineer will be required to determine whether slab on ground would be appropriate in comparison to an elevated structure and to confirm there are no geotechnical problems; and
- Two level, slab on ground, integrated development: Development options 3 and 4 includes this style of development, with the primary retail, discovery centre and meeting rooms being located on level 1 and the primary food/drink area and viewing platform being situated on level two to capitalise on the views provided. Again, an engineer will be required to determine whether slab on ground would be appropriate in comparison to an elevated structure.



6.1.9. Other elements

Additional to the above mentioned functional areas and building attributes, all development options will include the following:

- The inclusion of offices;
- A research area;
- A non-commercial staff kitchen;
- Toilets for staff and café patrons;
- A verandah for staff use;
- Car parking and service deliveries (8 vehicles);
- Work shed for Reserve use only; and
- Water and wastewater treatment facilities.

6.2. DEVELOPMENT OPTION 1

Development option 1 is the most basic development option proposed. The option involves keeping the existing education centre, rebuilding the kiosk/café on its current site and building new pavilions for a meeting space and staff offices. Table 11 below provides an overview of the development and its associated components.

TABLE 11: DEVELOPMENT OPTION 1 OVERVIEW

COMPONENT	SIZE	DESCRIPTION
	40m ²	Basic kiosk/café development
	220m ²	Area provides seating for 80 (20 tables)
	-	9am – 5pm (6pm in summer)
	-	Not allowed under development option.
	-	No private functions.
	100m ²	New area developed. No commercial use, only use allowed is MCSR use.
	80m ²	No commercial use, only use allowed is MCSR use.
	15m ²	Local produce/crafts and education material in existing kiosk/education area
	110m ²	Refurbish existing education centre
	50m ²	2m elevation with ramp



	-	Not considered under development option.
	-	Elevated light timber structure One level Separate pavilion style development Mixture of refurbishment of existing buildings and new development
	697m ²	

6.3. DEVELOPMENT OPTION 2

Development option 2 involves construction of a completely new facility. The development would include an integrated building, comprising of a café, meeting room/theatrette, retail shop, discovery centre, an undercover outdoor picnic area/outdoor classroom and an integrated viewing platform. The development would be single storey and based on engineering approval, would be constructed on slab.

Opportunity exists to retain/remodel part of the existing Education Centre to serve as part of the new integrated centre. The cost benefit of undertaking an entirely new structure or retaining part of the existing building would however need to be assessed.

The table below provides a detailed overview of development option 2 and its included elements.

TABLE 12: DEVELOPMENT OPTION 2 OVERVIEW

COMPONENT	SIZE	DESCRIPTION
	40m ²	Café/teahouse style of development
	200m ²	Area provides seating for 60 (approximately 15 tables). The size (200m ²) has been assigned in this option.
	-	9am – 5pm (6pm in summer)
	-	BYO alcohol license only
	-	No private functions (booking out of space) as this would impede public use of the space. If the MCSR was looking to lease out for function space, a separate function area/room would need to be developed under a new or additional development scenario as anyone prepared to pay for a commercial function in this area will expect a degree of exclusivity so there is no conflict between public users and those paying for a specific commercial or related purpose. If the food and beverage area is not available to the public at all times, there is likely to be strong market resistance and negative feedback to Council. Operators interested in leasing the café will expect to be able to access all visitor markets especially the public

³³ Please note that total floor space includes additional floor space included in Tender Brief under Table 1, but for which no functional area has been assigned.



		at large.
	100m ²	Component separate to integrated development structure.
	80m ²	Full commercial use. Theatrette however must be available for general visitor/community use for at least 20% of the MCSR's scheduled opening hours during the business week
	30m ²	Regional produce and souvenirs
	80m ²	Entirely new facility, developed in the new integrated facility
	180m ²	Multi-storey viewing platform 3 different levels: First level provides overview of site, Second level provides view of below the canopy and the Glass House Mountains and Top level provides view over and above the canopy as well as the Glass House Mountains. Multi-level viewing platform will provide MCSR with a unique selling point.
	-	Not considered under development option
	-	One level New development Slab on ground (subject to engineering advice) ³⁴
	818m ²	-

6.4. DEVELOPMENT OPTION 3

Development option 3 comprises a new, integrated facility which spans over two levels. The facility would include a café/teahouse, meeting room/theatrette, retail shop, discovery centre, an undercover outdoor picnic area/outdoor classroom and an integrated viewing platform.

The key differences between development option 2 and 3 lie in the size of the facility and the services offered under this option. Operating hours, particularly during summer months, will run from 7am – 6.30pm, with the facility operating for 2.5 hours more per day than in development option 2. It is envisaged that the MCSR will be able to capture morning and afternoon visitor markets and consequently, spread visitation throughout the duration of the day rather than concentrating on the peak midday period. In particular, there are several markets which could be captured including the early morning bird market, the cycling market as well as the walking/running market.

The facility constructed will span two levels, compared with development options 1 and 2 which are single-storey developments. Two levels, whilst it may be more capital intensive to construct, will

³⁴ Rationale is the viewing tower will need extensive footings which will necessitate some earth excavation and engineering advice.

³⁵ Please note that total floor space includes additional floor space included in Tender Brief under Table 1, but for which no functional area has been assigned.



capitalise on the views which can be captured of the Glass House Mountains from the MCSR. Additionally, it may provide opportunity to reduce environmental impact through a smaller building footprint and increased potential to integrate solar energy and rainwater collection practices.

Development option 3 also features a much larger undercover seating area than development option 2 (400m² compared with 200m²) allowing for larger numbers of visitors to use the café/teahouse facility. During lunch time and late afternoon, the café/teahouse will be able to provide liquor as development option 3 includes the provision of a liquor license.³⁶ It is up to the lessee's discretion whether they will also allow BYO.

The discovery centre, an integral component of the facility to provide education and interpretation, under development option 3, receives a larger interpretation fit out budget (\$200k compared to \$130k in development option 2). This will allow the MCSR to fit the centre out with more interactive and interesting exhibits.

Opportunity exists to retain/remodel part of the existing Education Centre to serve as part of the new integrated centre. The cost benefit of undertaking an entirely new structure or retaining part of the existing building would however need to be assessed.

TABLE 13: DEVELOPMENT OPTION 3 OVERVIEW

COMPONENT	SIZE	DESCRIPTION
	40m ²	Café/teahouse style of development
	400m ²	The maximum size (400m ²) has been assigned in this option to allow for greater visitor penetration of the café.
	-	7am – 6.30pm. Operating hours have been extended to capture the morning and afternoon visitor markets. This is particularly important throughout summer.
	-	Fully licensed (however may allow for BYO – up to lessee's discretion).
	-	No private functions (booking out of space) as this would impede public use of the space. If the MCSR was looking to lease out for function space, a separate function area/room would need to be developed under a new or additional development scenario as anyone prepared to pay for a commercial function in this area will expect a degree of exclusivity so there is no conflict between public users and those paying for a specific commercial or related purpose.

³⁶ Note that liquor consumption at restaurants/cafes etc. tends to occur more often during evenings. As the café/tea house will not be operating for a dinner experience, it is expected that liquor consumption will be minimal.



		If the food and beverage area is not available to the public at all times, there is likely to be strong market resistance and negative feedback to Council. Operators interested in leasing the café will expect to be able to access all visitor markets especially the public at large.
	100m ²	Component separate to integrated development structure.
	80m ²	Full commercial use. Theatrette however must be available for general visitor/community use for at least 20% of the MCSR's scheduled opening hours during the business week
	30m ²	Regional produce and souvenirs.
	80m ²	Entirely new facility, developed in the new integrated facility.
	180m ²	Multi-storey viewing platform 3 different levels: First level provides overview of site, Second level provides view of below the canopy and the Glass House Mountains and Top level provides view over and above the canopy as well as the Glass House Mountains. Multi-level viewing platform will provide MCSR with a unique selling point.
	-	Not considered under development option
	-	Two levels New development Slab on ground (subject to engineering advice) ³⁷
	1018m ²	

6.5. DEVELOPMENT OPTION 4

Development option 4 also includes the development of a new, integrated facility which spans across two levels. The facility would include a café/teahouse, meeting room/theatrette, retail shop, discovery centre, an undercover outdoor picnic area/outdoor classroom and an integrated viewing platform. It is important to note that whilst a restaurant was initially included in this development option, The Group considers that the most optimal use for the space is to develop a café/teahouse style experience. This consideration is based on competitive neutrality as well as the small size of the space allocated to the food/drink services functional area which would not allow for the creation of a commercial kitchen large enough to operate an 80-100 seat restaurant operation.

³⁷ Rationale is the viewing tower will need extensive footings which will necessitate some earth excavation and engineering advice.

³⁸ Please note that total floor space includes additional floor space included in Tender Brief under Table 1, but for which no functional area has been assigned.



As with the facility constructed in development option 3, development option 4 includes a two-storey facility capturing the views from the Glass House Mountains, a larger undercover seating area, longer trading hours as well as a full liquor license.

Opportunity exists to retain/remodel part of the existing Education Centre to serve as part of the new integrated centre. The cost benefit of undertaking an entirely new structure of retaining part of the existing building would however need to be assessed

The primary difference between development option 3 and 4 is the provision of a canopy walkway. The walkway itself will feature a 120m suspended experience allowing visitors to capture views of both the rainforest and the Glass House Mountains.

TABLE 14: DEVELOPMENT OPTION 4 OVERVIEW

COMPONENT	SIZE	DESCRIPTION
	60m ²	Café/teahouse style of development due to size limitation ³⁹
	400m ²	The maximum size (400m ²) has been assigned in this option to allow for greater visitor penetration of the café.
	-	7am – 6.30pm Operating hours have been extended to capture the morning and afternoon visitor markets. This is particularly important throughout summer.
	-	Fully licensed (however may allow for BYO – up to lessee's discretion).
	-	No private functions (booking out of space) as this would impede public use of the space. If the MCSR was looking to lease out for function space, a separate function area/room would need to be developed under a new or additional development scenario as anyone prepared to pay for a commercial function in this area will expect a degree of exclusivity so there is no conflict between public users and those paying for a specific commercial or related purpose. If the food and beverage area is not available to the public at all times, there is likely to be strong market resistance and negative feedback to Council. Operators interested in leasing the café will expect to be able to access all visitor markets especially the public at large.
	100m ²	Component separate to integrated development structure.
	80m ²	Full commercial use. Theatrette however must be available for

³⁹ The minimum requirement for a restaurant commercial kitchen is generally around 60m²-90m². If Council would like the inclusion of a restaurant rather than a café/teahouse style of development, a larger amount of space will need to be designated.



		general visitor/community use for at least 20% of the MCSR's scheduled opening hours during the business week
	30m ²	Regional produce and souvenirs.
	80m ²	Entirely new facility, developed in the new integrated facility.
	180m ²	Multi-storey viewing platform up to 8.5m 2 different levels: First level provides view of below the canopy and the Glass House Mountains and Top level provides view over and above the canopy as well as the Glass House Mountains. Multi-level viewing platform will provide MCSR with a unique selling point.
	180m ²	Suspended canopy walk included to provide MCSR with a passive recreational experience.
	-	Two levels New development Slab on ground (subject to engineering advice) ⁴⁰
	1,218m ²	

⁴⁰ Rationale is the viewing tower will need extensive footings which will necessitate some earth excavation and engineering advice.

⁴¹ Please note that total floor space includes additional floor space included in Tender Brief under Table 1, but for which no functional area has been assigned.



The matrix below provides an updated overview of each development option, benchmarking these against the existing situation.⁴²

TABLE 15: DEVELOPMENT CONCEPTS FOR BUSINESS CASE ASSESSMENT

Functional areas	Existing Situation		Development Option 1		Development Option 2		Development Option 3		Development Option 4	
	description	m ²	description	m ²	description	m ²	description	m ²	description	m ²
food/drink services	kiosk/café	160	kiosk/café	40	kiosk/café	40	kiosk/café	40	combined restaurant and café	60
	commercial kitchen, cold room, servery (caretaker's residence)		commercial kitchen (incl cold room and servery area)		commercial kitchen (incl cold room and servery area)		commercial kitchen (incl cold room and servery area)		commercial kitchen (incl cold room and servery area)	
	undercover seating for 80 (20 tables)	220	undercover elevated seating for 80 (20 tables)	220	as most optimal (up to 400 m ² if over two levels); all undercover	200	as most optimal (up to 400 m ² if over two levels); all undercover	400	as most optimal (up to 400 m ² if over two levels); all undercover	400
	opening hours 9am to 5pm		opening hours 9am to 5pm (6pm in summer)		opening hours 9am to 5pm (6pm in summer)		as commercially optimal	7am-6.30pm	as commercially optimal	7am-6.30pm
	no alcohol		no alcohol		BYO / fully licenced -as optimal	BYO	BYO / fully licenced - as optimal	Licenced	BYO / fully licenced - as optimal	Licenced
	no private functions		no private functions		full private use, but no full exclusion of public during park visiting hours		full private use, but no full exclusion of public during park visiting hours		full private use, but no full exclusion of public during park visiting hours	
covered picnic area/ outdoor classroom	none		new area, for Reserve use only, no private functions	100	new area, available for full commercial use (extension of café seating for functions)	100	new area, available for full commercial use (extension of café seating for functions)	100	new area, available for full commercial use (extension of café seating for functions)	100
conference/meeting room (learning space) seat 50 theatre style	no commercial use, Reserve use only	80	no commercial use, Reserve use only	80	full commercial use, but 20% availability for Reserve use on weekdays	80	full commercial use, but 20% availability for Reserve use on weekdays	80	full commercial use, but 20% availability for Reserve use on weekdays	80
retail	basic retail with souvenirs and educative material in kiosk/Ed Centre	15	local produce/crafts and educational material in kiosk/Ed Centre	15	regional produce and souvenirs, up to 30 m2	30	regional produce and souvenirs, up to 30 m2	30	regional produce and souvenirs, up to 30 m2	30
education centre	Part of existing Education Centre	110	refurbish	110	build new	80	build new	80	build new	80
viewing platform	none		2 metre elevation with ramp	50	integrate with structure	180	integrate with structure	180	integrate with structure	180
canopy walk (120 m)	none		not considered	X	with/without as optimal	X	with/without as optimal	X	with/without as optimal	180
general building structure	mixed		elevated light timber structure		slab on ground/elevated floor; to be defined	Slab	slab on ground/elevated floor; to be defined	Slab	slab on ground/elevated floor; to be defined	Slab
	one level		one level		one or two levels - as most optimal	One	one or two levels - as most optimal	Two	one or two levels - as most optimal	Two
	depot style		depot style development		fully integrated structure		fully integrated structure		fully integrated structure	
TOTAL GFA	654 m ²		697 m ²		818 m ²		1018 m ²		1,218 m ²	

⁴² Please note "TOTAL GFA" has been updated to include viewing platform and canopy walk (where applicable) floor space size.



7. FINANCIAL ANALYSIS

The following section comprises of a financial analysis of the four development options to ascertain which offers the most viable and sustainable operating model over the next 25 years. This analysis includes examination of potential cash flow, expected capital expenditure, revenue streams that could potentially be generated as well as a top line cost benefit analysis of each development option.

7.1. CASH FLOW ANALYSIS

Table 16-Table 19 on the following pages includes a detailed cash flow analysis for each of the four development options. This includes expenses incurred and revenue expected to be generated over the 25 year period assessed. The analysis also includes provision for major refurbishment every 7 years as the discovery centre in particular will need to be refreshed in order to maintain market appeal.

Points to note include:

- For development option 1, expenditure as a percentage of revenue, equates to 126% in year one and 87% by year 25;
- For development option 2, expenditure as a percentage of revenue, equates to 96% in year one and 65% by year 25;
- For development option 3, expenditure as a percentage of revenue, equates to 97% in year one and 42% by year 25;
- For development option 4, expenditure as a percentage of revenue, equates to 102% in year one and 61% by year 25;
- Salaries make up the largest portion of operating costs, accounting for 46%, 35%, 34% and 32% of total operating costs in year 1, for each development option respectively; and
- The largest source of revenue across all development options comprises of retail revenue, accounting for 48%, 63%, 63% and 63% of all revenue in year 1, for each development option respectively.



TABLE 16: CASH FLOW ANALYSIS - DEVELOPMENT OPTION 1

OPTION 1	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
REVENUE																									
Café lessee rent	\$5,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Café lessee portion of turnover	-	-	\$26,591	\$27,123	\$26,310	\$25,520	\$24,755	\$30,961	\$31,890	\$32,846	\$33,832	\$32,817	\$31,832	\$30,877	\$32,421	\$42,052	\$44,155	\$45,480	\$46,844	\$48,249	\$49,697	\$51,188	\$52,723	\$54,305	\$55,934
Retail revenue	\$74,685	\$76,179	\$77,702	\$79,256	\$76,878	\$74,572	\$72,335	\$115,897	\$119,374	\$122,955	\$126,643	\$122,844	\$119,159	\$115,584	\$121,363	\$163,840	\$172,032	\$177,193	\$182,509	\$187,984	\$193,624	\$199,433	\$205,416	\$211,578	\$217,925
Gold coin donations	\$74,353	\$75,840	\$77,357	\$78,904	\$76,537	\$74,241	\$72,013	\$74,174	\$76,399	\$78,691	\$81,052	\$78,620	\$76,262	\$147,947	\$155,345	\$163,112	\$171,268	\$176,406	\$181,698	\$187,149	\$192,763	\$198,546	\$204,503	\$210,638	\$216,957
Total Revenue	\$154,038	\$162,018	\$196,650	\$200,283	\$194,725	\$189,333	\$184,103	\$236,031	\$242,662	\$249,492	\$256,527	\$249,281	\$242,253	\$309,409	\$324,129	\$384,005	\$402,455	\$414,079	\$426,051	\$438,383	\$451,084	\$464,167	\$477,642	\$491,521	\$505,816
EXPENDITURE																									
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951
Cost of goods sold (retail)	\$33,608	\$34,280	\$34,966	\$35,665	\$34,595	\$33,557	\$32,551	\$52,153	\$53,718	\$55,330	\$56,990	\$55,280	\$53,621	\$52,013	\$54,613	\$73,728	\$77,415	\$79,737	\$82,129	\$84,593	\$87,131	\$89,745	\$92,437	\$95,210	\$98,066
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349
Signage (interp and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513
Site maintenance	\$21,000	\$21,630	\$22,279	\$22,947	\$23,636	\$24,345	\$25,075	\$25,827	\$26,602	\$27,400	\$28,222	\$29,069	\$29,941	\$30,839	\$31,764	\$32,717	\$33,699	\$34,710	\$35,751	\$36,824	\$37,928	\$39,066	\$40,238	\$41,445	\$42,689
Total Expenditure	\$194,608	\$200,560	\$206,702	\$213,040	\$217,798	\$222,783	\$228,000	\$254,036	\$262,249	\$270,732	\$273,775	\$279,235	\$284,988	\$291,041	\$301,562	\$328,864	\$341,015	\$352,088	\$363,528	\$375,345	\$387,554	\$400,166	\$413,197	\$426,659	\$440,568
Expenditure as a % of revenue	126%	124%	105%	106%	112%	118%	124%	108%	108%	109%	107%	112%	118%	94%	93%	86%	85%	85%	85%	86%	86%	86%	87%	87%	87%



TABLE 17: CASH FLOW ANALYSIS - DEVELOPMENT OPTION 2

OPTION 2	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
REVENUE																									
Cafe lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Cafe lessee portion of turnover	-	-	\$61,529	\$63,375	\$61,474	\$59,630	\$57,841	\$72,342	\$74,513	\$76,748	\$79,050	\$76,679	\$74,379	\$72,147	\$75,755	\$98,258	\$103,171	\$106,266	\$109,454	\$112,738	\$116,120	\$119,604	\$123,192	\$126,887	\$130,694
Retail revenue	\$166,245	\$174,557	\$179,794	\$185,187	\$179,632	\$174,243	\$169,016	\$270,800	\$278,924	\$287,292	\$295,911	\$287,034	\$278,423	\$270,070	\$283,573	\$382,824	\$401,965	\$414,024	\$426,445	\$439,238	\$452,415	\$465,988	\$479,968	\$494,367	\$509,198
Gold coin donations	\$82,753	\$86,891	\$89,497	\$92,182	\$89,417	\$86,734	\$84,132	\$86,656	\$89,256	\$91,933	\$94,691	\$91,851	\$89,095	\$172,845	\$181,487	\$190,561	\$200,089	\$206,092	\$212,275	\$218,643	\$225,202	\$231,958	\$238,917	\$246,085	\$253,467
Theatre Hire	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328
Total Revenue	\$263,998	\$286,747	\$366,429	\$376,672	\$366,778	\$357,199	\$347,929	\$467,098	\$480,361	\$494,021	\$508,092	\$494,406	\$481,154	\$554,747	\$580,941	\$712,223	\$746,273	\$767,911	\$790,198	\$813,154	\$836,799	\$861,153	\$886,237	\$912,075	\$938,687
EXPENDITURE																									
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951
Cost of goods sold (retail)	\$74,810	\$78,551	\$80,907	\$83,334	\$80,834	\$78,409	\$76,057	\$121,860	\$125,516	\$129,281	\$133,160	\$129,165	\$125,290	\$121,531	\$127,608	\$172,271	\$180,884	\$186,311	\$191,900	\$197,657	\$203,587	\$209,695	\$215,985	\$222,465	\$229,139
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349
Liquor License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563
Signage (interp and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513
Site maintenance	\$24,646	\$25,385	\$26,147	\$26,931	\$27,739	\$28,571	\$29,428	\$30,311	\$31,220	\$32,157	\$33,122	\$34,115	\$35,139	\$36,193	\$37,279	\$38,397	\$39,549	\$40,735	\$41,958	\$43,216	\$44,513	\$45,848	\$47,224	\$48,640	\$50,099
Elevator Maintenance	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328
Total Expenditure	\$254,456	\$264,036	\$272,425	\$281,084	\$285,023	\$289,250	\$293,770	\$346,674	\$357,667	\$369,013	\$373,284	\$377,159	\$381,417	\$386,062	\$400,824	\$454,463	\$472,352	\$487,366	\$502,863	\$518,861	\$535,375	\$552,422	\$570,020	\$588,187	\$606,942
Expenditure as a % of revenue	96%	92%	74%	75%	78%	81%	84%	74%	74%	75%	73%	76%	79%	70%	69%	64%	63%	63%	64%	64%	64%	64%	64%	64%	65%



TABLE 18: CASH FLOW ANALYSIS - DEVELOPMENT OPTION 3

OPTION 3	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
REVENUE																										
Café lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover	-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$83,968	\$88,167	\$90,812	\$93,536	\$91,665	\$89,832	\$87,137	\$91,494	\$118,673	\$124,607	\$128,345	\$132,195	\$136,161	\$140,246	\$144,453	\$148,787	\$153,250	\$157,848	\$162,578
Retail revenue	\$171,870	\$189,057	\$198,509	\$204,465	\$200,375	\$196,368	\$192,441	\$314,320	\$330,036	\$339,937	\$350,135	\$343,132	\$336,269	\$326,181	\$342,490	\$369,615	\$377,596	\$388,923	\$400,591	\$412,609	\$424,987	\$437,737	\$450,869	\$464,395	\$478,327	\$492,664
Gold coin donations	\$85,553	\$94,108	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$100,582	\$105,611	\$108,780	\$112,043	\$109,802	\$107,606	\$208,756	\$219,194	\$230,154	\$241,661	\$248,911	\$256,378	\$264,070	\$271,992	\$280,152	\$288,556	\$297,213	\$306,129	\$315,399
Theatre Hire	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,946
Total Revenue	\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$536,169	\$561,481	\$577,576	\$594,153	\$583,442	\$572,965	\$661,760	\$693,304	\$749,021	\$784,910	\$807,708	\$831,189	\$855,375	\$880,286	\$905,944	\$932,373	\$959,594	\$987,632	\$1,016,380
EXPENDITURE																										
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951	\$188,434
Cost of goods sold (retail)	\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,366	\$86,598	\$141,444	\$148,516	\$152,971	\$157,561	\$154,409	\$151,321	\$146,782	\$154,121	\$161,827	\$169,918	\$175,016	\$180,266	\$185,674	\$21,249	\$21,887	\$22,543	\$23,220	\$23,916	\$24,634
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349	\$119,961
Liquor License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,789
Signage (interp and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513	\$1,558
Site maintenance	\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,456	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,058	\$58,770	\$60,533	\$62,349	\$64,218
Elevator Maintenance	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,946
Total Expenditure	\$263,013	\$276,767	\$287,240	\$296,343	\$301,140	\$306,192	\$311,507	\$373,669	\$388,300	\$400,565	\$405,783	\$410,745	\$416,039	\$420,162	\$436,451	\$453,407	\$471,056	\$486,030	\$501,488	\$517,444	\$536,921	\$557,824	\$580,124	\$603,835	\$628,969	\$655,537
Expenditure as a % of revenue	97%	90%	72%	72%	74%	77%	80%	70%	69%	69%	68%	70%	73%	63%	63%	61%	60%	60%	60%	60%	41%	41%	42%	42%	42%	42%



TABLE 19: CASH FLOW ANALYSIS - DEVELOPMENT OPTION 4

OPTION 4	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
REVENUE																									
Café lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover	-	-	\$70,158	\$72,262	\$70,817	\$69,401	\$68,013	\$86,716	\$91,052	\$93,784	\$96,597	\$94,665	\$92,772	\$89,989	\$94,488	\$122,557	\$128,685	\$132,545	\$136,522	\$140,617	\$144,836	\$149,181	\$153,656	\$158,266	\$163,014
Retail revenue	\$177,495	\$195,244	\$205,006	\$211,156	\$206,933	\$202,795	\$198,739	\$324,607	\$340,837	\$351,062	\$361,594	\$354,362	\$347,275	\$336,857	\$353,699	\$477,494	\$501,369	\$516,410	\$531,902	\$547,859	\$564,295	\$581,224	\$598,661	\$616,621	\$635,119
Gold coin donations	\$88,353	\$97,188	\$102,048	\$105,109	\$103,007	\$100,947	\$98,928	\$103,874	\$109,068	\$112,340	\$115,710	\$113,396	\$111,128	\$215,588	\$226,368	\$237,686	\$249,570	\$257,057	\$264,769	\$272,712	\$280,894	\$289,320	\$298,000	\$306,940	\$316,148
Theatre Hire	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328
Total Revenue	\$280,848	\$317,732	\$412,821	\$424,455	\$417,012	\$409,735	\$402,620	\$552,496	\$578,625	\$595,233	\$612,340	\$601,266	\$590,432	\$682,119	\$714,681	\$878,317	\$920,671	\$947,541	\$975,217	\$1,003,724	\$1,033,086	\$1,063,328	\$1,094,478	\$1,126,562	\$1,159,609
EXPENDITURE																									
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951
Cost of goods sold (retail)	\$79,873	\$87,860	\$92,253	\$95,020	\$93,120	\$91,258	\$89,432	\$146,073	\$153,377	\$157,978	\$162,717	\$159,463	\$156,274	\$151,585	\$159,165	\$214,872	\$225,616	\$232,385	\$239,356	\$246,537	\$253,933	\$261,551	\$269,397	\$277,479	\$285,804
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349
Liquor License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563
Signage (interp and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513
Site maintenance	\$36,697	\$37,798	\$38,932	\$40,100	\$41,303	\$42,542	\$43,818	\$45,133	\$46,487	\$47,882	\$49,318	\$50,798	\$52,322	\$53,891	\$55,508	\$57,173	\$58,888	\$60,655	\$62,475	\$64,349	\$66,279	\$68,268	\$70,316	\$72,425	\$74,598
Elevator Maintenance	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328
Canopy walkway maintenance	\$14,000	\$14,140	\$14,281	\$14,424	\$14,568	\$14,714	\$14,861	\$15,010	\$15,160	\$15,312	\$15,465	\$15,619	\$15,776	\$15,933	\$16,093	\$16,254	\$16,416	\$16,580	\$16,746	\$16,914					
Total Expenditure	\$285,570	\$299,898	\$310,837	\$320,364	\$325,441	\$330,783	\$336,397	\$400,719	\$415,954	\$428,745	\$434,503	\$439,759	\$445,359	\$449,748	\$466,703	\$532,094	\$552,840	\$569,939	\$587,582	\$605,787	\$624,570	\$643,951	\$663,950	\$684,587	\$705,882
Expenditure as a % of revenue	102%	94%	75%	75%	78%	81%	84%	73%	72%	72%	71%	73%	75%	66%	65%	61%	60%	60%	60%	60%	61%	61%	61%	61%	



7.2. CAPITAL EXPENDITURE

7.2.1. Overview

The table on the following page reflects the top-line capital expenditure assessment of the development options proposed by Council. Capital expenditure required for the development options ranges from \$1.4m for option 1 to \$4.3m for option 4.⁴³ These cost estimates should be considered indicative only as full engineering and geotechnical studies would be required to refine costs and identify underlying soil and related possible issues. For this reason a 30% contingency provision has been included in each development option.

Points to note include:

- Development options 1 and 2 have a lower interpretation fit out cost within the discovery centre (\$130k as opposed to \$200k) because these options are modelled off a cost minimisation scenario. As these options have lower visitation and revenue generation potential, costs and overheads need to be minimised. Development options 3 and 4 illustrate what is possible with a higher initial investment;
- Development options 3 and 4 have a more expensive construction rate for the integrated facility because this is a two-level facility and will consequently incur a higher construction rate; and
- In order to continue to attract new and repeat visitors, there is a need to ensure the MCSR is meeting changing consumer needs and expectations. Over the next 25 year period, \$1.2m has been allocated to allow for refurbishment costs (this includes building, interpretation and landscaping costs) across all options.

⁴³ Please note that in the current economic climate, whilst small increases in materials are expected, competitive labour costs for construction should create minimal, if no change, in the cost of construction between now and 2014.



TABLE 20: CAPITAL EXPENDITURE



CAPITAL EXPENDITURE	OPTION 1	OPTION 2	OPTION 3	OPTION 4
Food/Drink Services				
Size of kiosk/café (including kitchen) (m ²)	40	40	40	60
Size of undercover seating (m ²)	220	200	400	400
Construction rate (per sqm)	\$1,500	\$2,300	\$2,500	\$2,500
Construction Cost	\$390,000	\$552,000	\$1,100,000	\$1,150,000
Commercial Kitchen Fitout	\$100,000	\$100,000	\$120,000	\$120,000
Liquor License	-	\$1,200	\$1,200	\$1,200
Capital Expenditure	\$490,000	\$653,200	\$1,221,200	\$1,271,200
Covered Picnic Area/Outdoor Classroom				
Size of picnic area/classroom (m ²)	100	100	100	100
Construction rate (per sqm)	\$800	\$800	\$800	\$800
Capital Expenditure	\$80,000	\$80,000	\$80,000	\$80,000
Conference/Meeting room (learning space)				
Size of conference/meeting room (m ²)	-	80	80	80
Construction rate (per sqm)	-	\$2,300	\$2,500	\$2,500
Construction Cost	-	\$184,000	\$200,000	\$200,000
Refurb Cost	\$20,000			
Technology/Equipment Fitout	\$15,000	\$15,000	\$15,000	\$15,000
Furniture Fitout	\$20,000	\$20,000	\$20,000	\$20,000
Capital Expenditure	\$55,000	\$219,000	\$235,000	\$235,000
Retail				
Size of retail (m ²)	-	30	30	30
Construction rate (per sqm)	-	\$2,300	\$2,500	\$2,500
Construction Cost	-	\$69,000	\$75,000	\$75,000
Furniture Fitout	\$10,000	\$20,000	\$20,000	\$20,000
Capital Expenditure	\$10,000	\$89,000	\$95,000	\$95,000
Education Centre				
Size of education centre (m ²)	-	80	80	80
Construction rate (per sqm)	-	\$2,300	\$2,500	\$2,500
Construction Cost	-	\$184,000	\$200,000	\$200,000
Refurbishment Cost	\$50,000	-	-	-
Technology/Equipment Fitout	\$100,000	\$100,000	\$100,000	\$100,000
Furniture Fitout	\$15,000	\$20,000	\$20,000	\$20,000
Interpretation Fitout	\$130,000	\$130,000	\$200,000	\$200,000
Capital Expenditure	\$295,000	\$434,000	\$520,000	\$520,000
Viewing Platform				
Size of viewing platform (m ²)	50	180	180	180
Construction rate (per sqm)	\$500	\$1,500	\$1,500	\$1,500
Construction Cost	\$25,000	\$270,000	\$270,000	\$270,000
elevator to levels 1 and 2 from ground	-	\$70,000	\$70,000	\$70,000
Interpretation signage	\$15,000	\$15,000	\$15,000	\$15,000
Capital Expenditure	\$40,000	\$355,000	\$355,000	\$355,000
Canopy Walk				
Size of canopy walk (m ²)	-	-	-	180
Construction rate (per sqm)	-	-	-	\$3,000
Foundations (m ²)	-	-	-	100
Construction rate (per sqm)	-	-	-	\$2,000
Construction Cost	-	-	-	\$740,000
Interpretation signage	-	-	-	\$25,000
Capital Expenditure	-	-	-	\$765,000
GENERAL				
Contingencies (30%)	\$291,000	\$549,060	\$751,860	\$766,860
Fees (10%)	\$97,000	\$183,020	\$250,620	\$255,620
TOTAL CAPITAL EXPENDITURE	\$1,358,000	\$2,562,280	\$3,508,680	\$4,343,680



7.2.2. Assumptions

The table included on the following page provides a summary of all assumptions utilised for determining the capital expenditure and cost benefit of each option.

Points to note include:

- Theatre hire is based on 50 public meetings/events being held throughout the year, at a charge of \$200 for the lease of the room;
- Average spend for café differs between option 1 and options 2-4 as option 1 is anticipated to include a simple kiosk operation whilst options 2-4 includes a tea house/café operation;
- Average spend for retail also differs between option 1 and options 2-4 because option 1's retail shop is expected to be small with limited stock on sale (primarily only local handicrafts);
- The MCSR is operational 7 days per week. Due to potential increases in the complexity of site management, it is recommended that in addition to volunteers, a Council employee should be on duty at all times. The Group has included wages for 2 part time employees to be on duty 7 days per week (total salaries of \$90k inclusive of on costs in year 1). These staff members will work in conjunction with MCSR Volunteers;
- Cost of goods sold is set at 45% across all development options and is based on industry norm; and
- It is important to note that part of the challenge with this location is the bordering rainforest environment. The impact on building material is harsher than if built away from the canopy of the forest. Maintenance costs in year 1 are based on the square metre size of the development option, calculated at \$30.00 per square metre.⁴⁴

⁴⁴ Based on the current market and previous projects The Group has been involved with.



TABLE 21: ASSUMPTIONS



ASSUMPTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
Food/Drink Services				
<i>Kiosk/café including commerical kitchen size (m²)</i>	40	40	40	60
<i>Undercover seating for 80 patrons size (m²)</i>	220	200	400	400
<i>Opening hours</i>	9am - 5pm (6pm in summer)	9am - 5pm (6pm in summer)	7am - 6.30pm	7am - 6.30pm
<i>Operator</i>	Lessee	Lessee	Lessee	Lessee
<i>Provision of alcoholic beverages</i>	No	BYO	Fully Licensed	Fully Licensed
<i>Average spend at café per person years 1-7</i>	\$7.00	\$14.00	\$14.00	\$14.00
<i>Average spend at café per person years 8-15</i>	\$8.50	\$17.00	\$17.00	\$17.00
<i>Average spend at café per person years 16-25</i>	\$10.50	\$21.00	\$21.00	\$21.00
<i>% of visitors who purchase café items</i>	55%	55%	55%	55%
Covered Picnic Area/Outdoor Classroom				
<i>Type</i>	Yes	Yes	Yes	Yes
<i>Size (m²)</i>	100	100	100	100
<i>Lease fee</i>	-	\$0 lease fee due to need to use space as public area during operating hours		
Conference/Meeting room (learning space)				
<i>Commerical Use?</i>	No	Yes	Yes	Yes
<i>Number of conferences held annually (year 1)</i>	-	50	50	50
<i>Lease fee</i>	-	\$200	\$200	\$200
<i>Size (m²)</i>	80	80	80	80
Retail				
<i>Structure</i>	Existing depot style	Integrated	Integrated	Integrated
<i>Operator</i>	In-house	In-house	In-house	In-house
<i>Size (m²)</i>	15	15	30	30
<i>Average spend at retail per person (years 1-7)</i>	\$2.25	\$4.50	\$4.50	\$4.50
<i>Average spend at retail per person (years 8-15)</i>	\$3.50	\$7.00	\$7.00	\$7.00
<i>Average spend at retail per person (years 16-25)</i>	\$4.50	\$9.00	\$9.00	\$9.00
<i>% of visitors who purchase retail items</i>	25%	25%	25%	25%
<i>Cost of goods sold</i>	45%	45%	45%	45%
Education Centre				
<i>Type of building for Centre</i>	Refurbish Existing	Build New	Build New	Build New
<i>Size (m²)</i>	110	80	80	80
Viewing Platform				
<i>Type</i>	2 metre elevation with ramp	Integrated	Integrated	Integrated
<i>Size (m²)</i>	50	180	180	180
<i>Entry Fee</i>	\$0	\$0	\$0	\$0
Canopy Walk				
<i>Type</i>	-	-	-	Suspended canopy walk
<i>Length (m)</i>	-	-	-	120
<i>Width (m)</i>	-	-	-	1.5
<i>Size (m²)</i>	-	-	-	180
<i>Entry Fee</i>	\$0	\$0	\$0	\$0
General Building Structure and other				
<i>Type</i>	one level, depot style	one level, integrated	two levels, integrated	two levels, integrated
<i>Size (m²)</i>	697m ²	818m ²	1,018m ²	1,218m ²
<i>Maintenance costs per sqm</i>	\$30	\$30	\$30	\$30
<i>% of visitors who will donate</i>	56%	56%	56%	56%
<i>Average donation per person (years 1 - 13)</i>	\$1.00	\$1.00	\$1.00	\$1.00
<i>Average donation per person (years 1 - 13)</i>	\$2.00	\$2.00	\$2.00	\$2.00



7.3. POTENTIAL REVENUE STREAMS

Table 22 includes potential revenue streams which could be developed in order to increase the financial viability of the MCSR operation for Council, and the amount generated through each revenue stream in years 1, 10 and 25, under each development option.

Revenue streams include:

- Café lessee rental income: An annual fee charged to the café operator for use of the Centre. To encourage the right operator, this could be based on a peppercorn rental rate in years 1 and 2, allowing the operator to establish operations and helping to mitigate the risk associated with a start-up. For the cost benefit assessment, this was calculated at \$5k for year 1, \$10k for year 2 and \$15k for year 3 onwards for development option 1 and \$5k for year 1, \$15k for year 2 and \$25k for all subsequent years for development options 2-4.⁴⁵ Note that the lessee operator will be expected to fit out the café (chairs, tables, lighting and decorative walls), however a basic commercial kitchen fit out will need to be undertaken by Council⁴⁶;
- Café lessee proportion of turn over (from year 3 on): Once the lessee has established operations, a proportion of their turnover could be allocated to MCSR for reinvestment. For the cost benefit assessment conducted, the Group has assumed that 5% of total turnover will be allocated.⁴⁷ Whilst this may seem low, in the current economic climate it is realistic;
- Retail revenue: Includes revenue generated through the shop that will be developed in the Centre. For the cost benefit assessment, it has been assumed that 25% of all visitors will purchase an item, spending on average \$2.25 each in year 1 for development option 1 and \$4.50 each for development options 2-4⁴⁸, which is a conservative assumption. We note that a large number of current visitors visit the MCSR but don't enter the current building so the new facility would need to act as a drawcard to attract a stronger visitor market into the facility which could potentially result in a greater proportion of visitors purchasing items;
- Gold coin donations: MCSR already has a gold coin donation program in place whereby visitors are able to donate to the MCSR upon entry to the rainforest. With the redevelopment of MCSR and the increased visitation that is expected to result, it is anticipated that donations will increase. The

⁴⁵ Development option 1 has a smaller rental rate as it is expected that this will simply be a kiosk operation

⁴⁶ A commercial kitchen fit out has been included in the capital expenditure for all development options at a cost of \$100k for development options 1 and 2, and \$120k for development options 3 and 4.

⁴⁷ Note that with increased visitation, a greater turnover is expected to be achieved. This in turn will result in a greater proportion of turnover being allocated to MCSR Management. It has been assumed that 55% of visitors will purchase food/beverages from the café/tea house.

⁴⁸ There is a difference in assumed average spend per visitor for development option 1 as the retail operation is anticipated to be smaller and have a smaller variety of product for sale.



Group has assumed that 56% of all visitors to the MCSR will donate⁴⁹, with the average donation per head being \$1.00 for year 1.

- Theatrette hire: The Group understands that demand does exist for a function and meeting space. With the redevelopment of the site, a dedicated theatrette space (with potential for commercial rental) is expected to be included for development options 2-4.⁵⁰ The Group has assumed that there will be on average, 50 private meetings annually at a cost of \$200 for venue hire. In year one, revenue generated from theatrette hire equals \$10k.

⁴⁹ Based on anecdotal feedback as well as The Group's experience gained from prior projects.

⁵⁰ Note that a theatrette space has been included in development option 1, however, this is not available for commercial rental.



TABLE 22: POSSIBLE REVENUE STREAMS FOR MCSR

REVENUE STREAMS	YEAR 1				YEAR 10				YEAR 25			
	Development Option				Development Option				Development Option			
	1	2	3	4	1	2	3	4	1	2	3	4
Café lessee rent	\$5,000	\$5,000	\$5,000	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$15,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover	-	-	-	-	\$32,846	\$76,748	\$90,812	\$93,784	\$55,934	\$130,694	\$157,848	\$163,014
Retail revenue	\$74,685	\$166,245	\$171,870	\$177,495	\$122,955	\$287,292	\$339,937	\$351,062	\$217,925	\$509,198	\$478,327	\$635,119
Gold coin donations	\$74,353	\$82,753	\$85,553	\$88,353	\$78,691	\$91,933	\$108,780	\$112,340	\$216,957	\$253,467	\$306,129	\$316,148
Theatrette Hire	-	\$10,000	\$10,000	\$10,000	-	\$13,048	\$13,048	\$13,048	-	\$20,328	\$20,328	\$20,328
TOTAL	\$154,038	\$263,998	\$272,423	\$280,848	\$249,492	\$494,021	\$577,576	\$595,233	\$505,816	\$938,687	\$987,632	\$1,159,609



7.4. COST BENEFIT ANALYSIS

The cost benefit undertaken shows the financial opportunities of the development, based on a number of assumptions. The Group has used its market demand assessment to form the basis of the cash-flow and cost benefit assessment. When comparing the results, The Group considers the net present value to be the most accurate comparative tool.⁵¹

All of the Net Present Values (NPV) for the four options generate a negative result. Technically, each option will therefore fail the NPV test.

As the development is a public good rather than a commercial project, preference should be given to those options which result in the less negative NPV. As both option 2 and option 3 are similar in their result, consideration should also be given to the option with the stronger cash flow able to be generated.

Option 3, whilst generating a marginally higher negative NPV than option 2, nevertheless, generates a stronger annual EBITDA. As a result of this, other factors (such as social, economic and environmental factors) need to be considered when assessing the viability of options.⁵²

⁵¹The Group's cost benefit assessments always include a residual project value for a projects asset(s) in its calculations. On this occasion, the Client (Sunshine Coast Regional Council) has specifically requested that no residual project value be included in the cost benefit assessment.

⁵² The social, economic and environmental benefits/risks are also important to consider when assessing the viability of the development options. This has been undertaken in Sections 6-8. These benefits/risks have been taken into consideration by The Group when recommending the most optimal development option.

TABLE 23: COST BENEFIT - DEVELOPMENT OPTION 1

Cost Benefit - Option 1																											
Assumptions																											
Average spend at cafe per person operating years 1-7																											
Average spend at cafe per person operating years 8-15																											
Average spend at cafe per person operating years 16-25																											
From year 3, cafe revenue turnover allocated to Council																											
Average spend at retail per person (operating years 1-7)																											
Average spend at retail per person (operating years 8-15)																											
Average spend at retail per person (operating years 16-25)																											
Assumed % of visitors contributing donation																											
Average donation per visitor (operating years 1-13)																											
Average donation per visitor (operating years 14-25)																											
Cost of goods sold																											
Inflation																											
Maintenance costs per sqm																											
Utility Overheads increase pa																											
Discount rate																											
Required yield																											
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Annual Discount Factor	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
REVENUE																											
Cafe lessee rent	\$5,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Cafe lessee portion of turnover	-	-	\$26,591	\$27,123	\$26,310	\$25,520	\$24,755	\$30,961	\$31,890	\$32,846	\$33,832	\$32,817	\$31,832	\$30,877	\$32,421	\$42,052	\$44,155	\$45,480	\$46,844	\$48,249	\$49,697	\$51,188	\$52,723	\$54,305	\$55,934	\$57,609	
Retail revenue	\$74,685	\$76,179	\$77,702	\$79,256	\$76,878	\$74,572	\$72,335	\$115,897	\$119,374	\$122,955	\$126,643	\$122,844	\$119,159	\$115,584	\$121,363	\$163,840	\$172,032	\$177,193	\$182,509	\$187,984	\$193,624	\$199,433	\$205,416	\$211,578	\$217,925	\$224,469	
Gold coin donations	\$74,353	\$75,840	\$77,357	\$78,904	\$76,537	\$74,241	\$72,013	\$74,174	\$76,399	\$78,691	\$81,052	\$78,620	\$76,262	\$147,947	\$155,345	\$163,112	\$171,268	\$176,406	\$181,698	\$187,149	\$192,763	\$198,546	\$204,503	\$210,638	\$216,957	\$223,461	
Total Revenue	\$194,038	\$162,018	\$196,650	\$200,283	\$194,725	\$189,333	\$184,103	\$236,031	\$242,662	\$249,492	\$256,527	\$249,281	\$242,253	\$309,409	\$324,129	\$384,005	\$402,455	\$414,079	\$426,051	\$438,383	\$451,084	\$464,167	\$477,642	\$491,521	\$505,816	\$520,525	
EXPENDITURE																											
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951	\$188,434	
Cost of goods sold (retail)	\$33,608	\$34,280	\$34,966	\$35,665	\$34,596	\$33,557	\$32,551	\$52,163	\$53,718	\$55,330	\$56,990	\$56,280	\$53,621	\$52,013	\$54,613	\$73,728	\$77,415	\$79,737	\$82,129	\$84,593	\$87,131	\$89,745	\$92,437	\$95,210	\$98,066	\$100,996	
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,348	\$119,966	
Signage (interp and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,425	\$1,469	\$1,513	\$1,559	
Site maintenance	\$21,000	\$21,630	\$22,278.90	\$22,947	\$23,636	\$24,345	\$25,075	\$25,827	\$26,602	\$27,400	\$28,222	\$29,069	\$29,941	\$30,839	\$31,764	\$32,717	\$33,699	\$34,710	\$35,751	\$36,824	\$37,928	\$39,066	\$40,238	\$41,445	\$42,689	\$43,968	
Total Costs	\$194,608	\$200,560	\$206,702	\$213,040	\$217,798	\$222,783	\$228,000	\$254,036	\$262,249	\$270,732	\$273,775	\$279,235	\$284,988	\$291,041	\$301,562	\$328,864	\$341,015	\$352,088	\$363,528	\$375,345	\$387,554	\$400,166	\$413,197	\$426,659	\$440,568	\$454,926	
EBITDA		-\$40,570	-\$38,542	-\$10,052	-\$12,757	-\$23,073	-\$33,450	-\$43,897	-\$18,004	-\$19,587	-\$21,240	-\$17,248	-\$29,954	-\$42,735	\$18,368	\$22,568	\$55,140	\$61,440	\$61,990	\$62,523	\$63,037	\$63,530	\$64,000	\$64,445	\$64,862	\$65,249	
Capital Expenditure																											
Food/Drink Services	\$490,000																										
Covered Picnic Area/Outdoor Classroom	\$80,000																										
Conference/Meeting room (learning space)	\$55,000																										
Retail	\$10,000																										
Education Centre	\$295,000																										
Viewing Platform	\$40,000																										
Canopy Walk	-																										
Contingencies and Fees	\$388,000																										
Facility Reburishment								-\$400,000							-\$400,000						-\$400,000						
Total Capital Expenditure	\$1,358,000																										
Cash Flow	-\$1,358,000	-\$40,570	-\$38,542	-\$10,052	-\$12,757	-\$23,073	-\$33,450	-\$43,897	-\$18,004	-\$19,587	-\$21,240	-\$17,248	-\$29,954	-\$42,735	-\$381,632	\$22,568	\$55,140	\$61,440	\$61,990	\$62,523	-\$336,983	\$63,530	\$64,000	\$64,445	\$64,862	\$65,249	
Discounted Cash Flow	-\$1,197,293	-\$33,596	-\$29,969	-\$7,337	-\$5,743	-\$14,848	-\$20,211	-\$251,946	-\$9,591	-\$9,797	-\$9,976	-\$7,607	-\$12,404	-\$16,617	-\$139,332	\$7,736	\$17,749	\$18,670	\$17,593	\$16,661	-\$84,312	\$14,926	\$14,119	\$13,349	\$12,615	\$11,916	
Net Present Value (NPV)	-\$1,788,227																										



TABLE 24: COST BENEFIT - DEVELOPMENT OPTION 2

Cost Benefit - Option 2

Assumptions																												
Conference/Meeting Space Hire Fee	\$200																											
Number of times conference/meeting room hired p/a	50																											
Average spend at café per person operating years 1-7	\$14.00																											
Average spend at café per person operating years 8-15	\$17.00																											
Average spend at café per person operating years 16-25	\$21.00																											
From year 3, café revenue turnover allocated to Council	5.0%																											
Average spend at retail per person (operating years 1-7)	\$4.50																											
Average spend at retail per person (operating years 8-15)	\$7.00																											
Average spend at retail per person (operating years 16-25)	\$9.00																											
Picnic Area Hire Fee	\$0.00																											
Assumed % of visitors contributing donation	56%																											
Average donation per visitor (operating years 1-13)	\$1.00																											
Average donation per visitor (operating years 14-25)	\$2.00																											
Cost of goods sold	45%																											
Inflation	3%																											
Maintenance costs per sqm	\$30																											
Utility Overheads increase pa	4%																											
Discount rate	6.5%																											
Required yield	5.5%																											
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27		
Annual Discount Factor	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183		
Visitors	147,773	155,162	159,816	164,611	169,673	174,882	180,236	185,743	191,408	197,233	203,218	209,363	215,668	222,133	228,758	235,543	242,488	249,593	256,858	264,283	271,868	279,513	287,218	295,083	303,108	311,293	319,638	
REVENUE																												
Café lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover	-	-	\$61,529	\$63,375	\$61,474	\$59,630	\$57,841	\$72,342	\$74,513	\$76,748	\$79,050	\$76,679	\$74,379	\$72,147	\$75,755	\$98,258	\$103,171	\$106,266	\$109,454	\$112,738	\$116,120	\$119,604	\$123,192	\$126,887	\$130,694	\$134,619	\$138,662	\$142,833
Retail revenue	\$166,245	\$174,557	\$179,794	\$185,187	\$179,632	\$174,245	\$169,016	\$270,800	\$278,924	\$287,292	\$295,911	\$287,034	\$278,423	\$270,070	\$283,573	\$382,824	\$401,965	\$414,024	\$426,445	\$439,238	\$452,415	\$465,988	\$479,968	\$494,367	\$509,198	\$524,471	\$540,196	\$556,381
Gold coin donations	\$82,753	\$86,891	\$89,497	\$92,182	\$89,417	\$86,734	\$84,132	\$86,656	\$89,256	\$91,933	\$94,691	\$91,851	\$89,095	\$172,845	\$181,487	\$190,561	\$200,089	\$206,092	\$212,275	\$218,643	\$225,202	\$231,958	\$238,917	\$246,085	\$253,467	\$261,074	\$268,921	\$277,016
Theatre Hire	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,946	\$21,589	\$22,257
Total Revenue	\$263,998	\$286,747	\$366,429	\$376,672	\$366,778	\$357,199	\$347,929	\$467,098	\$480,361	\$494,021	\$508,092	\$494,406	\$481,154	\$554,747	\$580,941	\$712,223	\$746,273	\$767,911	\$790,198	\$813,154	\$836,799	\$861,153	\$886,237	\$912,075	\$938,687	\$966,074	\$994,251	\$1,023,228
EXPENDITURE																												
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951	\$188,434	\$194,073	\$199,878
Cost of goods sold (retail)	\$74,810	\$78,551	\$80,907	\$83,334	\$80,834	\$78,409	\$76,057	\$121,860	\$125,516	\$129,281	\$133,160	\$129,165	\$125,290	\$121,531	\$127,608	\$172,271	\$180,884	\$186,311	\$191,900	\$197,657	\$203,587	\$209,695	\$215,985	\$222,465	\$229,139	\$236,007	\$243,079	\$250,356
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349	\$120,071	\$125,084	\$130,397
Liquor License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,718	\$6,917	\$7,121	\$7,330	\$7,544	\$7,763	\$7,987	\$8,216	\$8,450	\$8,689	\$8,933	\$9,182	\$9,436	\$9,695	\$9,959	\$10,228	\$10,501	\$10,779
Signage (inter and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,718	\$6,917	\$7,121	\$7,330	\$7,544	\$7,763	\$7,987	\$8,216	\$8,450	\$8,689	\$8,933	\$9,182	\$9,436	\$9,695	\$9,959	\$10,228	\$10,501	\$10,779
Site maintenance	\$24,646	\$25,385	\$26,147	\$26,931	\$27,739	\$28,571	\$29,428	\$30,311	\$31,220	\$32,157	\$33,122	\$34,115	\$35,139	\$36,193	\$37,279	\$38,397	\$39,549	\$40,735	\$41,958	\$43,216	\$44,513	\$45,848	\$47,224	\$48,640	\$50,099	\$51,603	\$53,153	\$54,749
Elevator Maintenance	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,946	\$21,589	\$22,257
Total Costs	\$254,456	\$264,036	\$272,425	\$281,084	\$285,023	\$289,250	\$293,770	\$346,674	\$357,667	\$369,013	\$373,284	\$377,159	\$381,417	\$386,062	\$400,824	\$454,463	\$472,352	\$487,366	\$502,863	\$516,861	\$535,375	\$552,422	\$570,020	\$588,187	\$606,942	\$626,297	\$646,261	\$666,836
EBIT DA	\$9,542	\$22,712	\$94,005	\$95,588	\$81,755	\$67,960	\$54,159	\$120,423	\$122,694	\$125,009	\$134,808	\$117,246	\$99,737	\$168,685	\$180,117	\$257,761	\$273,920	\$280,545	\$287,335	\$294,293	\$301,424	\$308,731	\$316,217	\$323,887	\$331,745	\$340,000	\$348,749	\$357,994
Capital Expenditure																												
Food/Drink Services	\$653,200																											
Covered Picnic Area/Outdoor Classroom	\$80,000																											
Conference/Meeting room (learning space)	\$219,000																											
Retail	\$89,000																											
Education Centre	\$434,000																											
Viewing Platform	\$385,000																											
Canopy/Walk	-																											
Contingencies and Fees	\$732,080																											
Facility Reburishment																												
Total Capital Expenditure	\$2,562,280																											
Cash Flow	\$2,562,280	\$9,542	\$22,712	\$94,005	\$95,588	\$81,755	\$67,960	\$349,841	\$120,423	\$122,694	\$125,009	\$134,808	\$117,246	\$99,737	\$231,315	\$180,117	\$257,761	\$273,920	\$280,545	\$287,335	\$105,707	\$301,424	\$308,731	\$316,217	\$323,887	\$331,745	\$340,000	\$348,749
Discounted Cash Flow	\$2,289,958	\$7,899	\$17,654	\$68,612	\$65,510	\$52,610	\$41,057	\$198,214	\$64,153	\$61,373	\$58,715	\$59,453	\$48,552	\$38,780	\$84,452	\$61,746	\$82,970	\$82,791	\$79,618	\$76,568	\$26,448	\$70,817	\$68,107	\$65,501	\$62,995	\$60,585	\$58,279	\$56,074
Net Present Value (NPV)	-\$1,276,109																											

TABLE 26: COST BENEFIT - DEVELOPMENT OPTION 4

Cost Benefit - Option 4																												
Assumptions																												
Conference/Meeting Space Hire Fee	\$200																											
Number of times conference/meeting room hired pla	50																											
Average spend at café per person operating years 1-7	\$14.00																											
Average spend at café per person operating years 8-15	\$17.00																											
Average spend at café per person operating years 16-25	\$21.00																											
From year 3, café revenue turnover allocated to Council	5.0%																											
Average spend at retail per person (operating years 1-7)	\$4.50																											
Average spend at retail per person (operating years 8-15)	\$7.00																											
Average spend at retail per person (operating years 16-25)	\$9.00																											
Picnic Area Hire Fee	\$0.00																											
Assumed % of visitors contributing donation	56%																											
Average donation per visitor (operating years 1-13)	\$1.00																											
Average donation per visitor (operating years 14-25)	\$2.00																											
Cost of goods sold	45%																											
Inflation	3%																											
Maintenance costs per sqm	\$30																											
Utility Overheads increase pa	4%																											
Discount rate	6.5%																											
Required yield	5.5%																											
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27		
Annual Discount Factor	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26		
REVENUE																												
Visitors	157,773	173,550	182,228	187,695	183,941	180,262	176,657	185,490	194,764	200,607	206,625	202,493	198,443	192,490	202,114	212,220	222,831	229,516	236,401	243,493	250,798	258,322	266,071	274,054	282,275			
Café lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Retail revenue	\$177,495	\$195,244	\$205,006	\$211,156	\$206,933	\$202,795	\$198,739	\$324,607	\$340,837	\$351,062	\$361,594	\$354,362	\$347,275	\$336,857	\$353,699	\$477,494	\$501,369	\$516,410	\$531,902	\$547,859	\$564,295	\$581,224	\$598,661	\$616,621	\$635,119	\$654,148	\$673,706	\$693,293
Gold coin donations	\$88,353	\$97,188	\$102,048	\$105,109	\$103,007	\$100,947	\$98,928	\$103,874	\$109,068	\$112,340	\$115,710	\$113,396	\$111,128	\$215,588	\$226,368	\$237,686	\$249,570	\$257,057	\$264,769	\$272,712	\$280,894	\$289,320	\$298,000	\$306,940	\$316,148	\$325,616	\$335,344	
Theatrette Hire	\$10,000	\$10,300	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,946	\$21,580	\$22,230	
Total Revenue	\$280,848	\$317,732	\$412,821	\$424,455	\$417,012	\$408,735	\$402,620	\$552,496	\$578,625	\$595,233	\$612,340	\$601,266	\$590,432	\$682,119	\$714,681	\$878,317	\$920,671	\$947,541	\$975,217	\$1,003,724	\$1,033,086	\$1,063,328	\$1,094,478	\$1,126,562	\$1,159,609			
EXPENDITURE																												
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951			
Cost of goods sold (retail)	\$79,873	\$87,860	\$92,253	\$95,020	\$93,120	\$91,258	\$89,432	\$146,073	\$153,377	\$157,978	\$162,717	\$159,463	\$156,274	\$151,585	\$159,165	\$214,872	\$225,616	\$232,385	\$239,356	\$246,537	\$253,933	\$261,551	\$269,397	\$277,479	\$285,804			
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349			
Liquor License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563			
Signage (interp and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513			
Site maintenance	\$36,697	\$37,798	\$38,932	\$40,100	\$41,303	\$42,542	\$43,818	\$45,133	\$46,487	\$47,882	\$49,318	\$50,798	\$52,322	\$53,891	\$55,508	\$57,173	\$58,888	\$60,655	\$62,475	\$64,349	\$66,279	\$68,268	\$70,316	\$72,425	\$74,598			
Elevator Maintenance	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328			
Canopy walkway maintenance	\$14,000	\$14,140	\$14,281	\$14,424	\$14,568	\$14,714	\$14,861	\$15,010	\$15,160	\$15,312	\$15,465	\$15,619	\$15,776	\$15,933	\$16,093	\$16,254	\$16,416	\$16,580	\$16,746	\$16,914	\$17,083	\$17,253	\$17,426	\$17,600	\$17,776			
Total Costs	\$285,570	\$299,898	\$310,837	\$320,364	\$325,441	\$330,783	\$336,397	\$400,719	\$415,954	\$428,745	\$434,503	\$439,759	\$445,359	\$449,748	\$466,703	\$532,094	\$552,840	\$569,939	\$587,582	\$605,787	\$624,570	\$643,951	\$663,950	\$684,587	\$705,882			
EBITDA		-\$4,722	\$17,834	\$101,983	\$104,092	\$91,571	\$78,951	\$66,223	\$151,777	\$162,671	\$166,488	\$177,838	\$161,507	\$145,074	\$232,371	\$247,979	\$346,223	\$367,831	\$377,602	\$387,635	\$397,937	\$408,516	\$419,377	\$430,528	\$441,976	\$453,728		
Capital Expenditure																												
Food/Drink Services	\$1,271,200																											
Covered Picnic Area/Outdoor Classroom	\$80,000																											
Conference/Meeting room (learning space)	\$235,000																											
Retail	\$95,000																											
Education Centre	\$520,000																											
Mowing Platform	\$355,000																											
Canopy Walk	\$765,000																											
Contingencies and Fees	\$1,022,480																											
Facility Reburishment																												
Total Capital Expenditure	\$4,343,680																											
Cash Flow	-\$4,343,680	-\$4,722	\$17,834	\$101,983	\$104,092	\$91,571	\$78,951	-\$333,777	\$151,777	\$162,671	\$166,488	\$177,838	\$161,507	\$145,074	-\$167,629	\$247,979	\$346,223	\$367,831	\$377,602	\$387,635	-\$2,063	\$408,516	\$419,377	\$430,528	\$441,976	\$453,728		
Discounted Cash Flow	-\$3,829,646	-\$3,909	\$13,863	\$74,436	\$71,338	\$58,927	\$47,705	-\$189,370	\$80,856	\$81,370	\$78,197	\$78,429	\$66,880	\$66,409	-\$61,201	\$85,010	\$111,446	\$111,175	\$107,162	\$103,295	-\$516	\$95,977	\$92,515	\$89,179	\$85,962	\$82,862		
Net Present Value (NPV)	-\$2,411,650																											



7.5. MARKET PENETRATION TO VARIOUS DEVELOPMENT OPTIONS

To determine market penetration to the various development options, The Group has assumed various visitor numbers based on the options presented. It is important to generate sufficient critical mass of visitors to the MCSR in order to ensure its long term sustainability.

Once again, it is important to note that The Group understands that it is not the intention of the Assessment to increase visitor numbers into the rainforest due to potential impacts on the environment. Rather, this Assessment seeks to encourage and disperse visitation to the new development at the MCSR (such as the viewing platform and integrated building).

7.5.1. Base visitor numbers

Currently, the MCSR does not have any reliable historical visitation numbers to provide an accurate representation of the number of visitors to the site and how these visitors are arriving. The Group has therefore utilised higher level visitor statistics (to the Sunshine Coast), anecdotal feedback from staff, the number of car spots available and donations received as well as industry norms to provide an overview of visitors numbers based on car and coach visitors. The following table provides an overview of the results of this analysis.

TABLE 27: BASE VISITATION TO MCSR

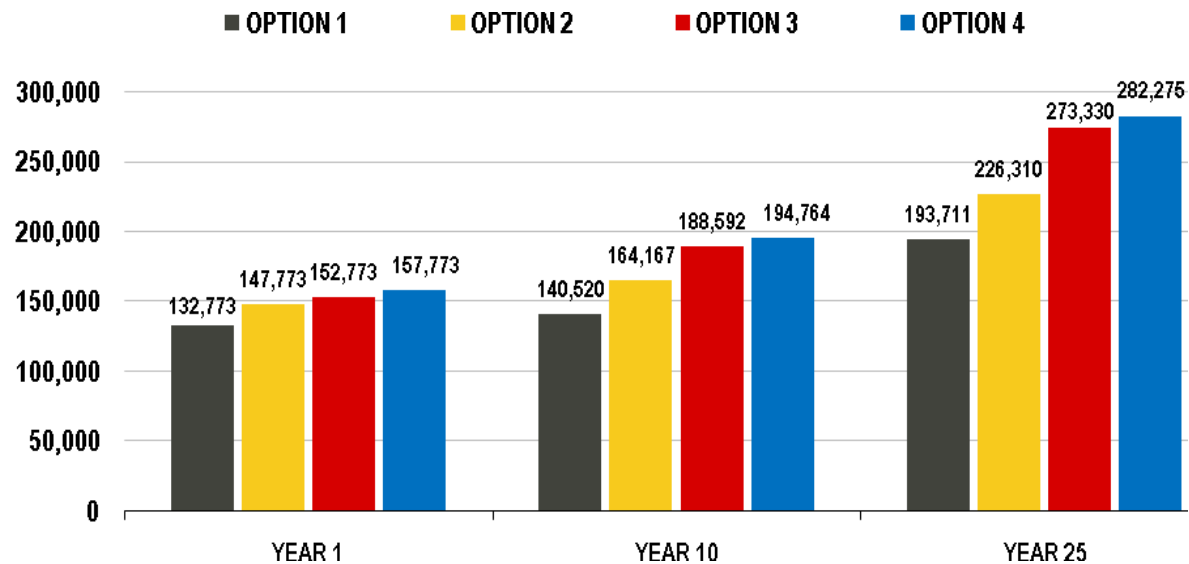
VISITORS TRAVELLING BY COACH					VISITORS TRAVELLING BY CAR					Total Number of Visitors by Car
Days	No of Coaches	No ppl per coach	Number of Coach Travellers Yrly	Days	Number of Car Turn Overs	Number of Car Spots	Number of people per car			
Peak	30	3	130	11,700	Peak	30	2	70	2.7	11,340
Mid	100	2	130	26,000	Mid	100	1.5	70	2.7	28,350
Low	235	1	130	30,550	Low	235	0.5	70	2.7	22,208
			TOTAL	68,250				TOTAL		61,898
TOTAL VISITORS										130,148



7.5.2. Penetration to development options

Based on the above base visitation figures calculated, the chart below illustrates the anticipated number of visitors expected to MCSR under each development option in Years 1, 10 and 25.⁵³

FIGURE 18: MARKET DEMAND FOR EACH OPTION



Points to note include:

- Development option 1 attracts the base level visitation, with total visitors to the site in year 1 expected to reach just under 133k, comprising of just under 2% of total visitors to the Sunshine Coast;⁵⁴
- Development option 2 is anticipated to attract just under 148k visitors in year 1;
- Development option 3 is expected to receive 153k visitors in year 1, capturing 3% of the visitor market to the Sunshine Coast;
- Development option 4, which includes the most visitor drawcards (canopy walkway and multi-level viewing platform), generates the highest visitation, with 158k visitors expected in year 1 of operation;
- By Year 25, visitation is expected to increase by 46% (61k) for Option 1, 53% (79k) for Option 2, 79% (121k) for Option 3 and 79% (125k) for Option 4⁵⁵;

⁵³ Appendix 3 contains a detailed annual breakdown of visitation.

⁵⁴ As no historical visitation has been recorded, the annual percentage change in visitation has been based on based on The Groups' work in the Sunshine Coast, specifically looking at tourism and for the State Government, looking at visitor trends.



- The viewing platform and potential canopy walkway are considered to be the primary built attractors to MCSR, whereas others are secondary and therefore complement the primary attraction (café, retail space, function – meeting room, theatrette). Whilst the discovery centre, particularly under development options 3-4, offers a much improved enhanced experience it is unlikely to be a major drawcard on its own because of its small size and scale in comparison to other major visitor experiences;
- It is important to note that it is anticipated that these increased visitation numbers to the Reserve will be dispersed primarily across the new development and not the rainforest itself. The human footprint on the rainforest will be minimised by creating other attractions and facilities that visitors are able to utilise (for example, the viewing platform and education room); and
- Once the redevelopment occurs, there is a need to ensure that regular data is captured regarding visitation patterns and visitor spends. This will help with optimising business functions and for any future modelling which may occur.

⁵⁵ This increase in visitation is facilitated by the redevelopment of the Reserve, along with continued site upgrades/refreshes which has been accounted for in the cost benefits, with \$1.2m being allocated over the 25 year period for facility refurbishment/upgrades in years 7, 14 and 20.



8. ECONOMIC ANALYSIS

The economic value of additional visitors to new parts of the MCSR (the integrated complex, viewing platform) will have significant flow on effects for the Sunshine Coast economy. These benefits will be seen through:

- Higher levels of visitor expenditure at the MCSR;
- Greater length of stay in the Hinterland overall and associated higher spend;
- Greater advertorial coverage from journalists and visiting media who are actively encouraged to visit MCSR as an icon destination within the Sunshine Coast and which is promoted by Destination Sunshine Coast and Tourism Queensland;
- Interest generated in the education market from university groups, school groups and interest groups generally focussed on fauna and flora studies, socio-cultural studies and from a wider South East Queensland catchment area;
- Indirect spend and employment associated with the supply of goods and services by other businesses to the café, retail space etc. at MCSR; and
- The stimulation of new investment into other existing hinterland businesses as improved trading conditions partly generated by the new facilities at MCSR.

8.1. ECONOMIC ASSESSMENT MATRIX

The matrix on the following page provides a top line economic analysis of each of the development options. This is followed by a more detailed matrix, outlining the economic impact of increased visitor spend in the region as a result of undertaking development option 3, the preferred option.



TABLE 28: TOP LINE ECONOMIC ANALYSIS

IMPACT	Development Option 1	Development Option 2	Development Option 3	Development Option 4
	<ul style="list-style-type: none"> Increased visitation, extended trip length in the area and greater visitor expenditure in the primary regions of Maleny, Montville and Glasshouse as well as the wider Sunshine Coast region. There will be direct and indirect net injection into the local and regional domestic product as well as indirect and direct employment generation. This is due to the generation of new trips, longer trips or a greater number of higher spending trips which wouldn't happen if the development didn't proceed. Essentially it is the opportunity cost of not pursuing each option 	148k in year 1 226k in year 25	153k in year 1 273k in year 25	158k in year 1 282k in year 25
	<ul style="list-style-type: none"> Redevelopment is minimal and therefore employment generated through construction works will be minimal 	<ul style="list-style-type: none"> Redevelopment involves development of entirely new, integrated facility. This will result in employment outcomes for the region in the short term through the construction program. 		<ul style="list-style-type: none"> Redevelopment involves development of entirely new, integrated facility. This will result in employment outcomes for the region in the short term. This option also involves the construction of a canopy walkway which will require additional construction capacity.
	<ul style="list-style-type: none"> Redevelopment is minimal and does not allocate space for private functions. The impact of this option on local businesses is anticipated to be minimal 		<ul style="list-style-type: none"> The redevelopment of the integrated facility is to include the inclusion of a new café/tea house. This is likely to operate for early mornings, lunch and afternoon tea. This will provide a unique experience and is unlikely to have a significant impact on the surrounding café's/restaurants, particularly those that operate of an evening. It is important that the experience is different from those provided in nearby restaurants/cafes so as to ensure competitive neutrality. The redevelopment, and the creation of an integrated facility under options 2-4 is believed to attract a greater number of visitors to the region. It is anticipated that visitor length of stay as well as visitor expenditure will increase as a result. This increased visitation will have flow on effects for businesses in the local region, increasing accommodation, dining and retail spend. 	



8.2. ESTIMATED DIRECT AND INDIRECT VISITOR SPEND

Table 29 on the following page provides an overview of the estimated direct and indirect visitor spend that will be generated as a result of the redevelopment of MCSR under option 3.⁵⁶

Points to note include:

- It is estimated that the higher visitation generated by option 3 will generate \$9.5m in additional direct and indirect visitor spend in the Sunshine Coast in year 1 of operation than the status quo scenario;
- By year 25, it is estimated that development option 3 will generate a further \$41.5m in additional direct and indirect visitor spend. It is important to note that this is not all visitors, just the incremental increase which Option 3 is able to generate over the status quo option;
- This in turn would lead to stronger growth in overnight visitor numbers within the region as well as day trippers. The Hinterland area and its tourism operators (accommodation providers, retail operators, restaurants/cafes and other tourism attractions) would potentially be major beneficiaries of this visitor group; and
- The above increase in visitor numbers and associated visitor expenditure attributed to Option 3 will also have a flow on effect into the Sunshine Coast generally. Many visitors may prefer to stay on the coast (as per currently) and visit the hinterland (and MCSR) as a day trip so the visitor impacts will be felt regionally as well as locally.

⁵⁶ Note that this compares visitation under the status quo scenario (that is, no development occurring) and development option 3. This therefore provides an indication of the additional visitor spend that may occur as a result of the redevelopment of the Reserve.

TABLE 29: ECONOMIC IMPACT – VISITOR SPEND⁵⁷

Sunshine Coast	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Domestic Overnight Visitors	3,088,863	3,119,751	3,150,949	3,197,000	3,228,970	3,261,260	3,293,872	3,326,811	3,360,079	3,393,680	3,427,617	3,461,893	3,496,512	3,531,477	3,566,792	3,602,460	3,638,484	3,674,869	3,711,618	3,748,734	3,786,221	3,824,083	3,862,324	3,900,948	3,939,957
Growth	30,583	30,889	31,198	46,051	31,970	32,290	32,613	32,939	33,268	33,601	33,937	34,276	34,619	34,965	35,315	35,668	36,025	36,385	36,749	37,116	37,487	37,862	38,241	38,623	39,009
% Change	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
to Mary Caincross Reserve	45,832	50,415	52,936	54,524	53,433	52,365	51,317	53,883	56,578	58,275	60,023	58,823	57,646	55,917	58,713	61,648	64,731	66,673	68,673	70,733	72,855	75,041	77,292	79,611	81,999
Domestic Day Visitors	5,234,939	5,339,638	5,446,431	5,812,000	5,870,120	5,928,821	5,988,109	6,047,991	6,108,470	6,169,555	6,231,251	6,293,563	6,356,499	6,420,064	6,484,264	6,549,107	6,614,598	6,680,744	6,747,552	6,815,027	6,883,177	6,952,009	7,021,529	7,091,745	7,162,662
Growth	102,646	104,699	106,793	365,569	58,120	58,701	59,288	59,881	60,480	61,085	61,696	62,313	62,936	63,565	64,201	64,843	65,491	66,146	66,807	67,476	68,150	68,832	69,520	70,215	70,917
% Change	2%	2%	2%	7%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
to Mary Caincross Reserve	102,358	112,594	118,223	121,770	119,335	116,948	114,609	120,339	126,356	130,147	134,052	131,371	128,743	124,881	131,125	137,681	144,565	148,902	153,369	157,970	162,709	167,591	172,618	177,797	183,131
International Overnight Visitors	381,924	393,382	405,183	446,000	450,460	454,965	459,514	464,109	468,750	473,438	478,172	482,954	487,784	492,661	497,588	502,564	507,590	512,665	517,792	522,970	528,200	533,482	538,817	544,205	549,647
Growth	11,124	11,458	11,801	40,817	4,460	4,505	4,550	4,595	4,641	4,688	4,734	4,782	4,830	4,878	4,927	4,976	5,026	5,076	5,127	5,178	5,230	5,282	5,335	5,388	5,442
% Change	3%	3%	3%	10%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
to Mary Caincross Reserve	4,583	5,042	5,294	5,452	5,343	5,236	5,132	5,388	5,658	5,827	6,002	5,882	5,765	5,592	5,871	6,165	6,473	6,667	6,867	7,073	7,285	7,504	7,729	7,961	8,200
Total Visitation to Sunshine Coast	8,705,726	8,852,771	9,002,563	9,455,000	9,549,550	9,645,046	9,741,496	9,838,911	9,937,300	10,036,673	10,137,040	10,238,410	10,340,794	10,444,202	10,548,644	10,654,131	10,760,672	10,868,279	10,976,961	11,086,731	11,197,598	11,309,574	11,422,670	11,536,897	11,652,266
Total Mary Caincross Reserve Option 3	152,773	168,050	176,453	181,746	178,111	174,549	171,058	179,611	188,592	194,249	200,077	196,075	192,154	186,389	195,709	205,494	215,769	222,242	228,909	235,777	242,850	250,135	257,639	265,369	273,330
Status quo scenario no development	130,000	131,300	132,613	133,939	135,279	133,926	132,586	139,216	146,177	153,485	161,160	159,548	157,953	156,373	164,192	172,401	181,021	179,211	177,419	175,645	184,427	193,648	203,331	213,497	211,362
Incremental visitor growth from development	22,773	36,750	43,840	47,807	42,833	40,624	38,472	40,395	42,415	40,764	38,917	36,527	34,201	30,016	31,517	33,093	34,748	43,031	51,490	60,132	58,423	56,487	54,308	51,871	61,967
Average Daily Spend O/N Domestic Visitors	\$97	\$99	\$101	\$103	\$105	\$107	\$109	\$111	\$113	\$116	\$118	\$120	\$123	\$125	\$128	\$130	\$133	\$135	\$138	\$141	\$144	\$147	\$150	\$153	\$156
Average Daily Spend Day Domestic Visitors	\$62	\$64	\$65	\$66	\$68	\$69	\$70	\$72	\$73	\$75	\$76	\$78	\$79	\$81	\$82	\$84	\$86	\$87	\$89	\$91	\$93	\$95	\$97	\$98	\$100
Average Daily Spend O/N International visitors	\$88	\$90	\$92	\$94	\$96	\$98	\$100	\$102	\$104	\$106	\$108	\$110	\$112	\$114	\$117	\$119	\$121	\$124	\$126	\$129	\$131	\$134	\$137	\$139	\$142
Domestic Overnight Additional Spend	\$2,203,452	\$3,626,973	\$4,413,187	\$4,908,827	\$4,486,028	\$4,339,718	\$4,192,051	\$4,489,687	\$4,808,455	\$4,713,703	\$4,590,155	\$4,394,436	\$4,196,894	\$3,757,002	\$4,023,749	\$4,309,435	\$4,615,405	\$5,829,960	\$7,115,586	\$8,475,973	\$8,399,787	\$8,283,885	\$8,123,713	\$7,914,303	\$9,643,813
Domestic Day Spend Additional	\$1,421,582	\$2,339,983	\$2,847,218	\$3,166,985	\$2,894,212	\$2,799,818	\$2,704,549	\$2,896,572	\$3,102,229	\$3,041,099	\$2,961,391	\$2,835,120	\$2,707,673	\$2,423,872	\$2,595,967	\$2,780,281	\$2,977,680	\$3,761,265	\$4,590,701	\$5,468,370	\$5,419,217	\$5,344,442	\$5,241,105	\$5,106,002	\$6,221,815
International Overnight Additional Spend	\$2,013,907.48	\$3,314,976	\$4,033,558	\$4,486,563	\$4,100,133	\$3,966,409	\$3,831,445	\$4,103,477	\$4,394,824	\$4,308,224	\$4,195,303	\$4,016,420	\$3,835,871	\$3,433,819	\$3,677,620	\$3,938,731	\$4,218,381	\$5,328,458	\$6,503,493	\$7,746,857	\$7,677,224	\$7,571,293	\$7,424,899	\$7,233,503	\$8,814,238
Total Estimated Direct Additional Spend	\$5,638,941	\$9,281,932	\$11,293,963	\$12,562,375	\$11,480,372	\$11,105,946	\$10,728,045	\$11,489,736	\$12,305,508	\$12,063,026	\$11,746,849	\$11,245,975	\$10,740,438	\$9,614,692	\$10,297,335	\$11,028,446	\$11,811,466	\$14,919,683	\$18,209,780	\$21,691,200	\$21,496,228	\$21,199,620	\$20,789,717	\$20,253,807	\$24,679,865
Indirect Expenditure Multiplier 0.68	\$3,834,480	\$6,311,713	\$7,679,895	\$8,542,415	\$7,806,653	\$7,552,043	\$7,295,071	\$7,813,021	\$8,367,745	\$8,202,858	\$7,987,858	\$7,647,263	\$7,303,498	\$6,537,991	\$7,002,188	\$7,499,343	\$8,031,797	\$10,145,385	\$12,382,650	\$14,750,016	\$14,617,435	\$14,415,742	\$14,137,007	\$13,772,589	\$16,782,308
Total estimated direct and indirect visitor spend	\$9,473,421	\$15,593,645	\$18,973,858	\$21,104,790	\$19,287,026	\$18,657,989	\$18,023,116	\$19,302,757	\$20,673,253	\$20,265,883	\$19,734,707	\$18,893,238	\$18,043,936	\$16,152,683	\$17,299,524	\$18,527,790	\$19,843,263	\$25,065,068	\$30,592,430	\$36,441,216	\$36,113,663	\$35,615,361	\$34,926,724	\$34,026,396	\$41,462,174

⁵⁷Please note, for both development option 3 and the status quo option, a refurbishment will take place in years 7, 14 and 20.

8.3. COMPETITION⁵⁸

The table below provides a summary of the 29 restaurants/cafes within the catchment areas of Maleny, Montville and Glass House. Research was undertaken to ascertain seating capacity, average main meal costs and to gather feedback on trends, financial and market related.

The average main meal prices are as follows:

- Maleny: \$30.00;
- Montville: \$32.00;
- Glass House: \$21.00; and
- All areas: \$31.00

The average meal price for all areas is quite high reflecting full dining restaurant style eateries rather than more simple café style meals. We therefore consider that the positioning of the facility at MCSR as a tea-house style café (rather than a full dining restaurant) creates a point of difference in the market place. This is particularly important as any new food outlet at MCSR will be viewed as further competition by the existing cafes and restaurants in the region.

With respect to overall trends which restaurants and cafes are confronting the following anecdotal feedback was gathered:

- Whilst visitor numbers to the Sunshine Coast generally and the hinterland region specifically have shown marginal growth, average visitor spend is down;
- Visitors appear to be browsing rather than buying, and are far more price conscious;
- Concerns around profitability and higher operating costs were noted;
- Staffing costs and especially weekend pay rates were mentioned; and
- Function business was seen to be constant.

For MCSR, we consider that though the above comments reflect a challenging economic environment, there is scope to offer a food and beverage outlet with a clear point of difference and one where operating costs can be tightly controlled. For this reason we consider that the competitive operating environment within the Hinterland could sustain a tea house style café outlet at MCSR based on:

- Restricted operating hours (closing at 6pm in summer so there would be no evening service) and opening at 7am in Summer and 8.30am in other periods);

⁵⁸ Restaurant/café data gathered from: maps.google.com; <http://www.yourrestaurants.com.au>; <http://www.agfg.com.au>; <http://www.eatability.com.au>

- Offering a limited menu of snacks, coffees, scones, cakes and Devonshire style teas, salads and with an average spend between \$9-\$16 which assumes consumers would only be having one course (coffee and cake or salad and a drink) as opposed to a restaurant offering entrees, mains and deserts and as evidenced in the research which indicates a higher spend; and
- Offering take away food as well to service those who may want to use the picnic facilities rather than the tea house.

The Tea House operator is expected to be paying a lease fee which starts low but increases to an accepted commercial level in year 3 of the lease, along with paying a percentage of turn over. We have estimated that Tea House visitor numbers in option 3 would be 84k in year 1 with an average spend of \$14 for years 1-7. The penetration rate of those using the Tea House is estimated at 55% of total visitors to MCSR. This penetration rate is realistic considering that many visitors would use the Tea House to refresh and replenish after going for a walk in the Reserve.

The market segmentation for the Tea House is forecasted as follows:

- 15% being locals (Hinterland residents) using MCSR for regular walks and also taking visiting friends and relatives along;
- 20% being other visitors from the Sunshine Coast catchment area particularly taking visiting friends and relatives to show them MCSR;
- 32% being day visitors from a wider catchment including SE Queensland and including tour groups (Probus Clubs, school groups etc.); and
- 33% being overnight visitors and including domestic and international visitors to the Sunshine Coast who are doing day trip excursions and including a visit to MCSR.

It is important to note that the above levels of forecasted market penetration do not match the percentage breakdown of estimated visitors to MCSR overall. This is because there are thought to be far more locals using the Reserve but not using the Tea House, for example.

Based on creating a Tea House style café facility at MCSR rather than a restaurant style facility or a café with a more extensive menu, we are confident that there should not be negative impacts associated with the establishment of the Tea House as it will fill a gap in the market place. In the current economic environment there should also be no negative impacts associated with securing staff for the Tea House, getting supplies of goods and services etc.

Maleny			
Name	Avg main meal \$	Location	Capacity
Key Restaurant	\$23	10 Mountain View Road Maleny QLD	120
Pomodoras on Obi Restaurant	\$28	18 Lawyer St Maleny QLD	30
Reserve Restaurant Maleny	\$36	840 Landsborough-Maleny Road Maleny QLD	52
The Tamarind Restaurant	\$65	88 Obi Lane South Maleny QLD	60
The Terrace of Maleny	\$38	cnr Mountain View and Landsborough-Maleny Roads Maleny QLD	80
Bombay Mahal	\$25	6 Maple Street Maleny QLD	50
Capriccio's Italian Restaurant	\$50	Riverside Centre, Maple Street Maleny QLD	85
Celtic Tearoom of Maleny	\$20	34 Mountain View Road Maleny QLD	15
Hotel Maleny	\$35	6 Bunya Street Maleny QLD	-
Kind Living Café	\$20	1/25 Maple Street Maleny QLD	35
King Ludwigs Restaurant	\$43	401 Mountain View Road Maleny QLD	50
Maudy's	\$27	466 Maleny-Kenilworth Rd, Witta Maleny QLD	50
Muang thai restaurant	\$15	3 panorama pde Maleny QLD	-
Patrick's Irish Bar & Restaurant	\$23	83 Mountain View Rd Maleny QLD	70
Maple 3 café	\$20	3 Maple st, Maleny QLD	-
Up Front Club	\$20	31 Maple st, Maleny QLD	75
Montville			
Name	Avg main meal \$	Location	Capacity
Flame Hill Vineyard Restaurant	\$37	249 Western Avenue Montville QLD	50
The Edge Restaurant	\$35	Mayfield on Montville, 127 Main Street Montville QLD	300
The Long Apron	\$60	68 Balmoral Road Montville QLD	50
Elements at Montville	\$25	38 Kondalilla Falls Road Montville QLD	30
Gypsy's Table	\$45	128 Main Street Montville QLD	40
Montville Cafe Bar and Grill	\$27	126 Main st Montville QLD	240
Montville Coffee Pot	\$25	168 Main Rd Montville QLD	30
Montville Gourmet Pizzeria	\$25	2/202 Main Street Montville QLD	80
Poets Cafe	\$25	167 Main Street Montville QLD	150
The Sambuca Cafe	\$11	4/184 Main Road Montville QLD	50
Wild Rocket@Misty's	\$40	142 Main Street Montville QLD	120
Glass House			
Name	Avg main meal \$	Location	Capacity
Glasshouse Mountain Tavern	\$35	10 Reed Street Glasshouse Mountains QLD	60
Lookout Cafe, Glass on Glasshouse	\$7	182 Glasshouse-Woodford Rd, Glass House Mountains QLD	30

The figures on the following pages illustrate the geographical location of cafés/restaurants in the three surrounding catchments (Maleny, Montville and Glass House).



FIGURE 19: COMPETITION ANALYSIS - MALENY

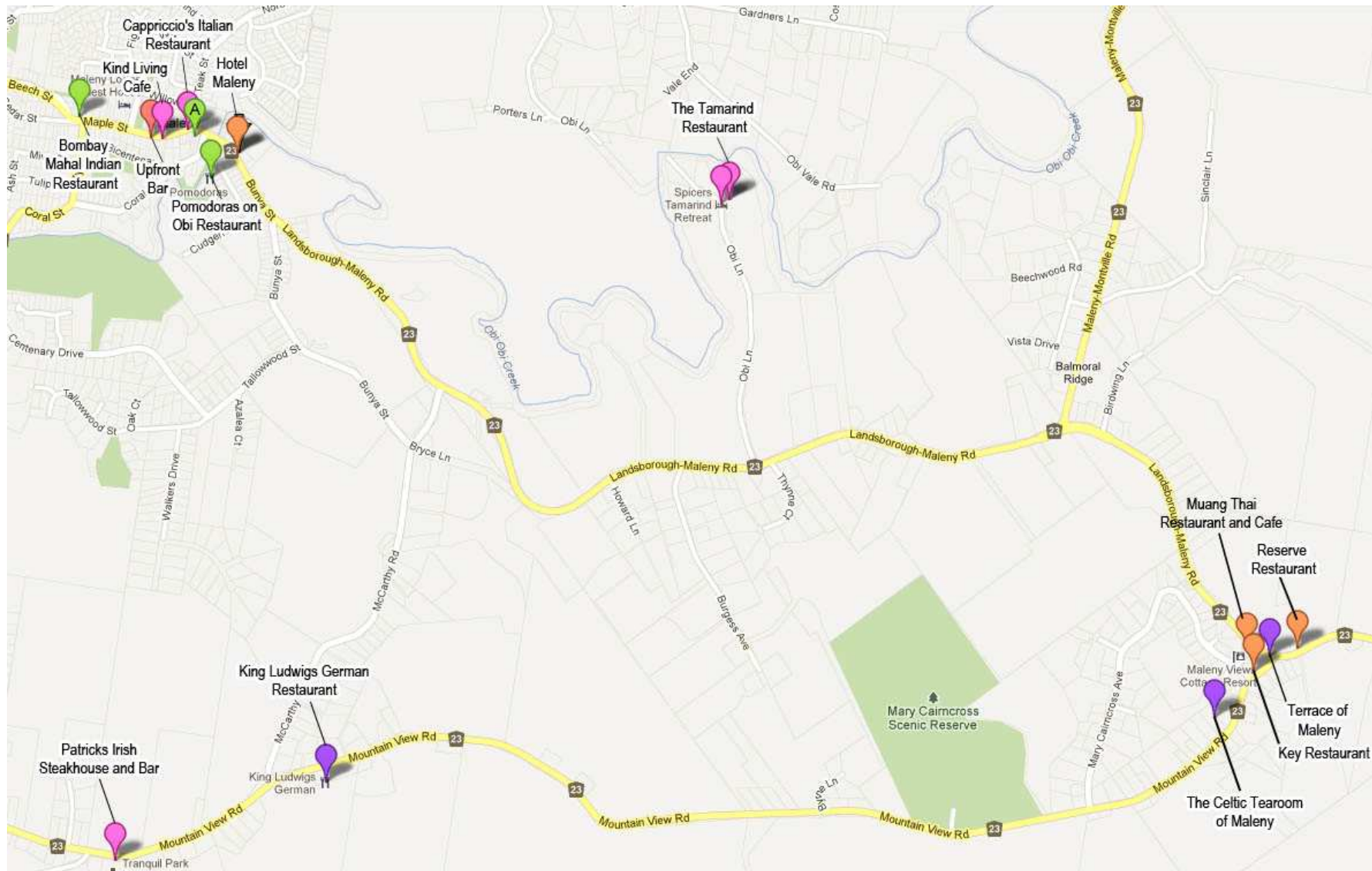






FIGURE 20: COMPETITION ANALYSIS – MONTVILLE

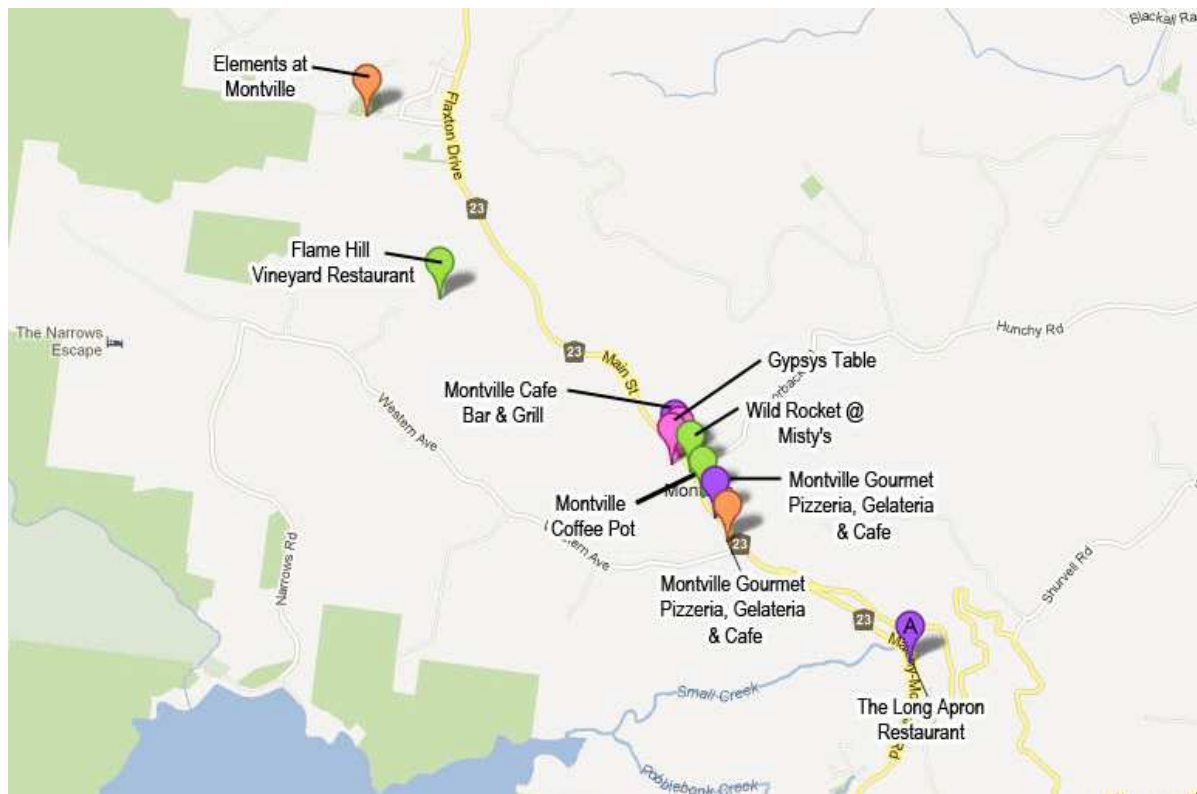
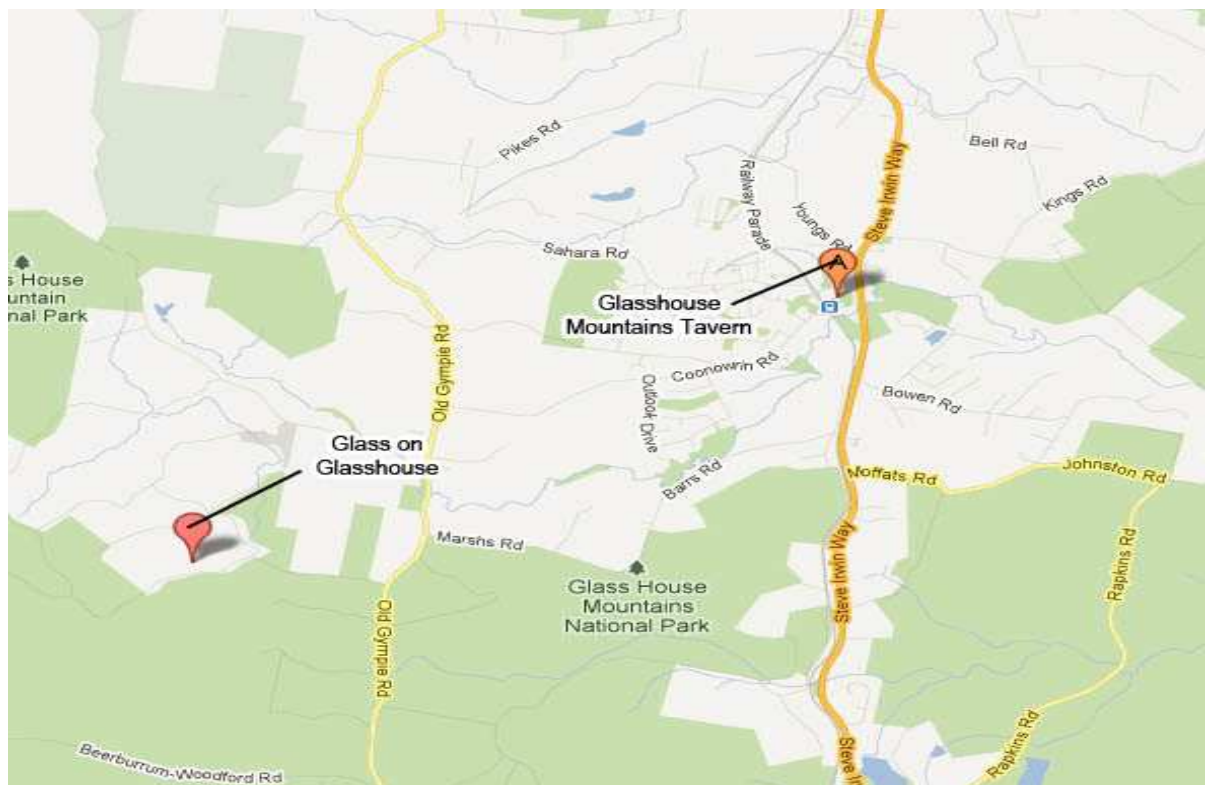


FIGURE 21: COMPETITION ANALYSIS – GLASS HOUSE





9. SOCIAL IMPACT ANALYSIS

The following section includes a social impact analysis, highlighting the potential social benefits and risks associated with the redevelopment of the MCSR.

9.1. SOCIAL BENEFIT

9.1.1. Lifestyle, amenity and recreational use and access

The local community and visitors utilise MCSR for a range of pursuits, including nature appreciation and relaxation, exercise and recreation, social gatherings and picnics. The redevelopment should only increase the use of the MCSR for these purposes by offering more attractive facilities.

Development options 2-4 include the provision of a meeting room/theatrette to seat 40 individuals, theatre style which can be leased out commercially.⁵⁹ This has the benefit of providing an ideal location for the community, local school and university groups and visiting small events/groups to utilise for lectures and other purposes. While attending their meeting or event, attendees will be able to visit the MCSR and be influenced by the educational interpretation that exists. This would particularly be the case in development options 2-4 where the meeting room/theatrette would be integrated into the discovery centre, café and retail building.

Development options 2-4 provide the greatest benefits in regards to lifestyle, amenity and recreational use as the integrated facility with adjoining large picnic area could potentially entice a greater number of the community to visit the MCSR.

The tea house proposed for development options 2-4 will attract a larger proportion of visitors to the MCSR than a basic kiosk would (included in option 1), primarily because locals and visitors are more likely to visit the MCSR solely for the tea house experience, than they would for a basic kiosk experience. The tea house could also offer special afternoon or morning teas and become a recognised meeting venue in its own right.

Development options 3 and 4, with the extended operating hours (7am – 6.30pm) will enable the community and visitors to have access to the facility for a greater period of time, helping to spread and disperse visitation throughout the day. Development option 4 in particular, with the canopy walkway, will provide an additional drawcard for the MCSR to attract locals and visitors.

⁵⁹ Development option 1 includes a theatrette, however, this cannot be leased out commercially



Future development and marketing efforts of the MCSR could focus on promoting the site as a base station for outdoor events, orienteering events, health community programs and walkathons. Additionally, the MCSR (in conjunction with Council and other staff) could work to develop a range of walking and cycling trails which span from the MCSR to other sites of interest (such as the Glass House Mountains) therefore increasing recreational and lifestyle benefits achieved.

9.1.2. Community identity, engagement and sense of place

MCSR benefits from significant local community support and participation and is closely connected to Maleny and other nearby communities. Community participation and a strong sense of local ownership is evident in the community-based management (advisory) committee, the Friends of Mary Cairncross Association (who attract funds and invest in MCSR), over eighty Education Centre volunteers and guides, and a range of other community partners (i.e. Rotary, University of Sunshine Coast, neighbours). Council has provided a summary of the potential needs and aspirations of a range of stakeholders (refer to Table 31), including local schools, universities, tourism bodies (Tourism QLD, Sunshine Coast Destination Ltd) and local businesses.

MCSR contributes to community identity and cohesion and provides a social hub for a segment of the local community. Conversely, these community partners contribute significant 'in kind' resources, including labour, links to the broader community, knowledge and experience concerning aspects of MCSR management, and authenticity to the visitor experience (i.e. local knowledge from 'real' locals).

Any 'change' in the built environment or operating arrangements at MCSR has potential to impact on the aspirations of some individuals and groups. While the range of functions proposed through the various options are similar and generally supported by the community closely associated with MCSR, the layout, form, scale, aesthetics and materials inherent in new buildings is likely to generate more debate. These building design issues may be addressed through the architectural design process (including consultation where appropriate).

However, potential does exist for some individuals and groups with a long term association with MCSR to be unsatisfied with design outcomes and to withdraw their support from MCSR. While any loss of community support would be regrettable, a sensitively designed integrated centre has the potential to attract renewed support from other parts of the community.

With careful design, sensitive to the surrounding natural environment, the redevelopment of the MCSR building precinct has potential to heighten the broader communities' sense of place associated with MCSR and further promote the purpose and original intent of the MCSR Deed of Trust.



In particular, the redevelopment provides an opportunity to include enhanced interpretive materials and to communicate key messages to visitors concerning MCSR's natural values as well as its close connection with the local community. Whilst all development options include some element of interpretation, development options 3-4 have a greater interpretation budget allocated to the development allowing more creative and interesting interpretive material to be installed.

The integrated building proposed for development options 2-4 has potential to enhance a sense of place, embracing and leveraging off the vistas that can be captured from the MCSR, including the rainforest and the Glass House Mountains. The two storey development proposed for development options 3 and 4 will further help capitalise on these views.

Some community members, closely associated with MCSR, are concerned that the Rainforest is experiencing excessive visitor numbers with potential impacts on natural values, visitor enjoyment and sense of place. Through careful design, the aim of redevelopment is to avoid stimulating increased visitation into the Rainforest and to focus on creating an integrated and interactive learning experience whereby visitors can get a taste of the rainforest without actually entering.

9.1.3. Appreciation of Aboriginal culture and history

The new discovery centre could provide a valuable platform for telling stories about Aboriginal people's connection with MCSR and the surrounding areas.

Again, as development options 3 and 4 include larger interpretation fit out budgets, the ability to present this information in an engaging and interesting way is greater.

9.1.4. Education

Through enhanced interpretation and facilities, the redevelopment of the MCSR has the potential to support increased learning opportunities regarding the MCSR, and bolster partnerships with learning institutes and schools.

Given its sub-optimal internal spaces, dated interpretive materials and layout, the existing education centre is quite limited in its interpretive capacity. The redevelopment will feature, across all options, a dedicated 'discovery' centre with contemporary, interactive exhibits which encourage intellectual enquiry and lasting connections with MCSR, as opposed to static interpretation displays.

School groups are a key market segment and incorporating MCSR's key messages into school curricula is an excellent opportunity to influence decision makers of the future. School groups also provide a modest line of revenue for reinvestment in MCSR. An outdoor covered classroom area will



provide further opportunity for learning experiences that maximise interaction with surrounding environment.

All options also include a 'wet and dry' research area for researchers, schools, staff and volunteers involved in research, monitoring and education programs.

The MCSR therefore has opportunity to function as a 'living museum/laboratory' and learning resource for schools, universities, community groups and other visitors. These activities also contribute a level of authenticity to the visitor experience at MCSR, while building the relevance of learning institutes within the community.

9.1.5. Employment

The MCSR has a large volunteer base which assists visitor with information about the MCSR and responds to visitor enquiries. Though it is not expected that the redevelopment will change this focus from volunteer staff to paid staff, it is expected that employment will increase within the region as a result of the redevelopment construction phase.⁶⁰

Additionally, the facility may offer more opportunities to work in the MCSR. In the existing facilities, space is very limited with volunteer staff having little room to work as well as store any personal items. The new facility proposed under development options 2-4 will create more room for volunteers and potentially, if demand necessitates, increased numbers of volunteers who can work per shift.

9.1.6. Aesthetic quality of the region

The aesthetic quality of the region refers to how both locals and visitors perceive the region. This is an important motivator of visitation and consequently, regions with a higher perceived aesthetic quality will generally attract a greater number of visitors.

While the MCSR is currently perceived by locals as being a key icon of the Sunshine Coast and Hinterland region in particular, the redevelopment will help to further strengthen this perception and would provide a stronger product to market and promote on a regional and national scale. In regard to the Hinterland area, the redevelopment would strengthen MCSR's role in supporting a quality nature-based tourism market. This is particularly the case for development options 3 and 4 which provide an integrated facility, capturing views of the rainforest and the Glass House Mountains, with innovative interpretation and a viewing platform which provides panoramic views.

⁶⁰ This is explored further in Section 6 – Economic Analysis.



The redevelopment of the MCSR under options 3-4 therefore has significant potential in helping to improve the overall perception of the Hinterland and Sunshine Coast region and offering better understanding of the area and its communities.

9.1.7. Increased access for disabled, elderly and other marginalised groups

The redevelopment of the MCSR under options 2-4 is likely to consolidate access to the site for people with a disability, elderly and other special needs groups, allowing the these visitors to increasingly connect with the natural environment.





Additionally, whilst the MCSR does currently provide some access to these user groups (e.g. those in wheelchairs are able to undertake most of the Rainforest walk, although feedback received indicated that this could be difficult at times), the new integrated facility proposed under options 2-4 would include ramp entry and a lift to provide the disabled and elderly with access (extending up to the viewing platform).

9.1.8. Development options social benefit comparison

The following table provides an overview of each development option's attainment of the social benefits mentioned above. Scoring is only indicative and inherently subjective in the absence of a detailed social impact assessment.

Development options 3 and 4, due to the increased initial capital expenditure primarily in relation to greater spend on interpretation as well as the larger facility, are able to achieve these benefits to a greater extent than development options 1 and 2.

TABLE 30: DEVELOPMENT OPTIONS - SOCIAL BENEFITS ATTAINMENT RANKING

SOCIAL BENEFIT (RANK OUT OF 10)	DEVELOPMENT OPTION 1	DEVELOPMENT OPTION 2	DEVELOPMENT OPTION 3	DEVELOPMENT OPTION 4
Lifestyle, amenity and recreational use and access	5	7	8	9
Sense of place	6	7.5	8	7.5
Appreciation of Aboriginal culture and history	6	6	8	8
Education	5	8	9	9
Employment	5	5	5	5
Aesthetic quality of the region	5	6	8	9
Total Score	 53%	 66%	 77%	 79%



9.2. STAKEHOLDER RISK ASSESSMENT

The redevelopment of the MCSR has the potential to impact on the aspirations and needs of a range of stakeholders associated with MCSR. The following table provides an overview of potential concerns/risks and benefits associated with key stakeholders, but it is inherently subjective in the absence of detailed consultation.

TABLE 31: STAKEHOLDER IMPACT RISK ASSESSMENT

STAKEHOLDER	RISK	BENEFITS
	<ul style="list-style-type: none"> ▪ Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment ▪ Additionally, a greater number of visitors may exceed current volunteer capacity. This will need to be reviewed and monitored regularly. 	<ul style="list-style-type: none"> ▪ The redevelopment will provide MCSR volunteers with greater capacity to educate, inform and provide an enjoyable experience for all visitors through increased interpretation space and facilities. ▪ Volunteers will be provided with office space and basic kitchen amenities. Currently, volunteers only have a small bench space to utilise and store their personal belongings. ▪ MCSR volunteers are particularly concerned with preserving the Rainforest. The redevelopment, rather than encouraging individuals to explore the rainforest, will encourage visitors to utilise new facilities developed (such as the viewing platform) which will provide them with a shorter rainforest experience and minimise the impact on the environment. ▪ Inclusion of sustainable information through interpretation material to better inform all visitors.
	<ul style="list-style-type: none"> ▪ There may be some opposition to the development of a larger café ▪ Concern 	<ul style="list-style-type: none"> ▪ The redevelopment will allow greater capacity to educate, inform and provide an enjoyable experience for all visitors through increased interpretation space and



	<p>about encouraging more visitors to the MCSR and the potential impact it may have on the environment</p>	<p>facilities.</p> <ul style="list-style-type: none"> ▪ This increased capacity to educate will enable the history of the MCSR to be taught and ensuring ethos of Deed of Trust in honoured. ▪ Increased revenue generated through donations and sale of retail and café items
	<ul style="list-style-type: none"> ▪ Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment 	<ul style="list-style-type: none"> ▪ Increased capacity to educate will enable the history of the MCSR to be taught and ensuring ethos of Deed of Trust in honoured ▪ Creation of a top class environmentally focused development which showcases the MCSR as an Eco-destination;
	<ul style="list-style-type: none"> ▪ Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment ▪ Concern about overcommercialising the development ▪ Moving away from 'low key' character, family feel of the visitor experience. May be opposed to any large infrastructural changes. 	<ul style="list-style-type: none"> ▪ Increased ability to educate and inform as a result of the new integrated facility and interpretation tools and materials ▪ This increased capacity to educate will enable the history of the MCSR to be taught and ensuring ethos of Deed of Trust in honoured.
	<ul style="list-style-type: none"> ▪ Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment 	<ul style="list-style-type: none"> ▪ Potential to include small laboratory in the integrated building structure to provide learning and study opportunities ▪ Increased environmental awareness, promoting the importance of sites such as MCSR. ▪ Space for staff/students to hold presentations and meetings by way of the dedicated theatre/conference room



	<ul style="list-style-type: none"> ▪ Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment ▪ Threat that the MCSR may lose its original focus and values 	<ul style="list-style-type: none"> ▪ Increased ability to educate and inform as a result of the new integrated facility and interpretation tools and materials ▪ Increased environmental awareness, promoting the importance of sites such as MCSR. ▪ Space for presentations and meetings by way of the dedicated theatre/conference room ▪ Increased capacity to showcase the site as a best practice model for environmental education, conservation and learning.
	<ul style="list-style-type: none"> ▪ Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment 	<ul style="list-style-type: none"> ▪ Improved facilities to utilise for conference/meetings and events ▪ Enhanced learning and education
	<ul style="list-style-type: none"> ▪ Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment 	<ul style="list-style-type: none"> ▪ Ability to encourage greater number of visitors to disperse through Sunshine Coast's urban area's to visit the Hinterland ▪ Increased ability to educate and inform as a result of the new integrated facility and interpretation tools and materials ▪ MCSR could be further promoted to showcase it as an iconic product of the Sunshine Coast ▪ Generate longer average length of stay for visitors, injecting more into the economy and businesses around the region.
	<ul style="list-style-type: none"> ▪ Concern 	<ul style="list-style-type: none"> ▪ MCSR could be



	about over focusing on the MCSR and under focusing on other attractions in the region.	<p>further promoted to showcase it as an iconic product of the Sunshine Coast</p> <ul style="list-style-type: none"> Generate longer average length of stay for visitors, injecting more into the economy and businesses around the region.
	<ul style="list-style-type: none"> Concern about development competing with businesses in the general locality 	<ul style="list-style-type: none"> Generate longer average length of stay for visitors, injecting more into the economy and businesses around the region.
	<ul style="list-style-type: none"> Redeveloped café/restaurant and retail may potentially compete with other local operators 	<ul style="list-style-type: none"> Generate longer average length of stay for visitors, injecting more into the economy and businesses around the region. Offering a tea house with limited operating hours will also be complimentary to the existing restaurants at Cairncross Corner so will help by increasing the critical mass of facilities.
	<ul style="list-style-type: none"> Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment 	<ul style="list-style-type: none"> Increased ability and resources to educate residents and visitors on Aboriginal peoples associations with MCSR and the Region.
	<ul style="list-style-type: none"> Concern about focusing on educational component in static form only. Education provided by the MCSR needs to be fun, interactive and informative. 	<ul style="list-style-type: none"> Enhanced educational and learning experiences presented in a fun and interesting way. Improved facilities to utilise for school excursions (outdoor learning space, theatre) Potential to include small laboratory in the integrated building structure to provide learning and study opportunities
	<ul style="list-style-type: none"> Concern about increased traffic, noise and visual pollution as a result of increased visitation to the MCSR 	<ul style="list-style-type: none"> Increased value of the surrounding region as a result of having an iconic attraction located close



	<ul style="list-style-type: none"> ▪ Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment ▪ Threat that the MCSR may lose its original focus and values 	<ul style="list-style-type: none"> ▪ The redevelopment will allow greater capacity to educate, inform and provide an enjoyable experience for all visitors through increased interpretation space and facilities. ▪ This increased capacity to educate will enable the history of the MCSR to be taught and ensuring ethos of Deed of Trust in honoured.
	<ul style="list-style-type: none"> ▪ Concern about increased traffic, noise and visual pollution as a result of increased visitation to the MCSR 	<ul style="list-style-type: none"> ▪ Generate longer average length of stay for visitors, injecting more into the economy and businesses around the region. ▪ MCSR could be further promoted to showcase it as an iconic product of the Sunshine Coast ▪ Improved facilities to utilise for small meetings, conferences and family outings
	<ul style="list-style-type: none"> ▪ Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment ▪ Threat that the MCSR may lose its original focus and values 	<ul style="list-style-type: none"> ▪ Redevelopment will include the provision of office space for all MCSR staff. This will be of interest to Council staff who are currently housed in a demountable building. ▪ Increased capacity to support MCSR volunteers through the provision of improved interpretation, office and meeting space.
	<ul style="list-style-type: none"> ▪ Concern about encouraging more visitors to the MCSR and the potential impact it may have on the environment ▪ Threat that the MCSR may lose its original focus and values 	<ul style="list-style-type: none"> ▪ Redevelopment will allow for greater education, learning and interpretation to occur. ▪ The redevelopment will also divert visitors to the new facility and create an engaging experience to try and discourage increased utilisation of the Rainforest. ▪ Increased revenue



		generated which can then be reinvested in MCSR for education, conservation or asset maintenance.
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10. ENVIRONMENTAL IMPACT ANALYSIS

10.1. POTENTIAL IMPACTS

The following are examples of potential environmental impacts which may be generated from MCSR and its activities, and mitigation strategies that can be considered. Note that a detailed environmental assessment and construction management plan will be undertaken by Council prior to construction of the preferred redevelopment option.

TABLE 32: ENVIRONMENTAL IMPACT ANALYSIS

	IMPACT/RISK	RISK MITIGATION
	<ul style="list-style-type: none"> ▪ Disturbance to sensitive fauna ▪ Loss or disturbance of vegetation providing habitat ▪ Increased visitation to the site has potential to impact on native flora and fauna of the MCSR ▪ Impacts of light and noise, particularly at night as certain fauna are potentially sensitive to light impacts. 	<ul style="list-style-type: none"> ▪ Redevelopment is restricted to the existing disturbed area. Council is undertaking flora and fauna assessments on the site and, where appropriate, will develop Species Management Plans for any threatened species identified. Avoid increasing night time visitation or mitigate light impacts for sensitive species. ▪ While some planted vegetation in the cafe courtyard may be disturbed or removed, the aim will be no overall loss of vegetation (with additional planting undertaken post construction) and mature trees will be protected wherever practical. ▪ Currently, the impact of increased visitor numbers on the rainforest is not well understood. However, the redevelopment of the MCSR will aim to minimise increased visitation to the Rainforest and rather encourage visitors to utilise the new integrated facility where a viewing platform will be developed and interactive exhibits will provide visitors with a fun experience whilst also



		educating them about native flora and fauna of the MCSR.
	<ul style="list-style-type: none"> ▪ Increased visitation to the MCSR could result in a greater number of visitors to the Rainforest as opposed to the new integrated building. ▪ Increased noise through increased visitation to the site 	<ul style="list-style-type: none"> ▪ Many visitors are time poor and thus, marketing the interactive, hands on experience that the new integrated facility provides, whilst also promoting the viewing platform which will provide visitors with views of both the Rainforest and Glass House Mountains may discourage visitors to enter the Rainforest.
	<ul style="list-style-type: none"> ▪ Currently, there are no known aboriginal heritage artefacts on the redevelopment site. Therefore, the redevelopment does not pose any risk to the preservation of aboriginal heritage. 	<ul style="list-style-type: none"> ▪ Where appropriate, capacity will exist to interpret Aboriginal cultural heritage associated with MCSR.

10.2. BUILDING DESIGN VARIABLES

The following table provides an analysis of potential environmental impacts that building variables under each of the development options may potentially have.

TABLE 33: BUILDING DESIGN VARIABLES - ENVIRONMENTAL ASSESSMENT MATRIX

	DEVELOPMENT OPTION 1	DEVELOPMENT OPTION 2	DEVELOPMENT OPTION 3	DEVELOPMENT OPTION 4
	<ul style="list-style-type: none"> ▪ Building GFA (inclusive of viewing platform): 697m² ▪ Development option 1 has the smallest building GFA as a result of a smaller food/drink functional area (220m²). It is important to note also that some of the footprint 	<ul style="list-style-type: none"> ▪ Building GFA (inclusive of viewing platform): 818m² ▪ Development option 2 has second smallest building GFA as a result of the smaller undercover seating area (200m² compared with 400m²). ▪ As development includes a one 	<ul style="list-style-type: none"> ▪ Building GFA (inclusive of viewing platform): 1018m² ▪ Development option 3 has the second largest building GFA as a result of a significantly larger food/drink functional area (440m²). ▪ Although development option 	<ul style="list-style-type: none"> ▪ Building GFA (inclusive of viewing platform and canopy walkway): 1,218m² ▪ Development option 4 has the largest GFA as a result of the largest food/drink functional area (460m²) and the inclusion of the canopy walkway (180m²).

⁶¹ As mudmaps have not been developed, this is an assumption the Group has made.



	<p>(education centre) has already been developed and will simply undergo refurbishment.</p> <ul style="list-style-type: none"> ▪ The likelihood of environmental impact as a result of building works is therefore likely to be minimised under this development scenario. 	<p>level facility, it is anticipated that actual building footprint will be greatest in this development option and therefore will potentially have the greatest impact on the environment, particularly with the canopy walkway which will require stable footing. However it is important to recognise that all measures will be performed to ensure minimal disturbance to the surrounding environment. The development will adhere to all environmental approvals and requirements.</p> <ul style="list-style-type: none"> ▪ Integrated structure may provide opportunity for greater introduction of principles around passive solar. 	<p>3's GFA is one of the largest, its actual building footprint is anticipated to be one of the smallest as a result of the two-level structure.⁶¹This may allow for greater revegetation of saved area.</p> <ul style="list-style-type: none"> ▪ Two storeys could potentially cause small increase of 'bird strike' to reflective glass areas. ▪ Two level, integrated development may allow for greater exposure for solar panels as well as rainwater capture. 	<ul style="list-style-type: none"> ▪ Although development option 4's GFA is one of the largest, its actual building footprint is anticipated to be one of the smallest as a result of the two-level structure. This may allow for greater revegetation of saved area. ▪ Two storeys could potentially cause small increase of 'bird strike' to reflective glass areas. ▪ Two level, integrated development may allow for greater exposure for solar panels as well as rainwater capture. ▪ The location of the canopy walk is anticipated to be placed on ground within the Project Area. Whilst some vegetation may need to be removed, it would be anticipated that effort would be taken to revegetate the area once the walk is completed.
	<ul style="list-style-type: none"> ▪ Hours of operation: 9am – 5pm (6pm in summer). ▪ These hours of operation are similar to current operating hours (9am – 5pm in summer) 	<ul style="list-style-type: none"> ▪ Hours of operation: 9am – 5pm (6pm in summer) ▪ These hours of operation are similar to current operating hours (9am – 5pm in summer) 	<ul style="list-style-type: none"> ▪ Hours of operation: 7am – 6.30pm ▪ The operating hours have been extended under this development option to cater for 	<ul style="list-style-type: none"> ▪ Hours of operation: 7am – 6.30pm ▪ The operating hours have been extended under this development option to cater for the morning and afternoon markets in an attempt to



	and therefore are likely to have little changed impact on the environment.	and therefore are likely to have little changed impact on the environment.	the morning and afternoon markets in an attempt to disperse visitation throughout the day. During summer, these extended hours should not present an issue it is still light during this time. A detailed environmental assessment would need to be conducted to gauge whether these operating hours were too late for winter and therefore may potentially have an impact on native fauna.	disperse visitation throughout the day. During summer, these extended hours should not present an issue it is still light during this time. A detailed environmental assessment would need to be conducted to gauge whether these operating hours were too late for winter and therefore may potentially have an impact on native fauna.
	<ul style="list-style-type: none"> ▪ The development will involve the construction of several depot style pavilions, made out of timber. ▪ The development will be elevated and therefore will have minimal ground disturbance when compared with a concrete slab. 	<ul style="list-style-type: none"> ▪ An onsite concrete slab construction would require careful geotechnical assessment. ▪ Site footprint is already disturbed area. 	<ul style="list-style-type: none"> ▪ An onsite concrete slab construction would require careful geotechnical assessment. ▪ Site footprint is already disturbed area. 	<ul style="list-style-type: none"> ▪ An onsite concrete slab construction would require careful geotechnical assessment. ▪ Site footprint is already disturbed area.
	<ul style="list-style-type: none"> ▪ A stormwater plan is required to illustrate where storm water runoff will occur and whether stormwater can be recycled. 	<ul style="list-style-type: none"> ▪ A stormwater plan is required to illustrate where storm water runoff will occur and whether stormwater can be recycled. 	<ul style="list-style-type: none"> ▪ A stormwater plan is required to illustrate where storm water runoff will occur and whether stormwater can be recycled. 	<ul style="list-style-type: none"> ▪ A stormwater plan is required to illustrate where storm water runoff will occur and whether stormwater can be recycled.
	<ul style="list-style-type: none"> ▪ Existing entrance to the rainforest would remain and therefore environmental 	<ul style="list-style-type: none"> ▪ As visual representations/architectural representations of the 	<ul style="list-style-type: none"> ▪ As visual representations/architectural representations of the 	<ul style="list-style-type: none"> ▪ As visual representations/architectural representations of the



	impact is anticipated to be low.	development options we out of scope for this Assessment, gauging whether the entrance to the Rainforest from the new building would have an impact on the environment is difficult.	development options we out of scope for this Assessment, gauging whether the entrance to the Rainforest from the new building would have an impact on the environment is difficult.	development options we out of scope for this Assessment, gauging whether the entrance to the Rainforest from the new building would have an impact on the environment is difficult.
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11. FUNCTIONAL RELATIONSHIP

In order to ascertain the most optimal flow of functional areas the following functional diagrams have been created for each development scenario. These diagrams are merely provided to demonstrate visitor flow to each functional area (including functional areas outside the project scope – the car park, picnic area and forest walks), illustrating how each functional area and communicates with each other.

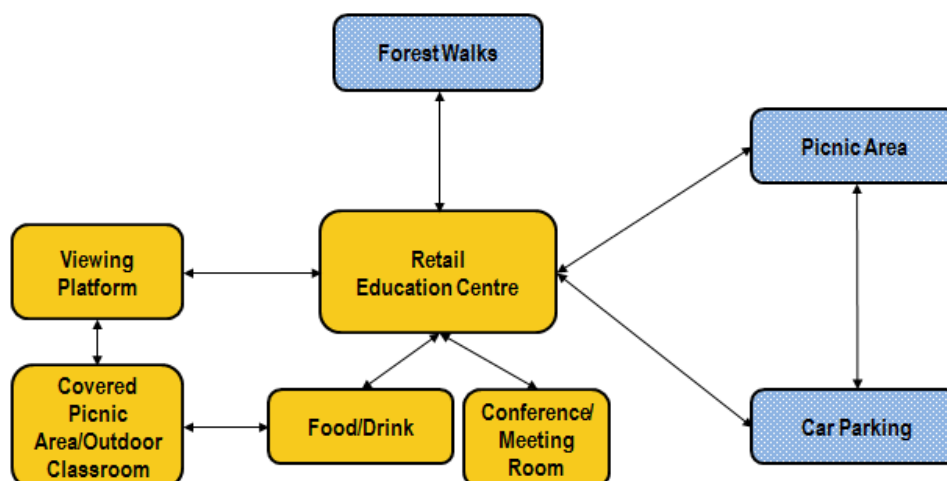
Please note that the inclusions of any visual representations/architectural diagrams of the development options were specifically noted in the Tender Brief to be out of scope of the Assessment. The functional relationship diagrams below therefore, are included to provide an idea of how each functional area links and communicates with each other.

11.1. DEVELOPMENT OPTION 1

The following figure includes the functional flow of communication and visitor direction involved in development option 1, which involves a depot or separate pavilion style of refurbishment development. Points to note include:

- The retail and discovery centre functional areas are combined as one functional area. These functional areas will be housed in the existing education centre which will be refurbished;
- The other functional areas (conference/meeting room, food/drink, covered outdoor area/classroom and the viewing platform) will all be housed in newly developed separate pavilions; and
- Whilst most of the functional areas are housed in separate structures, there is a need to direct visitor flow in such a way that encourages all visitors to enter all functional areas, especially the education functional area.

FIGURE 22: FUNCTIONAL RELATIONSHIP DIAGRAM, DEVELOPMENT OPTION 1



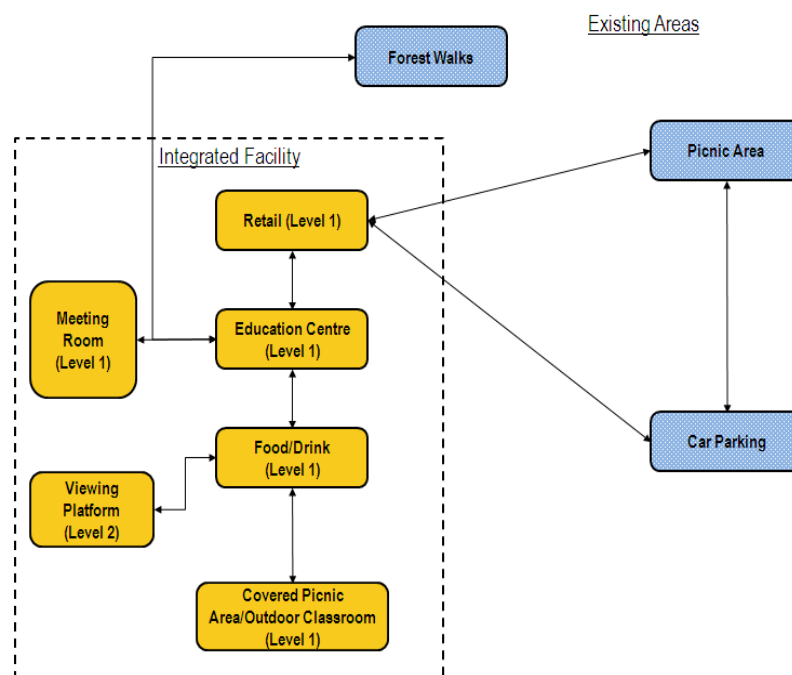


11.2. DEVELOPMENT OPTION 2

Figure 23 below includes the functional flow of communication and visitor direction involved in development option 2, which involves a single level⁶² integrated structure. Points to note include:

- The proposed new development will include an integrated building which combines 6 functional areas within the one complex;
- The integrated centre will ensure maximum exposure to all facets of the MCSR and will enable the Centre to more easily create cohesive experiences (for example, retail items for sale, such as paintings and sculptures, or educative material such as static interpretive boards, could be displayed in the food/drink functional area). This experience will be strongly supported by the integrated interpretative theme that will penetrate and characterise all areas of the MCSR precinct; and
- Visitors would be guided through the retail area of the integrated facility in order to access the discovery centre, food/drink, the outdoor picnic area, the viewing platform or the rainforest. The flow is intentionally designed this way to ensure that all visitors are exposed to the retail shop. This allows for increased impulse spend as well as a greater likelihood of creating an educational experience for visitors.

FIGURE 23: FUNCTIONAL RELATIONSHIP DIAGRAM, DEVELOPMENT OPTIONS 2



⁶² Building will be single story, however, viewing platform will be multi-level to provide views of Glass House Mountains as well as the Rainforest canopy.



11.3. DEVELOPMENT OPTION 3

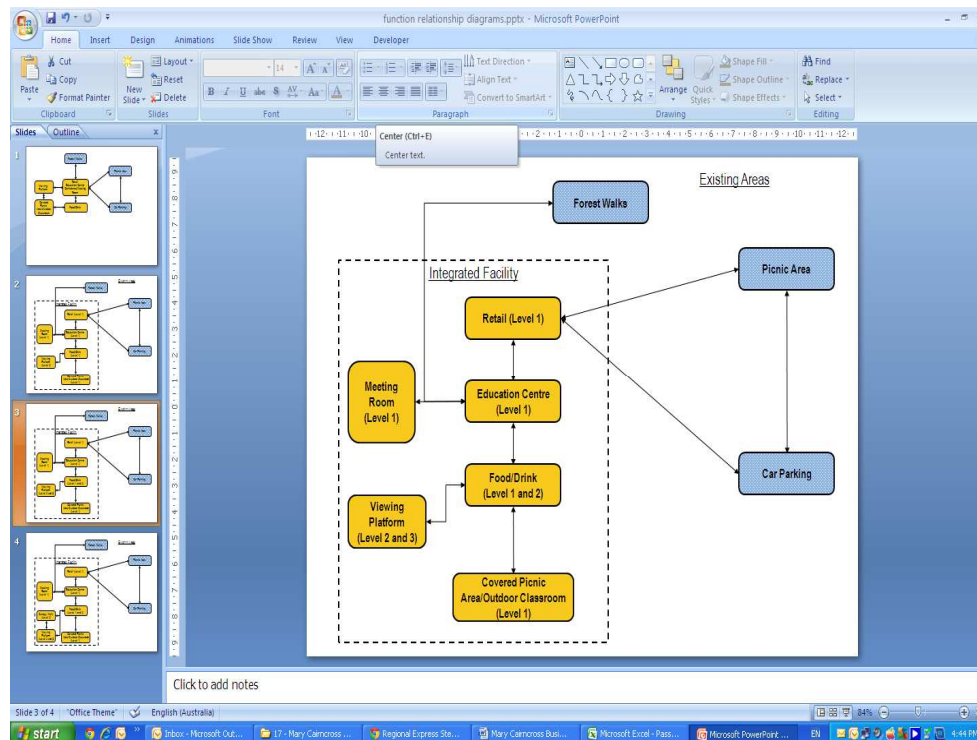
The figure on the following page includes the functional flow of communication and visitor direction involved in development option 3, which involves a two level integrated structure. Points to note include:

- The proposed new development will include an integrated building which combines 6 functional areas within the one complex;
- The integrated centre will ensure maximum exposure to all facets of the MCSR and will enable the Centre to more easily create cohesive experiences (for example, retail items for sale, such as paintings and sculptures, or educative material such as static interpretive boards, could be displayed in the food/drink functional area). This experience will be strongly supported by the integrated interpretative theme that will penetrate and characterise all areas of the MCSR precinct;
- The food/drink area will be accessed from ground level (where access to the picnic area is made available) however the main eating area and kitchen will be located on the second storey of the centre to capitalise on the views that can be captured of the Glass House Mountains.⁶³ Under this development option, the eating area should be placed on the second level will provide the tea house with an element of uniqueness and will maximise on the views which visitors can obtain. This will also potentially enhance exposure and help stimulate usage of the viewing platform;
- The viewing platform will be accessed from the second storey and will step up to a higher level to provide views of the Glass House Mountains as well as the rainforest canopy; and
- Visitors would be guided through the retail area of the integrated facility in order to access the discovery centre, food/drink, the outdoor picnic area, the viewing platform or the rainforest. The flow is intentionally designed this way to ensure that all visitors are exposed to the retail shop. This allows for increased impulse spend as well as a greater likelihood of creating an educational experience for visitors.

⁶³ Although The Group understands that 400 square metres has been allocated for outdoor undercover seating, we consider that 100 square metres of this area should be allocated to internal upstairs seating to capitalise and leverage off the unique views that can be captured of the Glass House Mountains. Additionally, this will provide indoor seating for days which are particularly cold, windy and/or hot.



FIGURE 24: FUNCTIONAL RELATIONSHIP DIAGRAM, DEVELOPMENT OPTIONS 3



11.4. DEVELOPMENT OPTION 4

Visitors would be guided through the retail area of the integrated facility in order to access the discovery centre, food/drink, the outdoor picnic area, the viewing platform or the rainforest. The flow is intentionally designed this way to ensure that all visitors are exposed to the retail shop. This allows for increased impulse spend as well as a greater likelihood of creating an educational experience for visitors.

Figure 25 below includes the functional flow of communication and visitor direction involved in development option 4, which involves a two level integrated structure.

Points to note include:

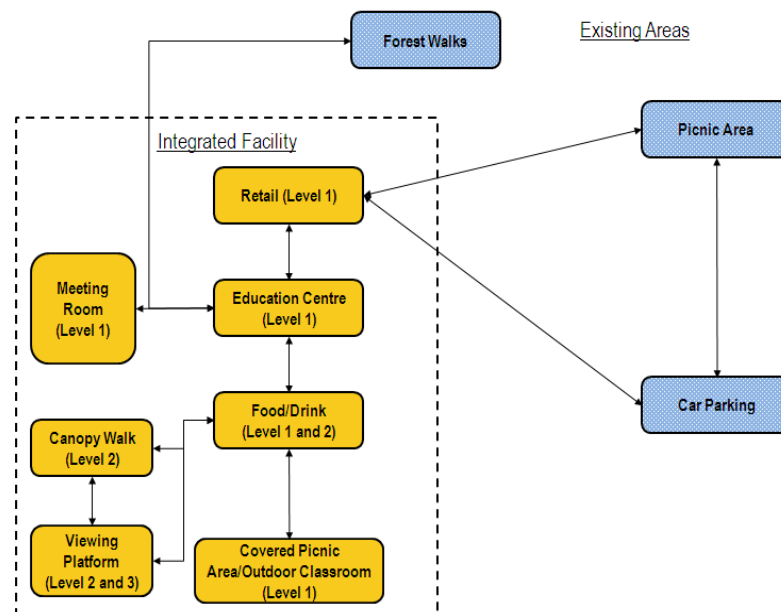
- The proposed new development will include an integrated building which combines 6 functional areas within the one complex;
- The integrated centre will ensure maximum exposure to all facets of the MCSR and will enable the Centre to more easily create cohesive experiences (for example, retail items for sale, such as paintings and sculptures, or educative material such as static interpretive boards, could be



displayed in the food/drink functional area). This experience will be strongly supported by the integrated interpretative theme that will penetrate and characterise all areas of the MCSR precinct;

- The food/drink area will be accessed from ground level (where access to the picnic area is made available) however the main eating area and kitchen will be located on the second storey of the centre to capitalise on the views that can be captured of the Glass House Mountains.⁶⁴ Under this development option, the eating area should be placed on the second level will provide the tea house with an element of uniqueness and will maximise on the views which visitors can obtain. This will also potentially enhance exposure and help stimulate usage of the viewing platform;
- The viewing platform and canopy walkway will be accessed from the second storey and will step up to a higher level to provide views of the Glass House Mountains as well as the rainforest canopy;
- Visitors would be guided through the retail area of the integrated facility in order to access the discovery centre, food/drink, the outdoor picnic area, the viewing platform or the rainforest. The flow is intentionally designed this way to ensure that all visitors are exposed to the retail shop. This allows for increased impulse spend as well as a greater likelihood of creating an educational experience for visitors.

FIGURE 25: FUNCTIONAL RELATIONSHIP DIAGRAM, DEVELOPMENT OPTION 4



⁶⁴ Although The Group understands that 400 square metres has been allocated for outdoor undercover seating, we consider that 100 square metres of this area should be allocated to internal upstairs seating to capitalise and leverage off the unique views that can be captured of the Glass House Mountains. Additionally, this will provide indoor seating for days which are particularly cold, windy and/or hot.



12. DEVELOPMENT OPTION ANALYSIS

The following matrix provides an overview of the project criteria and each development option's ability to fulfil the criteria.

TABLE 34: DEVELOPMENT OPTION COMPARISON MATRIX

CRITERIA	DEVELOPMENT OPTION 1	DEVELOPMENT OPTION 2	DEVELOPMENT OPTION 3	DEVELOPMENT OPTION 4
	<ul style="list-style-type: none"> ▪ Limited response to the needs of broad range of stakeholders. ▪ Low financial viability and limited educational improvement opportunities. ▪ Provides office space for Volunteers which currently isn't offered. Reserve volunteers will look favourably upon this. ▪ Development of small tea house/café operating only during the day will ensure that operation is not in direct competition with local businesses. Stakeholders such as the local community, businesses and business chamber will look favourably upon this. ▪ Shorter operating hours may not appeal to the local community, particularly those involved in cycling, bird watching, walking etc. 	<ul style="list-style-type: none"> ▪ Will create an integrated centre which will facilitate improving the learning, engagement experiences and cross-patronage with café. ▪ Provides office space for Volunteers which currently isn't offered. Reserve volunteers will look favourably upon this. ▪ Development of small tea house/café operating only during the day will ensure that operation is not in direct competition with local businesses. Stakeholders such as the local community, businesses and business chamber will look favourably upon this. ▪ Shorter operating hours may not appeal to the local community, particularly those involved in cycling, bird watching, walking etc. ▪ Potentially has the greatest building footprint as a result of it being one level. Therefore environmental groups, Friends of 	<ul style="list-style-type: none"> ▪ Will create an integrated centre which will facilitate improving the learning, engagement experiences and cross-patronage with café. ▪ Provides office space for Volunteers which currently isn't offered. Reserve volunteers will look favourably upon this. ▪ Development of small tea house/café operating only during the day will ensure that operation is not in direct competition with local businesses. Stakeholders such as the local community, businesses and business chamber will look favourably upon this. ▪ Longer operating hours will appeal to the local community, such as those involved in cycling, bird watching, walking etc. ▪ Building footprint is minimised as a result of being two levels. Environmental groups and Friends of the Reserve in particular will look 	<ul style="list-style-type: none"> ▪ Will create an integrated centre which will facilitate improving the learning, engagement experiences and cross-patronage with café. ▪ Provides office space for Volunteers which currently isn't offered. Reserve volunteers will look favourably upon this. ▪ Development of small tea house/café operating only during the day will ensure that operation is not in direct competition with local businesses. Stakeholders such as the local community, businesses and business chamber will look favourably upon this. ▪ Canopy walkway provides additional attraction for local community and visitors to undertake and to take visiting friends and family to. Will help to instil pride and community identity within Maleny community. ▪ Longer operating hours will appeal



		<p>the Reserve and other stakeholders may perceive this as being risky regarding preservation of the natural environment.</p> <ul style="list-style-type: none"> Integrated facility will be designed to minimise whole of life costs, maintenance costs and utility costs therefore helping to ensure best outcomes for Council in regards to maintenance and operation. 	<p>favourably upon this.</p> <ul style="list-style-type: none"> Has a high level of spend on interpretation and tech fit-out for the education centre which will be of particular interest to those stakeholders who view educational outcomes as being of primary importance (For example, Friends of Mary Cairncross, Reserve Volunteers, Reserve Management, learning institutes and environment groups) Greater interpretation budget may potentially be used to help tell the Aboriginal story of the surrounding region therefore appealing to some of the needs of the Aboriginal community Integrated facility will be designed to minimise whole of life costs, maintenance costs and utility costs therefore helping to ensure best outcomes for Council in regards to maintenance and operation. 	<p>to the local community, such as those involved in cycling, bird watching, walking etc.</p> <ul style="list-style-type: none"> Building footprint is minimised as a result of being two levels. Environmental groups and Friends of the Reserve in particular will look favourably upon this. Has a high level of spend on interpretation and tech fit-out for the education centre which will be of particular interest to those stakeholders who view educational outcomes as being of primary importance (For example, Friends of Mary Cairncross, Reserve Volunteers, Reserve Management, learning institutes and environment groups) Integrated facility will be designed to minimise whole of life costs, maintenance costs and utility costs therefore helping to ensure best outcomes for Council in regards to maintenance and operation.
	<ul style="list-style-type: none"> Although the education centre will be refurbished, the flow of visitors through the MCSR and the size of the education centre will create some constrains when trying to optimise the visitor experience. 	<ul style="list-style-type: none"> Integrated structure, including the discovery centre, and redirection of visitor flow will help maximise learning, engagement experiences and cross-patronage with café. 	<ul style="list-style-type: none"> Integrated structure, including the discovery centre, and redirection of visitor flow will help maximise learning, engagement experiences and cross-patronage with café. Implementation of innovative and interactive interpretation will help to enhance the visitor experience, 	<ul style="list-style-type: none"> Integrated structure, including the discovery centre, and redirection of visitor flow will help maximise learning, engagement experiences and cross-patronage with café. Implementation of innovative and interactive interpretation will help to enhance the visitor experience,



			<p>particularly for those of younger ages.</p> <ul style="list-style-type: none"> Viewing platform will create a drawcard for the MCSR and significantly enhance the visitor experience. 	<p>particularly for those of younger ages.</p> <ul style="list-style-type: none"> Viewing platform will create a drawcard for the MCSR and significantly enhance the visitor experience. Canopy walkway will provide an additional drawcard for the MCSR and will enhance the visitor experience, particularly for those time poor travellers who may not have time to walk through the Rainforest.
	<ul style="list-style-type: none"> Generally aligned though limited connectivity and integration of functional areas and potential lost opportunities to maximise learning opportunities. Operating hours should not have a negative impact on fauna 	<ul style="list-style-type: none"> Optimises the visitor experience, instilling MCSR values and learning opportunities through the retail, discovery centre and food/drink functional areas. Development option adheres to Buildings Prospectus recommendation that the Reserve have a smaller, low key dining experience (café/tea house) as opposed to a fine-dining experience which does not fit in with the values of the Reserve. 	<ul style="list-style-type: none"> Optimises the visitor experience, instilling MCSR values and learning opportunities through the retail, discovery centre and food/drink functional areas. Increased visitation under this option will add significant value to the local economy through direct and indirect visitor spend.⁶⁵ Educative components (particularly through increased interpretation budget) will help fulfil and conform to the deed of trust statement, educating visitors on the need for preservation, conservation and 	<ul style="list-style-type: none"> Introduction of canopy walk and restaurant may be perceived to be outside the intent of documents by some stakeholders. Increased visitation under this option will add significant value to the local economy through direct and indirect visitor spend.⁶⁸ Optimises the visitor experience, instilling MCSR values and educational lessons through the retail, discovery centre and food/drink functional areas. Educative components (particularly through increased

⁶⁵ Management Plan 2002

⁶⁶ Master Plan 2004

⁶⁷ Master Plan 2004

⁶⁸ Management Plan 2002



			<p>exhibition of native flora and fauna.</p> <ul style="list-style-type: none"> ▪ The increased budget for interpretation will help enthuse and entice younger visitor markets to the Reserve, providing them with an experience of the Rainforest without having to ever enter the Rainforest itself. This will protect and display the rainforest.⁶⁶ ▪ Two level design provides increased abilities to implement solar technology and rain water collection infrastructure to “protect the environmental integrity of the Reserve”⁶⁷. ▪ Development option adheres to Buildings Prospectus recommendation that the Reserve have a smaller, low key dining experience (café/tea house) as opposed to a fine-dining experience which does not fit in with the values of the Reserve. ▪ Two-level design and the new café/tea house proposed will showcase the Reserve and the vista’s that can be captured of the Glass House Mountains adhering to recommendation provided in the MCSR Buildings Prospectus. 	<p>interpretation budget) will help fulfil and conform to the deed of trust statement, educating visitors on the need for preservation, conservation and exhibition of native flora and fauna.</p> <ul style="list-style-type: none"> ▪ The increased budget for interpretation will help enthuse and entice younger visitor markets to the Reserve, providing them with an experience of the Rainforest without having to ever enter the Rainforest itself. This will protect and display the rainforest.⁶⁹ ▪ Two level design provides increased abilities to implement solar technology and rain water collection infrastructure to “protect the environmental integrity of the Reserve”⁷⁰. ▪ Development option adheres to Buildings Prospectus recommendation that the Reserve have a smaller, low key dining experience (café/tea house) as opposed to a fine-dining experience which does not fit in with the values of the Reserve. ▪ Two-level design and the new café/tea house proposed will
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⁶⁹ Master Plan 2004

⁷⁰ Master Plan 2004



				showcase the Reserve and the vista's that can be captured of the Glass House Mountains adhering to recommendation provided in the MCSR Buildings Prospectus.
	<ul style="list-style-type: none"> Attracts the least number of visitors which consequently will generate the lowest level of retail, café and donation revenue 	<ul style="list-style-type: none"> Attracts the third greatest number of visitors which consequently will generate the third highest level of retail, café and donation revenue 	<ul style="list-style-type: none"> Generates the greatest financial viability Attracts the second highest number of visitors which consequently will generate the second highest level of retail, café and donation revenue 	<ul style="list-style-type: none"> Attracts the greatest number of visitors which consequently will generate greatest retail, café and donation revenue
	<ul style="list-style-type: none"> Pavilion-style, separate structures will require continuous maintenance, particularly for those simply being refurbished. 	<ul style="list-style-type: none"> New integrated structure will help reduce maintenance and overall whole of life costs 	<ul style="list-style-type: none"> New integrated structure will help reduce maintenance and overall whole of life costs 	<ul style="list-style-type: none"> New integrated structure will help reduce maintenance and overall whole of life costs. Canopy walkways often require intensive monthly maintenance (safety based checks, leaf drop, non-slip surface upgrades, security) and thus whole of life costs will be the greatest in development option 4.
	<ul style="list-style-type: none"> Generates the lowest visitor numbers which will potentially result in lower average length of stay, visitor spend and visitor numbers to the surrounding region. 	<ul style="list-style-type: none"> Generates the third highest visitor numbers which will potentially result in higher average length of stay, visitor spend and visitor numbers to the surrounding region. 	<ul style="list-style-type: none"> Generates the second highest visitor numbers which will potentially result in higher average length of stay, visitor spend and visitor numbers to the surrounding region. 	<ul style="list-style-type: none"> Generates the highest visitor numbers which will potentially result in higher average length of stay, visitor spend and visitor numbers to the surrounding region.
	<ul style="list-style-type: none"> In the long term, depot style will see increased maintenance and environmental impacts as development footprint is spread over various spaces. However, in the short time, 	<ul style="list-style-type: none"> In terms of physical ground floor area, this development option has the second smallest physical building size at 818m² as a result of a smaller food/drink functional area (undercover seating area) of 	<ul style="list-style-type: none"> This development option has the second largest physical building size at 1018m² as a result of a larger food/drink functional area (undercover seating area). This option will therefore have the second 	<ul style="list-style-type: none"> This development option has the largest physical building size at 1,218m² as a result of a larger food/drink functional area and the inclusion of the canopy walkway. This option will therefore have the



	<p>adverse environmental impacts will be minimised as a result of part of the redevelopment including the refurbishment of existing structures as opposed to the development of entirely new structures.</p>	<p>200m².</p> <ul style="list-style-type: none"> ▪ This option will therefore have the least significant environmental impact in terms of physical footprint in the short term. ▪ The integrated structure may allow for greater introduction of principles around passive solar collection 	<p>most significant environmental impact in terms of ground floor.</p> <ul style="list-style-type: none"> ▪ Two level development however could potentially allow the integrated structure to have a smaller footprint and therefore potentially allow for revegetation of saved space ▪ Two level structure may potentially create greater opportunities for solar power access and generation as well as rainwater capture ▪ This development has the longest operating hours (in line with development option 4's operating hours) opening from 7am – 6.30pm. Whilst during the summer this shouldn't present an issue as it is still daylight, an environmental study may need to be undertaken to determine whether these hours are feasible during winter. 	<p>most significant environmental impact in terms of physical building size</p> <ul style="list-style-type: none"> ▪ Two level development however could potentially allow the integrated structure to have a smaller footprint and therefore potentially allow for revegetation of saved space ▪ Two level structure may potentially create greater opportunities for solar power access and generation as well as rainwater capture ▪ This development has the longest operating hours (in line with development option 3's operating hours) opening from 7am – 6.30pm. Whilst during the summer this shouldn't present an issue as it is still daylight, an environmental study may need to be undertaken to determine whether these hours are feasible during winter. ▪ The canopy walkway could present some challenges/risks in regards to adverse impacts on the environment, for example: <ol style="list-style-type: none"> .1. There is an increased risk of littering from visitors dropping rubbish from the walkway. To minimise the
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				<p>chance of this, bins should be provided along several stages of the walkway.</p> <p>2. The walkway will extend 120m around the Project Area and therefore the physical footprint and potential for environmental degradation is higher.</p>
	<ul style="list-style-type: none"> Pavilion style development will impede the optimisation of visitor flow and communication between functional areas (existing and new). 	<ul style="list-style-type: none"> Integrated structure will enable the optimisation of visitor flow and communication between functional areas (existing and new). Viewing platform will integrate tightly with the proposed education, retail and other areas. Whilst the new facility will contain separate retail, café, and education areas, these areas will be integrated (i.e. retail items will be displayed throughout the centre, interpretation will be displayed internally and externally). 	<ul style="list-style-type: none"> Integrated structure will enable the optimisation of visitor flow and communication between functional areas (existing and new). Viewing platform will integrate tightly with the proposed education, retail and other areas. Whilst the new facility will contain separate retail, café and education areas, these areas will be integrated (i.e. retail items will be displayed throughout the centre, interpretation will be displayed internally and externally). 	<ul style="list-style-type: none"> Integrated structure will enable the optimisation of visitor flow and communication between functional areas (existing and new). Canopy walkway, viewing platform will integrate tightly with the proposed education, retail and other areas. Whilst the new facility will contain separate retail, café and education areas, these areas will be integrated (i.e. retail items will be displayed throughout the centre, interpretation will be displayed internally and externally).
	<ul style="list-style-type: none"> Depot style development will be limited in its adaptability and flexibility. 	<ul style="list-style-type: none"> Integrated structure will maximise functionality, adaptability and flexibility. Functional areas will be integrated to create a seamless visitor experience. The spaces will be flexible to allow room for movement in the future. 	<ul style="list-style-type: none"> Integrated structure will maximise functionality, adaptability and flexibility. Functional areas will be integrated to create a seamless visitor experience. The spaces will be flexible to allow room for movement in the future. Greater interpretation budget may potentially allow for interpretation to 	<ul style="list-style-type: none"> Integrated structure will maximise functionality, adaptability and flexibility. Functional areas will be integrated to create a seamless visitor experience. The spaces will be flexible to allow room for movement in the future. Greater interpretation budget may potentially allow for interpretation to



			be spread throughout the integrated building structure creating greater synergies between spaces.	to be spread throughout the integrated building structure creating greater synergies between spaces.
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13. RECOMMENDED DEVELOPMENT OPTION

Based on the cost benefit analysis performed on each development option, as well as the environmental, social and economic risk and benefit analysis performed, The Group was able to determine the extent to which each development option achieved the criteria noted in the Tender Brief.

13.1. COST BENEFIT OVERVIEW

The table below provides a summary of the outcomes of the cost benefit analysis.

TABLE 35: COST BENEFIT SUMMARY

	OPTION 1	OPTION 2	OPTION 3	OPTION 4
Estimated Total Visitors (Yr 1)	133k	148k	153k	158k
Estimated Total Visitors (Yr 10)	136k	164k	194k	201k
Estimated Total Visitors (Yr 25)	194k	226k	273k	282k
Required Yield	5.5%	5.5%	5.5%	5.5%
CAPEX	\$1.4m	\$2.6m	\$3.5m	\$4.3m
EBITDA (25yr AVG)	\$13k	\$179k	\$256k	\$237k
NPV	-\$1.7m	-\$1.3m	-\$1.5m	-\$2.4m

Key points to note include:

- Capital expenditure for the redevelopment ranges from \$1.4m for option 1 to \$4.3m for option 4;
- Total estimated visitation ranges from 133k in year 1 for option 1, to 158k in year 1 for option 4;
- The required yield is set at 5.5% across all options which is an accepted margin above current bank bill rates;
- All of the Net Present Values (NPV) for the four options generate a negative result. Technically, each option therefore fails the requirement to show a positive NPV;
- As the development is a public good rather than a commercial project, preference should be given to those options which result in the less negative NPV. As both option 2 and option 3 are similar in their result, consideration should also be given to the option with the stronger cash flow able to be generated; and
- Option 3, whilst generating a marginally higher negative NPV than option 2, generates a stronger annual EBITDA (\$256k).



13.2. ATTAINMENT OF CRITERIA

Based on the results attained from the financial, economic, environmental and social risk and benefit analysis performed, the following table provides a ranking of projects according to each development option's fulfilment of the criteria listed in the Tender Brief.

Development option 3 achieves the highest ranking as it is able to achieve the highest ranking based on the provided criteria.

TABLE 36: DEVELOPMENT OPTION RANKING BASED ON CRITERIA

RFQ CRITERIA (OUT OF 10)	DEVELOPMENT OPTION 1	DEVELOPMENT OPTION 2	DEVELOPMENT OPTION 3	DEVELOPMENT OPTION 4
Responds to the needs of the stakeholders	4	5	8	8
Enhances and expands visitor experience and appreciation of MCSR values	4	7	9	9
Aligns with the strategic direction set by guiding documents	6	7	8	7
Maximises revenue streams for council and its third party commercial partner	4	7	8	8
Minimises whole of life costs	6	7	7	4
Provides best net outcome for the local economy	5	7	8	9
Minimises adverse environmental impacts	7	7	7	6
Optimises legibility and relationships between complimentary functions (i.e. through layout)	3	7	8	8
Maximises multifunctionality, adaptability and flexibility	3	7	8	8
TOTAL (OUT OF 90)	42/90	61/90	71/90	67/90



13.3. THE RECOMMENDED DEVELOPMENT OPTION

Based on the results from the financial analysis and the social, economic and environmental risk/benefit comparison performed, Option 3 is the recommended development option.

Whilst Option 3 achieves a marginally higher negative NPV than Option 2, it has been recommended for the following reasons:

- Option 3 scores a higher ranking based on its attainment of the project criteria (see Table 36); and
- Option 3 achieves the second highest NPV (-\$1.5m) and highest 25 year average EBITDA (\$256k) of all the scenarios.

13.4. SENSITIVITY ANALYSIS

A sensitivity analysis of the recommended development option (option 3) has been undertaken to illustrate the impact to financial outcomes when certain variables are altered. These variables included visitor numbers, capital expenditure and operating costs.⁷¹

13.4.1. Visitor Numbers

Table 37 on the following page outlines the impact to the NPV based on changes to the base visitor numbers included in the development option 3. With no changes to visitor numbers (sensitivity of 0%), the NPV is -\$1.5m. By decreasing visitation by 10%, 15% and 25%, viability of the development decreases, with NPV falling to -\$1.6m, -\$1.8m and -\$2.3m respectively. It is important to recognise therefore the importance of maintaining visitor numbers to ensure financial sustainability of MCSR.

Increasing baseline visitation figures increases the viability of the development option as a result of greater visitor spend at the retail and café as well as increased donations received. Increasing visitation by 10%, 15% and 25% see's the NPV for development option 3 increase from -\$1.5m to -\$909k, -\$485k and -\$56k respectively.

TABLE 37: SENSITIVITY ANALYSIS – DEVELOPMENT OPTION 3 – VISITOR NUMBERS

Sensitivity Analysis - Visitor Numbers		
-25%	-15%	-10%
NPV	NPV	NPV
-\$2.3m	-\$1.8m	-\$1.6m
0%		
	NPV	
	-\$1.5m	
10%	15%	25%
NPV	NPV	NPV
-\$909k	-\$485k	-\$56k

⁷¹ Detailed sensitivity analysis results are included in Appendix 4.



13.4.2. Capital Expenditure

The table below outlines the impact to the NPV when changes are made to the initial capital expenditure. With the original capital expenditure value for development option 3 maintained (sensitivity of 0%), the NPV is -\$1.5m. By decreasing capital expenditure by 10% and 20%, the viability of the development grows (albeit still producing a negative result), with the NPV growing to -\$1.2m and \$777k respectively.

Increasing baseline capital expenditure causes the viability of the development option to fall as a result of greater capital injection needed to make the development occur. Increasing CAPEX by 10% and 20% results in the NPV decreasing to -\$1.8m and -\$2.1m respectively.

TABLE 38: SENSITIVITY ANALYSIS – DEVELOPMENT OPTION 3 - CAPITAL EXPENDITURE

Sensitivity Analysis - Capital Expenditure	
- 20%	- 10%
NPV	NPV
-\$777k	-\$1.2m
0%	
NPV	
-\$1.5m	
10%	20%
NPV	NPV
-\$1.8m	-\$2.1m

13.4.3. Operating Costs

The table on the following page outlines the impact to the NPV based on changes to the base operating costs included in the development option 3. With no changes to operating costs (sensitivity of 0%), the NPV is -\$1.5m. By decreasing operating costs by 10%, 20% and 30%, viability of the development increases (despite still producing a negative financial outcome), with the NPV growing to -\$1.2m, -\$810k and -\$396k respectively.

Increasing baseline operating costs by 10%, 20% and 30% causes the viability of development option 3 to fall dramatically, with the NPV falling to -\$2.1m, -\$2.5m and -\$2.9m. This indicates the need to ensure that operating costs are continuously monitored to make sure they are in line with the original budget.



TABLE 39: SENSITIVITY ANALYSIS – DEVELOPMENT OPTION 3 - OPERATING COSTS

Sensitivity Analysis - Operating Costs		
- 30%	- 20%	- 10%
NPV	NPV	NPV
-\$396k	-\$810k	-\$1.2m
0%		
	NPV	
	-\$1.5m	
10%	20%	30%
NPV	NPV	NPV
-\$2.1m	-\$2.5m	-\$2.9m



14. APPENDICES

Appendix 1: MCSR Map

Appendix 2: Council consultation and workshop findings

Appendix 3: Visitation Numbers

Appendix 4: Sensitivity Analysis

14.1. APPENDIX 1 – MCSR MAP

Reserve Map



14.2. COUNCIL CONSULTATION AND WORKSHOP FINDINGS

Although additional consultation was not specifically part of the brief, The Group, in consultation with the Project Management Group, felt that a workshop needed to be held with Council personnel to ensure that all possible development ideas were covered.

This workshop revealed that the vast majority of Council personnel in attendance agreed with the development options listed and also revealed a range of possible additional development components which could be introduced to enhance the appeal of the MCSR.

Although these components are not included in the development options provided by the Project Management Group and therefore not included in the scope of this Report, they have been listed here in addition to other feedback received to demonstrate the potential of the MCSR and may be utilised in the future.

14.2.1. Mobile phone app

The mobile phone application market is progressive and since the rise of the iPhone and Android operating systems, has significantly expanded over the past 2-3 years. As mobile applications are a relatively new concept, it is important to recognise that attaining market share during the initial growth phase is far easier in comparison to when the market is mature and saturated.

The development of a mobile application for the MCSR and potential surrounding locality is recommended. This application could provide prospective visitors and locals with maps as well as interactive walk-through tours and booking information.

Figure 26 on the following page illustrates two current destination applications on the iPhone platform which have been quite successful – “The Legendary Pacific Coast Application” which was developed for visitors travelling from Sydney – Brisbane along the Pacific Coast and the “Great Southern Touring Route” which was developed for visitors travelling along Victoria’s Coastal region.

The applications provide a wide range of information regarding accommodation, activities and experiences which can be undertaken throughout the trip. The applications have both been rated with four stars and have high user reviews, with visitors stating the applications have helped them “find all the best hidden spots ... while travelling” in addition to helping them find “accommodation with the tap of a finger”.⁷²

⁷²User feedback contained in iTunes: <http://itunes.apple.com/app/great-southern-touring-route/id440647032?mt=8> and <http://itunes.apple.com/au/app/legendary-pacific-coast/id399378701?mt=8>

FIGURE 26: BEST PRACTICE DESTINATION IPHONE APPLICATIONS⁷³



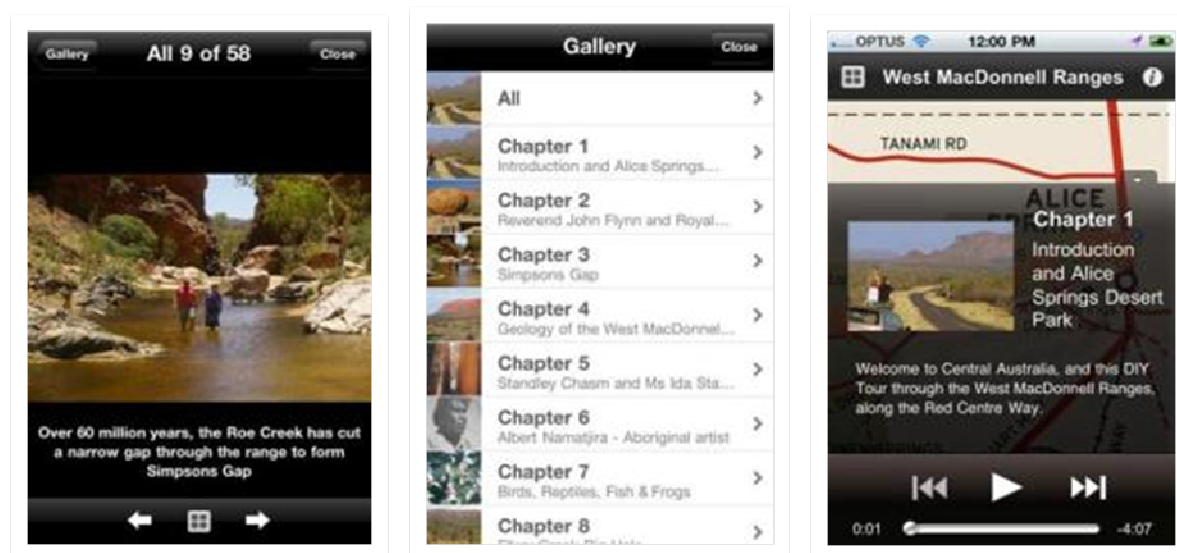
Developing an application for the MCSR and potentially the Hinterland area would provide the following benefits:

- The application has the potential to provide users with soft copies of brochures and maps, reducing the MCSR's reliance on expensive brochures which are costly to print and to display;
- During peak periods of visitation, the availability of a mobile application which provides visitors with much of the information they would obtain from a staff at the MCSR could potentially relieve pressure;
- Mobile applications have reached a level of sophistication which not only enable information consumption but also allow for the planning and booking of choices. Utilisation of mobile devices and the consumption of information via mobile applications is a rapidly increasing trend. As such more and more businesses are utilising them as important marketing and transaction facilitation tools; and
- The application could feature a DIY tour of the MCSR, providing interpretation, information, images and videos on the user's device. Essentially, the application could be GPS triggered and provide visitors with voice commentary, pictures and videos when walking around the MCSR. The application will particularly appeal to the independent, self-drive traveller and would encourage self-

⁷³ Legendary Pacific iPhone App and Greater Southern Touring Route iPhone Application

exploration of the MCSR and potentially the surrounding region (Figure 27 below demonstrates a best practice DIY tour application).

FIGURE 27: BEST PRACTICE DIY TOUR APPLICATION



To help finance the cost of the mobile application, advertising and add on pay-for elements could be included. These will help generate an additional income stream as well as fund the costs associated with the development of the application. There is also the opportunity to find a corporate sponsor who is keen to fund the design and creation of the application in exchange for branding within the application.

14.2.2. Cycling/hiking trails

Demand for accessible and family friendly cycling and hiking trails is on the rise, with an increasing number of families undertaking cycling and hiking based trips.

Potential exists to develop a variety of walking and cycling trails within the immediate locality as well as longer trails which connect the MCSR with the Glass House Mountains. The trails, whilst they could be self-guided by experienced individuals, could be run by an experienced operator to provide a guided and higher-end experience.

A trail already exists down to the Glass House Mountain Visitor Centre.

14.2.3. Art house movie experience

Feedback received indicated that the region lacks evening and indoor experiences. The opportunity therefore exists to create an art house movie/environment based movie or documentary experience within the MCSR (utilising the theatrette), particularly focusing on boosting use of MCSR during non-peak periods. This would create an indoor experience and produce an additional income stream for the

MCSR. However, such a theatre may be limited to operating during the day time, subject to a better understanding of the impacts of night time use on natural values and local amenity.

14.2.4. Other suggestions/considerations

Other suggestions/considerations included (but were not limited to):

- Indigenous experiences (food trails and workshops) and greater interpretation;
- There is a need for an indoor experience at the MCSR and within the region as weather is often inclement (particularly during winter);
- The canopy walkway will provide an additional motivator for visitation to the site. Whilst it may not be the primary attractor, it may help to stimulate visitation and therefore it was decided that this would still be included in the development options proposed. Additionally, it may deter visitors from entering the rainforest itself, helping to reduce the human footprint;
- The MCSR needs to focus on interactive experiences providing visitors with a rainforest experience, without even having to enter the rainforest itself; and
- Potential to start charging schools and tour buses a nominal fee to utilise the MCSR's facilities.

We note that a number of tour companies visit the MCSR to allow passengers to use the public toilets and to enter the MCSR area at no charge (other than a donation). There is a need to encourage tour operators to use the MCSR but on a fee paying basis. The introduction of a guided tour could provide the mechanism to encourage a per passenger fee.



14.3. VISITATION NUMBERS

TABLE 40: VISITATION NUMBERS

VISITATION NUMBERS													
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13
OPTION 1	132,773	135,428	138,137	140,900	136,673	132,573	128,595	132,453	136,427	140,520	144,735	140,393	136,181
% CHANGE		2%	2%	2%	-3%	-3%	-3%	3%	3%	3%	3%	-3%	-3%
OPTION 2	147,773	155,162	159,816	164,611	159,673	154,882	150,236	154,743	159,385	164,167	169,092	164,019	159,099
% CHANGE		5%	3%	3%	-3%	-3%	-3%	3%	3%	3%	3%	-3%	-3%
OPTION 3	152,773	168,050	176,453	181,746	178,111	174,549	171,058	179,611	188,592	194,249	200,077	196,075	192,154
% CHANGE		10%	5%	3%	-2%	-2%	-2%	5%	5%	3%	3%	-2%	-2%
OPTION 4	157,773	173,550	182,228	187,695	183,941	180,262	176,657	185,490	194,764	200,607	206,625	202,493	198,443
% CHANGE		10%	5%	3%	-2%	-2%	-2%	5%	5%	3%	3%	-2%	-2%
	YEAR 14	YEAR 15	YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20	YEAR 21	YEAR 22	YEAR 23	YEAR 24	YEAR 25	
OPTION 1	132,096	138,701	145,636	152,918	157,505	162,230	167,097	172,110	177,273	182,592	188,069	193,711	
% CHANGE	-3%	5%	5%	5%	3%	3%	3%	3%	3%	3%	3%	3%	
OPTION 2	154,326	162,042	170,144	178,651	184,011	189,531	195,217	201,074	207,106	213,319	219,718	226,310	
% CHANGE	-3%	5%	5%	5%	3%	3%	3%	3%	3%	3%	3%	3%	
OPTION 3	186,389	195,709	205,494	215,769	222,242	228,909	235,777	242,850	250,135	257,639	265,369	273,330	
% CHANGE	-3%	5%	5%	5%	3%	3%	3%	3%	3%	3%	3%	3%	
OPTION 4	192,490	202,114	212,220	222,831	229,516	236,401	243,493	250,798	258,322	266,071	274,054	282,275	
% CHANGE	-3%	5%	5%	5%	3%	3%	3%	3%	3%	3%	3%	3%	



14.4. SENSITIVITY ANALYSIS

TABLE 41: SENSITIVITY ANALYSIS - VISITOR NUMBERS -25%

Option 3 - Sensitivity Analysis Visitation -25%																												
Assumptions																												
Conference/Meeting Space Hire Fee	\$200																											
Number of times conference/meeting room hired p/a	59																											
Average spend at café per person operating years 1-7	\$14.00																											
Average spend at café per person operating years 8-15	\$17.00																											
Average spend at café per person operating years 16-25	\$21.00																											
From year 3, café revenue turnover allocated to Council	5%																											
Average spend at retail per person (operating years 1-7)	\$4.50																											
Average spend at retail per person (operating years 8-15)	\$7.00																											
Average spend at retail per person (operating years 16-25)	\$9.00																											
Plastic Area Hire Fee	\$0.00																											
Assumed % of visitors contributing donation	56%																											
Average donation per visitor (operating years 1-13)	\$1.00																											
Average donation per visitor (operating years 14-25)	\$2.00																											
Cost of goods sold	49%																											
Utilitation	3%																											
Maintenance costs per sqm	\$38																											
Utility Overheads increase p/a	4%																											
Discount rate	6.5%																											
Required yield	5.5%																											
Visitor Sensitivity Analysis	-25%																											
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27		
Annual Discount Factor	0.882																											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
Visitors		114,580	126,038	132,940	138,310	133,584	130,912	128,294	134,708	141,444	146,667	150,088	147,057	144,115	139,792	146,782	154,121	161,927	168,681	171,682	176,832	182,137	187,601	193,230	199,026	204,997		
REVENUE																												
Café lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
Café lessee portion of turnover	-	-	\$50,951	\$62,479	\$51,430	\$50,401	\$49,393	\$62,976	\$66,125	\$68,109	\$70,152	\$68,749	\$67,374	\$65,353	\$68,620	\$89,005	\$93,455	\$96,259	\$99,146	\$102,121	\$105,184	\$108,340	\$111,590	\$114,938	\$118,386			
Retail revenue	\$128,902	\$141,792	\$148,882	\$153,349	\$150,282	\$147,276	\$144,330	\$236,740	\$247,527	\$254,952	\$262,601	\$257,349	\$252,202	\$244,636	\$256,868	\$346,771	\$364,110	\$375,033	\$386,284	\$397,873	\$409,809	\$422,103	\$434,766	\$447,603	\$461,244			
Gift coin donations	\$64,165	\$70,581	\$74,110	\$76,333	\$74,807	\$73,311	\$71,844	\$75,437	\$79,239	\$81,595	\$84,032	\$82,352	\$80,705	\$78,567	\$84,395	\$112,615	\$119,246	\$123,284	\$126,663	\$130,394	\$134,444	\$138,844	\$143,594	\$148,694	\$154,144			
Theatre Hire	\$10,000	\$10,000	\$10,000	\$10,000	\$11,250	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,123	\$15,570	\$16,027	\$16,494	\$16,971	\$17,458	\$17,954	\$18,461	\$18,978	\$19,505	\$20,042			
Total Revenue	\$208,067	\$237,674	\$309,552	\$318,089	\$312,773	\$307,580	\$302,508	\$411,451	\$430,528	\$442,694	\$455,224	\$447,292	\$439,538	\$506,241	\$530,009	\$648,971	\$679,858	\$699,504	\$719,739	\$740,581	\$762,048	\$784,160	\$806,935	\$830,393	\$854,554			
EXPENDITURE																												
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,950	\$124,571	\$128,292	\$132,012	\$135,833	\$139,754	\$143,775	\$147,896	\$152,017	\$156,238	\$160,459	\$164,680	\$168,901	\$173,122	\$177,343			
Cost of goods sold (retail)	\$58,006	\$63,807	\$66,997	\$69,007	\$67,627	\$66,274	\$64,949	\$106,083	\$111,387	\$114,729	\$118,170	\$115,807	\$113,491	\$110,086	\$115,800	\$156,047	\$163,650	\$168,765	\$173,828	\$179,043	\$184,414	\$189,946	\$195,645	\$201,514	\$207,560			
Utilities	\$45,000	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800			
Liquor License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,127	\$7,336	\$7,548	\$7,764	\$7,984	\$8,208	\$8,436	\$8,668	\$8,903	\$9,141	\$9,382	\$9,626	\$9,873			
Signage (interior and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,127	\$7,336	\$7,548	\$7,764	\$7,984	\$8,208	\$8,436	\$8,668	\$8,903	\$9,141	\$9,382	\$9,626	\$9,873			
Site maintenance	\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,456	\$43,728	\$45,034	\$46,375	\$47,751	\$49,163	\$50,611	\$52,096	\$53,617	\$55,174	\$56,767	\$58,396	\$60,061	\$61,762			
Elevator Maintenance	\$10,000	\$10,000	\$10,000	\$10,000	\$11,250	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,123	\$15,570	\$16,027	\$16,494	\$16,971	\$17,458	\$17,954	\$18,461	\$18,978	\$19,505	\$20,042			
Total Costs	\$243,677	\$255,498	\$263,035	\$269,522	\$272,754	\$276,151	\$279,718	\$325,891	\$336,385	\$345,073	\$350,629	\$353,236	\$356,039	\$377,906	\$394,841	\$408,455	\$419,305	\$430,480	\$441,990	\$453,846	\$466,057	\$478,635	\$491,590	\$504,934				
EBITDA																												
Capital Expenditure																												
Foods/Dns Services	\$1,221,200																											
Covered Plastic Area/Outdoor Classroom	\$80,000																											
Conference/Meeting room (leasing space)	\$235,000																											
Retail	\$95,000																											
Education Centre	\$520,000																											
Viewing Platform	\$355,000																											
Canopy Walk	\$1,002,480																											
Contingencies and Fees																												
Facility Refurbishment																												
Total Capital Expenditure	\$3,508,680																											
Cash Flow																												
Discounted Cash Flow																												
Net Present Value (NPV)	\$2,344,982																											



TABLE 42: SENSITIVITY ANALYSIS - VISITOR NUMBERS -15%

Option 3 - Sensitivity Analysis Visitation -15%																											
Assumptions																											
Conference/Meeting Space Hire Fee		\$200																									
Number of times conference/meeting room hired p/a		50																									
Average spend at café per person operating years 1-7		\$14.00																									
Average spend at café per person operating years 8-15		\$17.00																									
Average spend at café per person operating years 16-25		\$21.00																									
From year 3, café revenue turnover allocated to Council		5%																									
Average spend at retail per person (operating years 1-7)		\$4.50																									
Average spend at retail per person (operating years 8-15)		\$7.00																									
Average spend at retail per person (operating years 16-25)		\$9.00																									
Rpic Area Hire Fee		\$0.00																									
Assumed % of visitors contributing donation		56%																									
Average donation per visitor (operating years 1-13)		\$1.00																									
Average donation per visitor (operating years 14-25)		\$2.00																									
Cost of goods sold		45%																									
Inflation		3%																									
Maintenance costs per sqm		\$30																									
Utility Overheads increase pa		4%																									
Discount rate		6.5%																									
Required yield		5.5%																									
Visitor Sensitivity Analysis		-15%																									
Years		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Annual Discount Factor		0.892	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183
Visitors		129,857	142,843	149,985	154,484	151,305	148,367	145,400	152,669	160,303	165,112	170,065	166,654	163,331	158,431	166,352	174,670	183,404	188,906	194,573	200,410	206,422	212,615	218,993	225,563	232,330	
REVENUE																											
Café lessee rent		\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover		-	-	\$67,744	\$69,477	\$68,287	\$67,121	\$65,979	\$71,373	\$74,942	\$77,190	\$79,506	\$77,915	\$76,357	\$74,066	\$77,770	\$100,872	\$105,916	\$109,093	\$112,366	\$115,737	\$119,209	\$122,785	\$126,469	\$130,263	\$134,171	
Retail revenue		\$146,089	\$160,698	\$168,733	\$173,795	\$170,319	\$166,913	\$163,574	\$267,172	\$280,530	\$288,946	\$297,614	\$291,662	\$286,629	\$277,254	\$291,117	\$393,008	\$412,658	\$425,038	\$437,789	\$450,923	\$464,450	\$478,384	\$492,735	\$507,517	\$522,743	
Gift coin donations		\$72,730	\$79,992	\$83,992	\$86,511	\$84,781	\$83,085	\$81,424	\$85,495	\$88,770	\$92,463	\$93,332	\$91,465	\$89,443	\$186,315	\$195,630	\$205,412	\$211,574	\$217,922	\$224,469	\$231,193	\$238,129	\$245,273	\$252,631	\$260,210		
Theatre Hire		\$10,000	\$10,300	\$10,600	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,536	\$18,061	\$18,603	\$19,161	\$19,738	\$20,328	
Total Revenue		\$233,809	\$265,990	\$346,078	\$355,710	\$349,642	\$343,712	\$337,918	\$461,338	\$482,909	\$496,646	\$510,796	\$501,752	\$492,909	\$568,448	\$595,327	\$730,090	\$765,033	\$787,234	\$810,101	\$833,654	\$857,913	\$882,901	\$908,638	\$935,147	\$962,451	
EXPENDITURE																											
Salaries (2 part time)		\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,576	\$128,304	\$132,138	\$136,078	\$140,124	\$144,276	\$148,534	\$152,898	\$157,368	\$161,944	\$166,626	\$171,414	\$176,308	\$181,308	
Cost of goods sold (retail)		\$65,740	\$72,914	\$75,930	\$78,238	\$76,644	\$75,111	\$73,609	\$120,227	\$128,239	\$133,026	\$133,927	\$131,248	\$128,623	\$124,764	\$130,003	\$178,853	\$186,696	\$191,267	\$197,005	\$202,915	\$209,003	\$215,273	\$221,731	\$228,380	\$235,234	
Utilities		\$45,000	\$46,800	\$48,600	\$49,800	\$48,800	\$48,800	\$46,800	\$48,800	\$49,800	\$48,800	\$46,800	\$48,800	\$49,800	\$48,800	\$46,800	\$49,800	\$50,800	\$49,800	\$48,800	\$46,800	\$48,800	\$49,800	\$50,800	\$49,800	\$48,800	
Liquor License Annual Fee		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,922	\$7,130	\$7,344	\$7,564	\$7,790	\$8,022	\$8,260	\$8,504	\$8,754	\$9,010	\$9,272	\$9,540	\$9,814	\$10,094	
Storage (interp and directional) maintenance		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,922	\$7,130	\$7,344	\$7,564	\$7,790	\$8,022	\$8,260	\$8,504	\$8,754	\$9,010	\$9,272	\$9,540	\$9,814	\$10,094	
Site maintenance		\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,456	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,059	\$58,770	\$60,533	\$62,349	
Bevator Maintenance		\$10,000	\$10,300	\$10,600	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,536	\$18,061	\$18,603	\$19,161	\$19,738	\$20,328	
Total Costs		\$241,412	\$253,706	\$261,359	\$267,796	\$270,515	\$273,395	\$276,437	\$327,737	\$338,569	\$347,322	\$332,946	\$334,834	\$336,913	\$337,899	\$349,127	\$400,118	\$414,255	\$425,278	\$436,633	\$448,328	\$460,373	\$472,781	\$485,560	\$498,723	\$512,280	
EBITDA			-\$7,602	\$12,284	\$84,719	\$87,914	\$79,127	\$70,317	\$61,480	\$133,602	\$144,340	\$149,324	\$177,849	\$166,917	\$155,996	\$220,549	\$246,200	\$239,972	\$350,778	\$361,955	\$373,468	\$385,326	\$397,540	\$410,120	\$423,078	\$436,424	\$450,171
Capital Expenditure																											
Food/Drink Services		\$1,221,200																									
Covered Picnic Area/Outdoor Classroom		\$80,000																									
Conference/Meeting room (learning space)		\$225,000																									
Retail		\$95,000																									
Education Centre		\$520,000																									
Viewing Platform		\$265,000																									
Canopy Walk		-																									
Contingencies and Fees		\$1,002,480																									
Facility Rebuildment																											
Total Capital Expenditure		\$3,508,680																									
Cash Flow		-\$3,336,880	-\$7,602	\$12,284	\$84,719	\$87,914	\$79,127	\$70,317	\$61,480	\$133,602	\$144,340	\$149,324	\$177,849	\$166,917	\$155,996	-\$169,451	\$246,200	\$239,972	\$350,778	\$361,955	\$373,468	-\$14,674	\$397,540	\$410,120	\$423,078	\$436,424	\$450,171
Discounted Cash Flow		-\$3,093,468	\$6,294	\$9,549	\$61,834	\$60,251	\$50,919	\$42,488	-\$139,850	\$133,602	\$144,340	\$149,324	\$177,849	\$166,917	\$155,996	-\$169,451	\$246,200	\$239,972	\$350,778	\$361,955	\$373,468	-\$14,674	\$397,540	\$410,120	\$423,078	\$436,424	\$450,171
Net Present Value (NPV)		-\$1,773,112																									

TABLE 43: SENSITIVITY ANALYSIS - VISITOR NUMBERS -10%

Option 3 - Sensitivity Analysis Visitation -10%																												
Assumptions																												
Conference/Meeting Space Hrs Fee		\$200																										
Number of times conference/meeting room hired p/a		50																										
Average spend at café per person operating years 1-7		\$14.00																										
Average spend at café per person operating years 8-15		\$17.00																										
Average spend at café per person operating years 16-25		\$21.00																										
From year 3, café revenue turnover allocated to Council		8%																										
Average spend at retail per person (operating years 1-7)		\$4.50																										
Average spend at retail per person (operating years 8-15)		\$7.00																										
Average spend at retail per person (operating years 16-25)		\$9.00																										
Florist Area Hrs Fee		\$0.00																										
Assumed % of visitors contributing donation		56%																										
Average donation per visitor (operating years 1-13)		\$1.00																										
Average donation per visitor (operating years 14-25)		\$2.00																										
Cost of goods sold		49%																										
Inflation		3%																										
Maintenance costs per sqm		\$33																										
Utility Overheads increase p/a		4%																										
Discount rate		6.5%																										
Required yield		5.9%																										
Visitor Sensitivity Analysis		-10%																										
Years		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Annual Discount Factor		0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Visitors		137,496	151,245	158,808	163,572	160,300	157,094	153,952	161,650	169,733	174,825	180,069	176,468	172,939	167,750	176,138	184,945	194,192	200,018	206,018	212,199	218,565	225,122	231,875	238,832	246,997		
REVENUE																												
Café lessee rent		\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
Café lessee portion of turnover		-	-	\$61,141	\$62,975	\$61,716	\$60,481	\$59,272	\$75,571	\$79,350	\$81,730	\$84,182	\$82,499	\$80,849	\$78,423	\$82,344	\$106,806	\$112,146	\$115,510	\$118,976	\$122,545	\$126,221	\$130,008	\$133,908	\$137,925	\$142,063		
Retail revenue		\$154,683	\$170,151	\$178,658	\$184,018	\$180,338	\$176,731	\$173,196	\$282,888	\$297,032	\$305,943	\$315,121	\$308,819	\$302,642	\$293,563	\$308,241	\$416,126	\$436,932	\$450,040	\$463,541	\$477,447	\$491,771	\$506,524	\$521,720	\$537,371	\$553,492		
Gift coin donations		\$76,998	\$84,697	\$88,932	\$91,610	\$89,768	\$87,973	\$86,213	\$90,524	\$95,050	\$97,902	\$100,839	\$98,622	\$96,846	\$187,880	\$197,274	\$207,138	\$217,495	\$224,020	\$230,741	\$237,663	\$244,793	\$252,136	\$259,700	\$267,491	\$275,516		
Theatrette Hrs		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328		
Total Revenue		\$246,680	\$280,148	\$364,341	\$374,521	\$368,077	\$361,778	\$355,622	\$486,282	\$509,100	\$523,623	\$538,582	\$528,982	\$519,594	\$509,552	\$627,986	\$770,649	\$807,620	\$831,099	\$855,282	\$880,190	\$905,846	\$932,271	\$959,489	\$987,524	\$1,016,400		
EXPENDITURE																												
Salaries (2 part time)		\$90,000	\$92,700	\$95,461	\$98,245	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,950	\$124,570	\$128,290	\$132,110	\$136,030	\$140,050	\$144,170	\$148,390	\$152,710	\$157,130	\$161,650	\$166,270	\$170,990	\$175,810	\$180,730		
Cost of goods sold (retail)		\$69,807	\$76,568	\$80,396	\$82,808	\$81,152	\$79,529	\$77,938	\$127,299	\$133,664	\$137,674	\$141,805	\$138,968	\$136,189	\$132,103	\$138,769	\$167,257	\$196,619	\$202,518	\$208,984	\$214,851	\$221,297	\$227,936	\$234,774	\$241,817	\$249,072		
Utilities		\$45,000	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800		
Liquor License Annual Fee		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,128	\$7,346	\$7,575	\$7,815	\$8,066	\$8,328	\$8,601	\$8,885	\$9,180	\$9,486	\$9,803	\$10,131	\$10,471		
Storage (inter and directional) maintenance		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,128	\$7,346	\$7,575	\$7,815	\$8,066	\$8,328	\$8,601	\$8,885	\$9,180	\$9,486	\$9,803	\$10,131	\$10,471		
Site maintenance		\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,456	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,058	\$58,770	\$60,533	\$62,349		
Bevator Maintenance		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328		
Total Costs		\$245,279	\$257,960	\$265,826	\$272,396	\$275,024	\$277,813	\$280,787	\$334,809	\$345,995	\$354,971	\$340,824	\$342,555	\$344,479	\$345,238	\$356,833	\$410,521	\$425,178	\$436,529	\$448,221	\$460,264	\$472,668	\$485,444	\$498,603	\$512,157	\$526,118		
EBITDA		\$1,402	\$22,189	\$98,515	\$102,124	\$93,053	\$83,965	\$74,865	\$151,473	\$163,105	\$168,652	\$197,757	\$186,427	\$175,115	\$254,314	\$271,153	\$360,128	\$382,442	\$394,569	\$407,061	\$419,926	\$433,178	\$446,827	\$460,886	\$475,367	\$490,282		
Capital Expenditure																												
Food/Drink Services		\$1,221,200																										
Covered Florist Area/Outdoor Classroom		\$80,000																										
Conference/Meeting room (learning space)		\$235,000																										
Retail		\$95,000																										
Education Centre		\$520,000																										
Viewing Platform		\$355,000																										
Canopy Walk		-																										
Contingencies and Fees		\$1,002,480																										
Facility Refreshment		-																										
Total Capital Expenditure		\$3,508,680							-\$400,000						-\$400,000							-\$400,000						
Cash Flow		-\$3,508,680	\$1,402	\$22,189	\$98,515	\$102,124	\$93,053	\$83,965	-\$325,146	\$151,473	\$163,105	\$168,652	\$197,757	\$186,427	\$175,115	\$146,686	\$271,153	\$360,128	\$382,442	\$394,569	\$407,061	\$419,926	\$433,178	\$446,827	\$460,886	\$475,367	\$490,282	
Discounted Cash Flow		-\$3,093,460	\$1,160	\$17,248	\$71,904	\$69,989	\$59,880	\$50,734	-\$184,472	\$80,694	\$81,587	\$79,213	\$87,214	\$77,159	\$68,089	\$57,189	\$92,955	\$115,922	\$115,591	\$118,472	\$121,978	\$126,042	\$130,711	\$135,001	\$139,947	\$145,593		
Net Present Value (NPV)		-\$1,558,503																										



TABLE 44: SENSITIVITY ANALYSIS - VISITOR NUMBERS +10%

Option 3 - Sensitivity Analysis Visitation 10%																											
Assumptions																											
Conference/Meeting Space Hire Fee		\$200																									
Number of times conference/meeting room hired p/a		50																									
Average spend at café per person operating years 1-7		\$14.00																									
Average spend at café per person operating years 8-15		\$17.00																									
Average spend at café per person operating years 16-25		\$21.00																									
From year 3, café revenue turnover allocated to Council		5%																									
Average spend at retail per person (operating years 1-7)		\$4.50																									
Average spend at retail per person (operating years 8-15)		\$7.00																									
Average spend at retail per person (operating years 16-25)		\$9.00																									
Rhonic Area Hire Fee		\$0.00																									
Assumed % of visitors contributing donation		56%																									
Average donation per visitor (operating years 1-13)		\$1.00																									
Average donation per visitor (operating years 14-25)		\$2.00																									
Cost of goods sold		45%																									
Inflation		3%																									
Maintenance costs per sqm		\$30																									
Utility Overheads increase pa		4%																									
Discount rate		6.5%																									
Required yield		5.5%																									
Visitor Sensitivity Analysis		10%																									
Years		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Annual Discount Factor		0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
Visitors		168,050	184,655	194,098	199,921	195,923	192,004	188,164	197,572	207,451	213,674	220,085	215,683	211,369	205,028	215,280	226,044	237,346	244,466	251,800	259,354	267,135	275,149	283,403	291,905	300,663	
REVENUE																											
Café lessee rent		\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover		\$74,728	\$78,970	\$75,430	\$73,922	\$72,443	\$69,365	\$65,983	\$69,893	\$72,890	\$75,832	\$78,815	\$75,851	\$72,839	\$69,861	\$72,843	\$75,826	\$78,809	\$81,792	\$84,775	\$87,758	\$90,741	\$93,724	\$96,707	\$99,690	\$102,673	\$105,656
Retail revenue		\$189,057	\$207,962	\$218,360	\$224,911	\$220,413	\$216,005	\$211,685	\$216,752	\$223,039	\$229,330	\$235,619	\$231,908	\$228,197	\$224,486	\$230,775	\$237,064	\$243,353	\$249,642	\$255,931	\$262,220	\$268,509	\$274,798	\$281,087	\$287,376	\$293,665	\$299,954
Gold coin donations		\$94,108	\$103,519	\$108,695	\$111,956	\$109,717	\$107,522	\$105,372	\$110,640	\$116,173	\$119,658	\$123,247	\$120,782	\$118,317	\$122,856	\$126,395	\$130,934	\$135,473	\$140,012	\$144,551	\$149,090	\$153,629	\$158,168	\$162,707	\$167,246	\$171,785	\$176,324
Theatre/Hire		\$10,000	\$10,300	\$10,600	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	
Total Revenue		\$298,165	\$336,781	\$437,392	\$449,764	\$441,815	\$434,041	\$426,440	\$468,056	\$513,863	\$531,528	\$519,724	\$507,920	\$496,116	\$537,932	\$583,739	\$612,612	\$641,485	\$670,358	\$699,231	\$728,104	\$756,977	\$785,850	\$814,723	\$843,596	\$872,469	
EXPENDITURE																											
Salaries (2 part time)		\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,950	\$124,570	\$128,190	\$131,810	\$135,430	\$139,050	\$142,670	\$146,290	\$149,910	\$153,530	\$157,150	\$160,770	\$164,390	\$168,010	\$171,630	
Cost of goods sold (retail)		\$85,075	\$93,683	\$98,262	\$101,210	\$99,186	\$97,202	\$95,258	\$105,588	\$116,368	\$127,148	\$137,928	\$148,708	\$159,488	\$170,268	\$181,048	\$191,828	\$202,608	\$213,388	\$224,168	\$234,948	\$245,728	\$256,508	\$267,288	\$278,068	\$288,848	
Utilities		\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,590	\$102,508	\$106,562	\$110,752	\$115,078	
Liquor License Annual Fee		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$7,994	\$8,224	\$8,459	\$8,699	\$8,944	\$9,194	\$9,449	\$9,709	\$9,974	
Storage (interp and directional) maintenance		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$7,994	\$8,224	\$8,459	\$8,699	\$8,944	\$9,194	\$9,449	\$9,709	\$9,974	
Site maintenance		\$30,671	\$31,892	\$33,239	\$34,716	\$36,321	\$38,057	\$39,927	\$41,934	\$44,081	\$46,370	\$48,804	\$51,387	\$54,122	\$57,011	\$60,058	\$63,277	\$66,662	\$70,217	\$73,946	\$77,854	\$81,946	\$86,227	\$90,702	\$95,376	\$100,254	
Bevator Maintenance		\$10,000	\$10,300	\$10,600	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	
Total Costs		\$260,747	\$274,975	\$285,564	\$294,617	\$298,901	\$303,436	\$308,226	\$375,515	\$390,484	\$402,814	\$392,148	\$385,912	\$379,990	\$402,723	\$418,783	\$436,376	\$454,509	\$473,182	\$492,405	\$512,178	\$532,501	\$553,374	\$574,797	\$596,770	\$619,293	
EBITDA		\$37,418	\$61,807	\$151,829	\$155,147	\$142,914	\$130,606	\$118,214	\$212,541	\$223,379	\$228,714	\$257,577	\$241,990	\$226,346	\$321,244	\$339,839	\$446,511	\$471,614	\$484,170	\$497,068	\$510,319	\$522,930	\$537,912	\$552,274	\$567,026	\$582,178	
Capital Expenditure																											
Food/Drink Services		\$1,221,200																									
Covered Rhonic Area/Outdoor Classroom		\$80,000																									
Conference/Meeting room (learning space)		\$236,000																									
Retail		\$95,000																									
Education Centre		\$520,000																									
Viewing Platform		\$355,000																									
Canopy Walk																											
Contingencies and Fees		\$1,002,480																									
Facility Rehabilitation																											
Total Capital Expenditure		\$3,508,680																									
Cash Flow		\$3,508,680	\$37,418	\$61,807	\$151,829	\$155,147	\$142,914	\$130,606	\$212,541	\$223,379	\$228,714	\$257,577	\$241,990	\$226,346	\$321,244	\$339,839	\$446,511	\$471,614	\$484,170	\$497,068	\$510,319	\$522,930	\$537,912	\$552,274	\$567,026	\$582,178	
Discounted Cash Flow		\$3,093,460	\$30,976	\$48,044	\$110,817	\$106,327	\$91,966	\$78,916	\$152,872	\$161,161	\$166,737	\$187,423	\$173,596	\$160,208	\$248,009	\$258,753	\$339,501	\$354,727	\$360,406	\$366,531	\$373,105	\$380,129	\$387,603	\$395,527	\$403,901	\$412,725	
Net Present Value (NPV)		-\$508,911																									



TABLE 46: SENSITIVITY ANALYSIS - VISITOR NUMBERS +25%

Option 3 - Sensitivity Analysis Visitation 25%																										
Assumptions																										
Conference/Meeting Space Hire Fee	\$200																									
Number of times conference/meeting room hired p/a	50																									
Average spend at café per person operating years 1-7	\$14.00																									
Average spend at café per person operating years 8-15	\$17.00																									
Average spend at café per person operating years 16-25	\$21.00																									
From year 3, café revenue turnover allocated to Council	6%																									
Average spend at retail per person (operating years 1-7)	\$4.50																									
Average spend at retail per person (operating years 8-15)	\$7.00																									
Average spend at retail per person (operating years 16-25)	\$9.00																									
Florist Area Hire Fee	\$0.00																									
Assumed % of visitors contributing donation	56%																									
Average donation per visitor (operating years 1-13)	\$1.00																									
Average donation per visitor (operating years 14-25)	\$2.00																									
Cost of goods sold	46%																									
Inflation	3%																									
Maintenance costs per sqm	\$30																									
Utility Overheads increase pa	4%																									
Discount rate	6.5%																									
Reserve yield	5.5%																									
Visitor Sensitivity Analysis	25%																									
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Annual Discount Factor	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183
Visitors	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
190,966	210,063	220,566	227,183	222,639	218,187	213,823	224,514	235,740	242,812	250,096	245,094	240,192	232,987	244,636	256,868	269,711	277,802	286,137	294,721	303,562	312,669	322,049	331,711	341,662		
REVENUE																										
Café lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
Café lessee portion of turnover	\$84,918	\$87,465	\$89,716	\$84,002	\$82,322	\$104,960	\$110,208	\$113,515	\$116,920	\$114,582	\$112,290	\$108,921	\$114,367	\$148,341	\$155,758	\$160,431	\$165,244	\$170,201	\$175,307	\$180,566	\$185,983	\$191,563	\$197,310	\$203,226	\$209,313	
Retail revenue	\$214,837	\$236,321	\$248,137	\$255,581	\$250,469	\$245,460	\$240,551	\$392,899	\$412,544	\$424,921	\$437,668	\$428,915	\$420,337	\$407,727	\$428,113	\$577,952	\$606,850	\$625,056	\$643,807	\$663,121	\$683,015	\$703,506	\$724,611	\$746,349	\$768,740	
Gold coin donations	\$105,941	\$117,635	\$123,617	\$127,222	\$124,678	\$122,184	\$119,741	\$125,728	\$132,014	\$135,975	\$140,054	\$137,253	\$134,508	\$260,945	\$273,992	\$287,692	\$302,076	\$311,139	\$320,473	\$330,067	\$339,990	\$350,189	\$360,695	\$371,516	\$382,661	
Theatre/ette Hire	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,259	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	
Total Revenue	\$336,778	\$379,256	\$492,181	\$506,196	\$497,119	\$488,239	\$479,554	\$660,886	\$692,435	\$712,458	\$733,081	\$719,592	\$706,392	\$817,278	\$856,598	\$1,054,565	\$1,105,732	\$1,138,154	\$1,171,548	\$1,205,945	\$1,241,373	\$1,277,864	\$1,315,450	\$1,354,164	\$1,394,039	
EXPENDITURE																										
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,950	\$124,569	\$128,287	\$132,105	\$136,023	\$140,041	\$144,160	\$148,380	\$152,701	\$157,123	\$161,646	\$166,271	\$171,000	\$175,833	\$180,771	
Cost of goods sold (retail)	\$96,677	\$106,344	\$111,662	\$115,011	\$112,711	\$110,457	\$108,248	\$176,805	\$185,645	\$191,214	\$196,951	\$193,012	\$189,152	\$183,477	\$192,651	\$260,079	\$273,093	\$281,275	\$289,713	\$298,405	\$307,357	\$316,577	\$326,075	\$335,857	\$345,933	
Utilities	\$45,000	\$46,800	\$48,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	\$46,800	
Luxury License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,128	\$7,341	\$7,560	\$7,785	\$8,016	\$8,253	\$8,496	\$8,745	\$9,000	\$9,261	\$9,528	\$9,801	\$10,080	
Storage (interio and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,128	\$7,341	\$7,560	\$7,785	\$8,016	\$8,253	\$8,496	\$8,745	\$9,000	\$9,261	\$9,528	\$9,801	\$10,080	
Site maintenance	\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,864	\$40,049	\$41,220	\$42,466	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,058	\$58,770	\$60,533	\$62,349	
Bevator Maintenance	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,259	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	
Total Costs	\$272,348	\$287,736	\$297,091	\$304,600	\$306,583	\$308,741	\$311,076	\$384,314	\$397,976	\$408,511	\$395,971	\$396,598	\$397,442	\$396,612	\$410,776	\$483,343	\$501,641	\$515,286	\$529,341	\$543,817	\$558,728	\$574,085	\$589,904	\$606,197	\$622,979	
EBITDA	\$64,430	\$91,520	\$195,090	\$201,596	\$190,535	\$179,498	\$168,477	\$276,572	\$294,459	\$303,947	\$337,111	\$322,994	\$308,950	\$420,666	\$445,823	\$571,222	\$604,091	\$622,868	\$642,208	\$662,128	\$682,646	\$703,779	\$725,546	\$747,967	\$771,060	
Capital Expenditure																										
Food/Drink Services	\$1,221,200																									
Covered Florist Area/Outdoor Classroom	\$80,000																									
Conference/Meeting room (leasing space)	\$235,000																									
Retail	\$95,000																									
Education Centre	\$520,000																									
Viewing Platform	\$365,000																									
Circus Walk																										
Contingencies and Fees	\$1,002,480																									
Facility Rebusishment																										
Total Capital Expenditure	\$3,508,680																									
Cash Flow	-\$3,178,690	\$64,430	\$91,520	\$195,090	\$201,596	\$190,535	\$179,498	-\$211,623	\$276,572	\$294,459	\$303,947	\$337,111	\$322,994	\$308,950	\$20,666	\$445,823	\$571,222	\$604,091	\$622,868	\$642,208	\$662,128	\$682,646	\$703,779	\$725,546	\$747,967	\$771,060
Discounted Cash Flow	-\$3,093,466	\$53,338	\$71,141	\$142,392	\$138,161	\$122,611	\$108,458	-\$131,369	\$147,337	\$147,292	\$142,759	\$148,671	\$133,752	\$120,128	\$7,545	\$152,834	\$163,870	\$162,583	\$176,768	\$171,133	\$65,588	\$160,362	\$155,255	\$150,288	\$145,476	\$140,815
Net Present Value (NPV)	-\$56,238																									



TABLE 47: SENSITIVITY ANALYSIS – CAPITAL EXPENDITURE -20%

Option 3 - Sensitivity Analysis CAPEX -20%																											
Assumptions																											
Conference/Meeting Space Hire Fee		\$200																									
Number of times conference/meeting room hired p/a		50																									
Average spend at café per person operating years 1-7		\$14.00																									
Average spend at café per person operating years 8-15		\$17.00																									
Average spend at café per person operating years 16-25		\$21.00																									
From year 3, café revenue turnover allocated to Council		5.0%																									
Average spend at retail per person (operating years 1-7)		\$4.50																									
Average spend at retail per person (operating years 8-15)		\$7.00																									
Average spend at retail per person (operating years 16-25)		\$9.00																									
Florin Area Hire Fee		\$0.00																									
Assumed % of visitors contributing donation		56%																									
Average donation per visitor (operating years 1-13)		\$1.00																									
Average donation per visitor (operating years 14-25)		\$2.00																									
Cost of goods sold		45%																									
Inflation		3%																									
Utility Overheads increase pa		4%																									
Maintenance costs per sqm		\$30																									
Discount rate		6.5%																									
Required yield		5.5%																									
CAPEX Sensitivity Adjustment		-20.0%																									
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Annual Discount Factor	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
Visitors		152,773	168,050	176,453	181,746	178,111	174,549	171,058	179,611	188,592	194,249	200,077	196,075	192,154	186,389	195,709	205,494	215,769	222,242	228,909	235,777	242,850	250,135	257,639	265,369	273,330	
REVENUE																											
Café lessee rent		\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover		-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$83,968	\$88,167	\$90,812	\$93,536	\$91,665	\$89,832	\$87,137	\$91,494	\$118,673	\$124,607	\$128,345	\$132,195	\$136,161	\$140,246	\$144,453	\$148,787	\$153,250	\$157,848	\$162,579
Retail revenue		\$171,870	\$189,057	\$198,509	\$204,465	\$200,375	\$196,368	\$192,441	\$314,320	\$330,036	\$339,937	\$350,135	\$343,132	\$336,269	\$326,181	\$342,490	\$369,615	\$377,596	\$398,923	\$400,591	\$412,609	\$424,987	\$437,737	\$450,869	\$464,395	\$478,327	\$492,665
Gold coin donations		\$85,553	\$94,108	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$100,582	\$105,611	\$108,780	\$112,043	\$109,802	\$107,605	\$208,756	\$219,194	\$230,154	\$241,661	\$248,911	\$256,378	\$264,070	\$271,992	\$280,152	\$288,556	\$297,213	\$306,129	\$315,306
Theatrette Hire		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,937
Total Revenue		\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$536,169	\$561,481	\$577,576	\$594,153	\$583,442	\$572,965	\$661,760	\$693,304	\$749,021	\$784,910	\$807,708	\$831,189	\$855,375	\$880,286	\$905,944	\$932,373	\$959,594	\$987,632	
EXPENDITURE																											
Salaries (2 part time)		\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951	
Cost of goods sold (retail)		\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,366	\$86,598	\$141,444	\$148,516	\$152,971	\$157,561	\$154,409	\$151,321	\$146,782	\$154,121	\$161,827	\$169,918	\$175,016	\$180,266	\$185,674	\$21,249	\$21,887	\$22,543	\$23,220	\$23,916	
Utilities		\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349	
Liquor License Annual Fee		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$7,994	\$8,224	\$8,459	\$8,699	\$8,944	\$9,194	\$9,449	\$9,709	\$9,974	
Storage (interp and directional) maintenance		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$7,994	\$8,224	\$8,459	\$8,699	\$8,944	\$9,194	\$9,449	\$9,709	\$9,974	
Site maintenance		\$30,671	\$31,592	\$32,539	\$33,516	\$34,520	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,456	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,056	\$58,770	\$60,533	\$62,349	
Bevator Maintenance		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	
Total Costs		\$253,013	\$266,467	\$276,631	\$285,416	\$289,884	\$294,599	\$299,566	\$361,370	\$375,632	\$387,517	\$392,344	\$396,902	\$401,782	\$405,476	\$421,326	\$437,827	\$455,009	\$469,502	\$484,463	\$499,909	\$515,859	\$532,321	\$549,396	\$567,091	\$585,414	
EBITDA		\$19,410	\$41,998	\$124,236	\$126,726	\$115,061	\$103,311	\$91,465	\$174,799	\$185,849	\$190,059	\$201,809	\$186,539	\$171,183	\$256,283	\$271,978	\$311,194	\$329,902	\$338,206	\$346,725	\$355,466	\$364,426	\$373,623	\$383,069	\$392,763	\$402,706	
Capital Expenditure																											
Total Capital Expenditure		\$2,806,944																									
Cash Flow		\$2,806,944	\$19,410	\$41,998	\$124,236	\$126,726	\$115,061	\$103,311	\$174,799	\$185,849	\$190,059	\$201,809	\$186,539	\$171,183	\$256,283	\$271,978	\$311,194	\$329,902	\$338,206	\$346,725	\$355,466	\$364,426	\$373,623	\$383,069	\$392,763	\$402,706	
Discounted Cash Flow		\$2,474,768	\$16,068	\$32,646	\$90,677	\$86,850	\$74,043	\$62,424	\$175,048	\$93,120	\$92,964	\$89,267	\$89,001	\$77,246	\$86,561	\$52,470	\$93,238	\$100,170	\$99,711	\$95,982	\$92,394	\$81,143	\$125,559	\$121,049	\$116,704	\$112,515	\$108,478
Net Present Value (NPV)		-\$776,765																									



TABLE 48: SENSITIVITY ANALYSIS – CAPITAL EXPENDITURE -10%

Option 3 - Sensitivity Analysis CAPEX -10%																												
Assumptions																												
Conference/Meeting Space Hire Fee																												
Number of times conference/meeting room hired p/a																												
Average spend at café per person operating years 1-7																												
Average spend at café per person operating years 8-15																												
Average spend at café per person operating years 16-25																												
From year 3, café revenue turnover allocated to Council																												
Average spend at retail per person (operating years 1-7)																												
Average spend at retail per person (operating years 8-15)																												
Average spend at retail per person (operating years 16-25)																												
Florica Area Hire Fee																												
Assumed % of visitors contributing donation																												
Average donation per visitor (operating years 1-13)																												
Average donation per visitor (operating years 14-25)																												
Cost of goods sold																												
Inflation																												
Utility Overheads increase p/a																												
Maintenance costs per sqm																												
Discount rate																												
Required yield																												
CAPEX Sensitivity Adjustment																												
Years		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Annual Discount Factor		0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
Visitors		152,773	168,050	176,453	181,746	178,111	174,549	171,058	179,611	188,592	194,249	200,077	196,075	192,154	186,389	195,709	205,494	215,769	222,242	228,909	235,777	242,850	250,135	257,639	265,369	273,330		
REVENUE																												
Café lessee rent		\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover		-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$83,968	\$88,167	\$90,812	\$93,536	\$91,665	\$89,832	\$87,137	\$91,494	\$118,673	\$124,607	\$128,345	\$132,195	\$136,161	\$140,246	\$144,453	\$148,787	\$153,250	\$157,848		
Retail revenue		\$171,870	\$189,057	\$198,509	\$204,465	\$200,375	\$196,368	\$192,441	\$314,320	\$330,036	\$339,937	\$350,135	\$343,132	\$336,269	\$326,181	\$342,490	\$359,615	\$377,596	\$388,923	\$400,591	\$412,609	\$424,987	\$437,737	\$450,869	\$464,395	\$478,327		
Gold coin donations		\$85,553	\$94,108	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$100,682	\$105,611	\$108,780	\$112,043	\$109,802	\$107,605	\$208,756	\$219,194	\$230,154	\$241,661	\$248,911	\$256,378	\$264,070	\$271,992	\$280,152	\$288,556	\$297,213	\$306,129		
Theatrette Hire		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328		
Total Revenue		\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$536,169	\$561,481	\$577,576	\$594,153	\$583,442	\$572,965	\$661,760	\$693,304	\$749,021	\$784,910	\$807,708	\$831,189	\$855,375	\$880,286	\$905,944	\$932,373	\$959,594	\$987,632		
EXPENDITURE																												
Salaries (2 part time)		\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951		
Cost of goods sold (retail)		\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,366	\$86,598	\$141,444	\$148,516	\$152,971	\$157,561	\$154,409	\$151,321	\$146,782	\$154,121	\$161,827	\$169,918	\$175,016	\$180,269	\$185,674	\$21,249	\$21,887	\$22,543	\$23,220	\$23,916		
Utilities		\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349		
Liquor License Annual Fee		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$8,000	\$8,234	\$8,472	\$8,714	\$8,960	\$9,210	\$9,464	\$9,722	\$10,000		
Signage (interp and directional) maintenance		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$8,000	\$8,234	\$8,472	\$8,714	\$8,960	\$9,210	\$9,464	\$9,722	\$10,000		
Site maintenance		\$30,671	\$31,592	\$32,539	\$33,516	\$34,520	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,456	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,058	\$58,770	\$60,533	\$62,349		
Elevator Maintenance		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328		
Total Costs		\$253,013	\$266,467	\$276,631	\$285,416	\$289,884	\$294,599	\$299,566	\$361,370	\$375,632	\$387,517	\$392,344	\$396,902	\$401,782	\$405,476	\$421,326	\$437,827	\$455,009	\$469,502	\$484,463	\$499,909	\$514,859	\$532,221	\$548,963	\$568,099	\$589,641		
EBITDA		\$19,410	\$41,998	\$124,236	\$126,726	\$115,061	\$103,311	\$91,465	\$174,799	\$185,849	\$190,059	\$201,809	\$186,539	\$171,183	\$256,283	\$271,978	\$311,194	\$329,902	\$338,206	\$346,725	\$355,466	\$354,426	\$548,723	\$563,409	\$578,495	\$593,991		
Capital Expenditure																												
Total Capital Expenditure		\$3,157,812																										
Cash Flow		-\$3,157,812	\$19,410	\$41,998	\$124,236	\$126,726	\$115,061	\$103,311	-\$308,535	\$174,799	\$185,849	\$190,059	\$201,809	\$186,539	\$171,183	-\$143,717	\$271,978	\$311,194	\$329,902	\$338,206	\$346,725	-\$44,534	\$534,426	\$548,723	\$563,409	\$578,495	\$593,991	
Discounted Cash Flow		-\$2,784,114	\$16,068	\$32,646	\$90,677	\$86,850	\$74,043	\$62,424	-\$175,048	\$93,120	\$92,964	\$89,267	\$89,001	\$77,246	\$66,561	-\$52,470	\$93,238	\$100,170	\$99,711	\$95,982	\$92,394	-\$11,143	\$125,559	\$121,049	\$116,704	\$112,515	\$108,478	
Net Present Value (NPV)		-\$1,156,708																										



TABLE 49: SENSITIVITY ANALYSIS – CAPITAL EXPENDITURE +10%

Option 3 - Sensitivity Analysis CAPEX +10%																												
Assumptions																												
Conference/Meeting Space Hrs Fee																												
Number of times conference/meeting room hired/pla																												
Average spend at café per person operating years 1-7																												
Average spend at café per person operating years 8-15																												
Average spend at café per person operating years 16-25																												
From year 3, café revenue turnover allocated to Council																												
Average spend at retail per person (operating years 1-7)																												
Average spend at retail per person (operating years 8-15)																												
Average spend at retail per person (operating years 16-25)																												
Plastic Area Hrs Fee																												
Assumed % of visitors contributing donation																												
Average donation per visitor (operating years 1-13)																												
Average donation per visitor (operating years 14-25)																												
Cost of goods sold																												
Inflation																												
Utility Overheads increase pa																												
Maintenance costs per sqm																												
Discount rate																												
Required yield																												
CAPEX Sensitivity Adjustment																												
Years		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Annual Discount Factor		0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
Visitors		152,773	168,050	176,453	181,746	178,111	174,549	171,058	179,611	188,592	194,249	200,077	196,075	192,154	186,389	195,709	205,494	215,769	222,242	228,909	235,777	242,650	250,135	257,639	265,369	273,330		
REVENUE																												
Café lessee rent		\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
Café lessee portion of turnover		-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$83,968	\$88,167	\$90,812	\$93,536	\$91,665	\$89,832	\$87,137	\$91,494	\$118,673	\$124,607	\$128,345	\$132,195	\$136,161	\$140,246	\$144,463	\$148,787	\$153,250	\$157,848		
Retail revenue		\$171,870	\$189,057	\$198,509	\$204,465	\$200,375	\$196,368	\$192,441	\$314,320	\$330,036	\$339,937	\$350,135	\$343,132	\$336,269	\$328,181	\$342,490	\$359,615	\$377,596	\$388,923	\$400,591	\$412,609	\$424,987	\$437,737	\$450,869	\$464,395	\$478,327		
Gold coin donations		\$85,553	\$94,108	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$100,582	\$105,611	\$108,780	\$112,043	\$109,802	\$107,606	\$208,796	\$219,194	\$230,154	\$241,661	\$248,911	\$256,378	\$264,070	\$271,992	\$280,152	\$288,556	\$297,213	\$306,129		
Theatre/Hire		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328		
Total Revenue		\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$536,169	\$561,481	\$577,576	\$594,153	\$583,442	\$572,965	\$661,760	\$693,304	\$749,021	\$784,910	\$807,708	\$831,189	\$855,375	\$880,286	\$905,944	\$932,373	\$959,594	\$987,632		
EXPENDITURE																												
Salaries (2 part time)		\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951		
Cost of goods sold (retail)		\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,365	\$86,598	\$141,444	\$148,516	\$152,971	\$157,561	\$154,409	\$151,321	\$146,782	\$154,121	\$161,827	\$169,918	\$175,016	\$180,266	\$185,674	\$21,249	\$21,887	\$22,543	\$23,221	\$23,916		
Utilities		\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349		
Liquor License Annual Fee		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,923	\$7,134	\$7,352	\$7,577	\$7,809	\$8,048	\$8,294	\$8,547	\$8,807	\$9,074	\$9,348	\$9,628	\$9,914	\$10,206		
Signage (inter and directional) maintenance		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,923	\$7,134	\$7,352	\$7,577	\$7,809	\$8,048	\$8,294	\$8,547	\$8,807	\$9,074	\$9,348	\$9,628	\$9,914	\$10,206		
Site maintenance		\$30,671	\$31,592	\$32,539	\$33,516	\$34,520	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,466	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,056	\$58,770	\$60,533	\$62,349		
Bevator Maintenance		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328		
Total Costs		\$253,013	\$266,467	\$276,631	\$285,416	\$289,884	\$294,599	\$299,566	\$361,370	\$375,632	\$387,517	\$392,344	\$396,902	\$401,782	\$405,476	\$421,326	\$437,827	\$455,009	\$469,528	\$484,463	\$499,909	\$516,859	\$534,426	\$552,723	\$571,809	\$591,716		
EBITDA		\$19,410	\$41,998	\$124,236	\$126,726	\$115,061	\$103,311	\$91,465	\$174,799	\$185,849	\$190,059	\$201,809	\$186,539	\$171,183	\$256,283	\$271,978	\$311,194	\$329,902	\$338,206	\$346,725	\$355,466	\$534,426	\$548,723	\$563,409	\$578,495	\$593,991		
Capital Expenditure																												
Total Capital Expenditure		\$3,859,548																										
Cash Flow		-\$3,859,548	\$19,410	\$41,998	\$124,236	\$126,726	\$115,061	\$103,311	-\$308,535	\$174,799	\$185,849	\$190,059	\$201,809	\$186,539	\$171,183	-\$143,717	\$271,978	\$311,194	\$329,902	\$338,206	\$346,725	-\$44,534	\$534,426	\$548,723	\$563,409	\$578,495	\$593,991	
Discounted Cash Flow		-\$3,402,806	\$16,068	\$32,646	\$90,677	\$86,850	\$74,043	\$62,424	-\$175,048	\$93,120	\$92,964	\$89,267	\$89,001	\$77,246	\$66,561	-\$52,470	\$93,238	\$100,170	\$99,711	\$95,982	\$92,394	-\$11,143	\$125,559	\$121,049	\$116,704	\$112,515	\$108,478	
Net Present Value (NPV)		-\$1,815,615																										



TABLE 50: SENSITIVITY ANALYSIS – CAPITAL EXPENDITURE +20%

Option 3 - Sensitivity Analysis CAPEX +20%																												
Assumptions																												
Conference/Meeting Space Hre Fee																												
Number of times conference/meeting room hired/pla																												
Average spend at café per person operating years 1-7																												
Average spend at café per person operating years 8-15																												
Average spend at café per person operating years 16-25																												
From year 3, café revenue turnover allocated to Council																												
Average spend at retail per person (operating years 1-7)																												
Average spend at retail per person (operating years 8-15)																												
Average spend at retail per person (operating years 16-25)																												
Florist Area Hre Fee																												
Assumed % of visitors contributing donation																												
Average donation per visitor (operating years 1-13)																												
Average donation per visitor (operating years 14-25)																												
Cost of goods sold																												
Inflation																												
Utility Overheads increase pa																												
Maintenance costs per sqm																												
Discount rate																												
Required yield																												
CAPEX Sensitivity Adjustment																												
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27		
Annual Discount Factor	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
Visitors		152,773	168,050	176,453	181,746	178,111	174,549	171,058	179,611	168,592	194,249	200,077	196,075	192,154	186,389	195,709	205,494	215,769	222,242	228,909	235,777	242,650	250,135	257,639	265,369	273,330		
REVENUE																												
Café lessee rent		\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
Café lessee portion of turnover		-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$83,968	\$88,167	\$90,812	\$93,536	\$91,665	\$89,832	\$87,137	\$91,494	\$118,673	\$124,607	\$128,345	\$132,195	\$136,161	\$140,246	\$144,463	\$148,787	\$153,250	\$157,848		
Retail revenue		\$171,870	\$189,057	\$198,509	\$204,465	\$200,375	\$196,368	\$192,441	\$314,320	\$330,036	\$339,937	\$350,135	\$343,132	\$336,269	\$326,181	\$342,490	\$359,615	\$377,596	\$388,923	\$400,591	\$412,609	\$424,987	\$437,737	\$450,869	\$464,395	\$478,327		
Gold coin donations		\$85,553	\$94,106	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$100,582	\$105,611	\$108,780	\$112,043	\$109,802	\$107,606	\$208,756	\$219,194	\$230,154	\$241,661	\$248,911	\$256,378	\$264,070	\$271,992	\$280,152	\$288,556	\$297,213	\$306,129		
Theatrette Hire		\$10,000	\$10,300	\$10,600	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328		
Total Revenue		\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$536,169	\$561,481	\$577,576	\$594,153	\$583,442	\$572,965	\$661,760	\$693,304	\$749,021	\$784,910	\$807,708	\$831,189	\$855,375	\$880,286	\$905,944	\$932,373	\$959,594	\$987,632		
EXPENDITURE																												
Salaries (2 part time)		\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951		
Cost of goods sold (retail)		\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,366	\$86,598	\$141,444	\$148,516	\$152,971	\$157,561	\$154,409	\$151,321	\$148,782	\$154,121	\$161,827	\$169,918	\$175,016	\$180,266	\$185,674	\$21,249	\$21,887	\$22,545	\$23,221	\$23,916		
Utilities		\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349		
Liquor License Annual Fee		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563		
Signage (inter and directional) maintenance		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513		
Site maintenance		\$30,671	\$31,592	\$32,539	\$33,516	\$34,520	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,466	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,058	\$58,770	\$60,533	\$62,349		
Bevator Maintenance		\$10,000	\$10,300	\$10,600	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328		
Total Costs		\$253,013	\$266,467	\$276,631	\$285,416	\$289,884	\$294,599	\$299,566	\$361,370	\$375,632	\$387,517	\$392,344	\$396,902	\$401,782	\$405,476	\$421,326	\$437,827	\$455,009	\$469,528	\$484,463	\$499,909	\$345,859	\$357,221	\$368,963	\$381,099	\$393,641		
EBITDA		\$19,410	\$41,998	\$124,236	\$126,726	\$115,061	\$103,311	\$91,465	\$174,799	\$185,849	\$190,059	\$201,809	\$186,539	\$171,183	\$256,283	\$271,978	\$311,194	\$329,902	\$338,206	\$346,725	\$355,466	\$534,426	\$548,723	\$563,409	\$578,495	\$593,991		
Capital Expenditure																												
Total Capital Expenditure		\$4,210,416																										
Cash Flow		-\$4,210,416	\$19,410	\$41,998	\$124,236	\$126,726	\$115,061	\$103,311	-\$308,535	\$174,799	\$185,849	\$190,059	\$201,809	\$186,539	\$171,183	-\$143,717	\$271,978	\$311,194	\$329,902	\$338,206	\$346,725	-\$44,534	\$534,426	\$548,723	\$563,409	\$578,495	\$593,991	
Discounted Cash Flow		-\$3,712,152	\$16,068	\$32,646	\$90,677	\$86,850	\$74,043	\$62,424	-\$175,048	\$93,120	\$92,964	\$89,267	\$89,001	\$77,246	\$66,561	-\$52,470	\$93,238	\$100,170	\$99,711	\$95,982	\$92,394	-\$11,143	\$125,559	\$121,049	\$116,704	\$112,515	\$108,478	
Net Present Value (NPV)		-\$2,145,069																										



TABLE 51: SENSITIVITY ANALYSIS – OPERATING COSTS -30%

Option 3 - Sensitivity Analysis Operating Costs -30%																											
Assumptions																											
Conference/Meeting Space Hire Fee		\$200																									
Number of times conference/meeting room hired pla		50																									
Average spend at café per person operating years 1-7		\$14.00																									
Average spend at café per person operating years 8-15		\$17.00																									
Average spend at café per person operating years 16-25		\$21.00																									
From year 3, café revenue turnover allocated to Council		5.0%																									
Average spend at retail per person (operating years 1-7)		\$4.50																									
Average spend at retail per person (operating years 8-15)		\$7.00																									
Average spend at retail per person (operating years 16-25)		\$9.00																									
Florist Area Hire Fee		\$0.00																									
Assumed % of visitors contributing donation		56%																									
Average donation per visitor (operating years 1-13)		\$1.00																									
Average donation per visitor (operating years 14-25)		\$2.00																									
Cost of goods sold		45%																									
Inflation		3%																									
Utility Overheads increase pa		4%																									
Maintenance costs per sqm		\$30																									
Discount rate		6.5%																									
Required yield		5.5%																									
CAPEX Sensitivity Adjustment		-30.0%																									
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Annual Discount Factor	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039			
REVENUE																											
Café lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover	-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$64,548	\$63,272	\$62,030	\$60,821	\$59,645	\$58,502	\$57,391	\$56,311	\$55,261	\$54,240	\$53,248	\$52,284	\$51,347	\$50,437	\$49,553	\$48,695	\$47,863	\$47,056	\$46,274	\$45,516
Retail revenue	\$171,870	\$189,067	\$198,909	\$204,465	\$200,375	\$196,368	\$192,441	\$188,592	\$184,824	\$181,136	\$177,528	\$174,000	\$170,561	\$167,211	\$163,949	\$160,775	\$157,688	\$154,688	\$151,774	\$148,944	\$146,198	\$143,536	\$140,957	\$138,461	\$136,048	\$133,719	\$131,474
Gold coin operations	\$85,553	\$94,108	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$93,877	\$91,999	\$90,159	\$88,357	\$86,593	\$84,867	\$83,178	\$81,525	\$79,907	\$78,324	\$76,775	\$75,261	\$73,781	\$72,335	\$70,922	\$69,542	\$68,194	\$66,878	\$65,594	\$64,341
Theatrette Hire	\$10,000	\$10,300	\$10,600	\$10,927	\$11,255	\$11,583	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,688	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,536	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328		
Total Revenue	\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$386,169	\$381,481	\$377,576	\$374,153	\$371,122	\$368,482	\$366,165	\$364,160	\$362,475	\$361,110	\$360,065	\$359,339	\$358,922	\$358,814	\$359,015	\$359,525	\$360,344	\$361,471	\$362,906	\$364,659
EXPENDITURE																											
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951		
Cost of goods sold (retail)	\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,366	\$86,598	\$84,867	\$83,272	\$81,819	\$80,400	\$79,017	\$77,671	\$76,362	\$75,090	\$73,854	\$72,654	\$71,490	\$70,361	\$69,267	\$68,208	\$67,184	\$66,195	\$65,241	\$64,321	\$63,435	\$62,583
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,748	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,658	\$91,167	\$94,814	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349		
Liquor License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,922	\$7,131	\$7,346	\$7,568	\$7,796	\$8,030	\$8,270	\$8,517	\$8,771	\$9,031	\$9,297	\$9,570	\$9,849	\$10,134	\$10,425	\$10,722
Storage (inter and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,922	\$7,131	\$7,346	\$7,568	\$7,796	\$8,030	\$8,270	\$8,517	\$8,771	\$9,031	\$9,297	\$9,570	\$9,849	\$10,134	\$10,425	\$10,722
Site maintenance	\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,466	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,056	\$58,763	\$60,517	\$62,319	\$64,169	\$66,067
Bevator Maintenance	\$10,000	\$10,300	\$10,600	\$10,927	\$11,255	\$11,583	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,688	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,536	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328		
Total Costs	\$184,109	\$193,737	\$201,068	\$207,440	\$210,798	\$214,334	\$218,055	\$221,968	\$226,173	\$230,670	\$235,461	\$240,548	\$245,933	\$251,617	\$257,601	\$263,886	\$270,473	\$277,363	\$284,557	\$292,057	\$299,864	\$307,979	\$316,403	\$325,137	\$334,181	\$343,536	\$353,203
EBITDA	\$88,314	\$114,728	\$199,799	\$204,702	\$194,148	\$183,575	\$172,976	\$162,601	\$152,489	\$142,710	\$133,271	\$124,151	\$115,360	\$106,908	\$98,785	\$90,991	\$83,526	\$76,391	\$69,595	\$63,138	\$57,011	\$51,223	\$45,774	\$40,664	\$35,893	\$31,461	\$27,267
Capital Expenditure																											
Total Capital Expenditure	\$3,508,680																										
Cash Flow	\$88,314	\$114,728	\$199,799	\$204,702	\$194,148	\$183,575	\$172,976	\$162,601	\$152,489	\$142,710	\$133,271	\$124,151	\$115,360	\$106,908	\$98,785	\$90,991	\$83,526	\$76,391	\$69,595	\$63,138	\$57,011	\$51,223	\$45,774	\$40,664	\$35,893	\$31,461	
Discounted Cash Flow	\$73,110	\$89,181	\$145,829	\$140,289	\$124,936	\$110,922	\$98,803	\$87,428	\$76,771	\$66,899	\$57,771	\$49,441	\$41,857	\$34,964	\$28,711	\$23,044	\$17,911	\$13,261	\$8,941	\$5,001	\$1,491	\$-1,741	\$-5,001	\$-9,201	\$-13,301	\$-17,201	\$-20,801
Net Present Value (NPV)	-\$395,826																										



TABLE 52: SENSITIVITY ANALYSIS – OPERATING COSTS -20%

Option 3 - Sensitivity Analysis Operating Costs -20%																										
Assumptions																										
Conference/Meeting Space Hrs Fee	\$200																									
Number of times conference/meeting room hired p/a	50																									
Average spend at café per person operating years 1-7	\$14.00																									
Average spend at café per person operating years 8-15	\$17.00																									
Average spend at café per person operating years 16-25	\$21.00																									
From year 3, café revenue turnover allocated to Council	5.0%																									
Average spend at retail per person (operating years 1-7)	\$4.50																									
Average spend at retail per person (operating years 8-15)	\$7.00																									
Average spend at retail per person (operating years 16-25)	\$9.00																									
Runic Area Hrs Fee	\$0.00																									
Assumed % of visitors contributing donation	50%																									
Average donation per visitor (operating years 1-13)	\$1.00																									
Average donation per visitor (operating years 14-25)	\$2.00																									
Cost of goods sold	49%																									
Inflation	3%																									
Utility Overheads increase p/a	4%																									
Maintenance costs per sqm	\$30																									
Discount rate	6.5%																									
Required yield	5.5%																									
CAPEX Sensitivity Adjustment	-20.0%																									
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Annual Discount Factor	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039		
REVENUE																										
Visitors	152,773	168,050	176,453	181,746	178,111	174,549	171,068	179,611	188,592	194,249	200,077	196,075	192,154	186,389	195,709	205,494	215,769	222,242	228,909	236,777	242,650	250,135	257,639	265,369	273,330	
Café lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
Café lessee portion of turnover	-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$83,968	\$88,167	\$90,812	\$93,536	\$91,665	\$89,832	\$87,137	\$91,494	\$118,673	\$124,607	\$128,345	\$132,195	\$136,161	\$140,246	\$144,453	\$148,787	\$153,250	\$157,848	
Retail revenue	\$171,870	\$189,057	\$198,509	\$204,465	\$200,375	\$196,368	\$192,441	\$314,320	\$330,036	\$339,937	\$350,135	\$343,132	\$336,269	\$326,181	\$342,490	\$359,615	\$377,596	\$388,923	\$400,591	\$412,609	\$424,987	\$437,737	\$450,869	\$464,395	\$478,327	
Gold coin donations	\$85,553	\$94,108	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$100,582	\$105,611	\$108,780	\$112,043	\$109,802	\$107,606	\$208,756	\$219,194	\$230,154	\$241,661	\$248,911	\$256,378	\$264,070	\$271,992	\$280,152	\$288,556	\$297,213	\$306,129	
Theatre/retiree Hire	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	
Total Revenue	\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$536,169	\$561,481	\$577,576	\$594,153	\$583,442	\$572,965	\$661,760	\$693,304	\$749,021	\$784,910	\$807,708	\$831,189	\$855,375	\$880,286	\$905,944	\$932,373	\$959,594	\$987,632	
EXPENDITURE																										
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951	
Cost of goods sold (retail)	\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,366	\$86,598	\$141,444	\$148,516	\$152,971	\$157,561	\$154,409	\$151,321	\$146,782	\$154,121	\$161,827	\$169,918	\$175,016	\$180,266	\$185,674	\$21,249	\$21,887	\$22,543	\$23,220	\$23,916	
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749.38	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349	
Liquor License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	
Storage (interp and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,304	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513	
Site maintenance	\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,456	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,058	\$58,770	\$60,533	\$62,349	
Bevator Maintenance	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,686	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	
Total Costs	\$210,410	\$221,414	\$229,792	\$237,075	\$240,912	\$244,953	\$249,205	\$298,935	\$310,640	\$320,452	\$324,626	\$328,596	\$332,831	\$336,129	\$349,161	\$362,725	\$376,845	\$388,824	\$401,190	\$413,955	\$429,136	\$441,499	\$459,949	\$480,657	\$503,175	
EBITDA	\$62,012	\$87,051	\$171,075	\$175,068	\$164,034	\$152,956	\$141,826	\$237,234	\$250,841	\$257,124	\$269,526	\$254,846	\$240,134	\$325,630	\$344,143	\$386,296	\$408,066	\$418,883	\$429,999	\$441,419	\$459,149	\$605,285	\$621,873	\$638,926	\$656,457	
Capital Expenditure																										
Total Capital Expenditure	\$3,508,680																									
Cash Flow	\$5,914,950	\$62,012	\$87,051	\$171,075	\$175,068	\$164,034	\$152,956	\$299,174	\$237,234	\$250,841	\$257,124	\$269,526	\$254,846	\$240,134	\$344,143	\$386,296	\$408,066	\$418,883	\$429,999	\$441,419	\$459,149	\$605,285	\$621,873	\$638,926	\$656,457	
Discounted Cash Flow	\$3,083,460	\$51,337	\$67,567	\$124,854	\$119,980	\$105,557	\$92,421	\$146,476	\$126,381	\$125,474	\$120,767	\$118,866	\$105,532	\$93,370	\$27,152	\$117,976	\$124,345	\$123,335	\$118,878	\$114,584	\$10,364	\$138,415	\$133,527	\$128,814	\$124,268	\$119,886
Net Present Value (NPV)	-\$809,913																									



TABLE 53: SENSITIVITY ANALYSIS – OPERATING COSTS -10%

Option 3 - Sensitivity Analysis Operating Costs -10%																											
Assumptions																											
Conference/Meeting Space Hire Fee		\$200																									
Number of times conference/meeting room hired pla		50																									
Average spend at café per person operating years 1-7		\$14.00																									
Average spend at café per person operating years 8-15		\$17.00																									
Average spend at café per person operating years 16-25		\$21.00																									
From year 3, café revenue turnover allocated to Council		5.0%																									
Average spend at retail per person (operating years 1-7)		\$4.50																									
Average spend at retail per person (operating years 8-15)		\$7.00																									
Average spend at retail per person (operating years 16-25)		\$9.00																									
Florist Area Hire Fee		\$0.00																									
Assumed % of visitors contributing donation		56%																									
Average donation per visitor (operating years 1-13)		\$1.00																									
Average donation per visitor (operating years 14-25)		\$2.00																									
Cost of goods sold		45%																									
Inflation		3%																									
Utility Overheads increase pa		4%																									
Maintenance costs per sqm		\$30																									
Discount rate		6.5%																									
Required yield		5.5%																									
CAPEX Sensitivity Adjustment		-10.0%																									
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Annual Discount Factor	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Visitors	152,773	168,050	176,453	181,746	178,111	174,549	171,058	179,611	188,592	194,249	200,077	196,075	192,154	186,389	195,709	205,494	215,769	222,242	228,909	235,777	242,850	250,135	257,639	265,369	273,330	281,523	
REVENUE																											
Café lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover	-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$83,968	\$88,167	\$90,812	\$93,536	\$91,665	\$89,832	\$87,137	\$91,494	\$118,673	\$124,607	\$128,345	\$132,195	\$136,161	\$140,246	\$144,453	\$148,787	\$153,250	\$157,848	\$162,580	\$167,447
Retail revenue	\$171,870	\$189,067	\$198,509	\$204,465	\$200,375	\$196,368	\$192,441	\$314,320	\$330,036	\$339,937	\$350,135	\$343,132	\$336,269	\$326,181	\$342,490	\$359,615	\$377,596	\$388,923	\$400,591	\$412,609	\$424,987	\$437,737	\$450,869	\$464,395	\$478,327	\$492,664	\$507,407
Gold coin donations	\$85,553	\$94,108	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$100,982	\$105,611	\$108,780	\$112,043	\$109,802	\$107,606	\$208,756	\$219,194	\$220,154	\$241,661	\$248,911	\$256,378	\$264,070	\$271,992	\$280,152	\$288,556	\$297,213	\$306,129	\$315,304	\$324,848
Theatrette Hire	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,936	\$21,561
Total Revenue	\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$536,169	\$561,481	\$577,576	\$594,153	\$583,442	\$572,965	\$661,760	\$693,304	\$749,021	\$784,910	\$807,708	\$831,189	\$855,375	\$880,286	\$905,944	\$932,373	\$959,594	\$987,632	\$1,016,485	\$1,046,152
EXPENDITURE																											
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951	\$188,434	\$194,073
Cost of goods sold (retail)	\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,366	\$86,598	\$141,444	\$148,516	\$152,971	\$157,561	\$154,409	\$151,321	\$146,782	\$154,121	\$161,827	\$169,918	\$175,016	\$180,266	\$185,674	\$21,249	\$21,887	\$22,543	\$23,220	\$23,916	\$24,633	\$25,371
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749.38	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349	\$120,000	\$124,800
Liquor License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$7,994	\$8,224	\$8,459	\$8,699	\$8,944	\$9,194	\$9,449	\$9,709	\$9,974	\$10,244	\$10,519
Signage (interp and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$7,994	\$8,224	\$8,459	\$8,699	\$8,944	\$9,194	\$9,449	\$9,709	\$9,974	\$10,244	\$10,519
Site maintenance	\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,466	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,056	\$58,770	\$60,533	\$62,349	\$64,219	\$66,146
Bevator Maintenance	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,936	\$21,561
Total Costs	\$236,712	\$249,090	\$258,516	\$266,709	\$271,026	\$275,573	\$280,356	\$336,302	\$349,470	\$360,508	\$365,205	\$369,670	\$374,435	\$378,146	\$392,806	\$408,066	\$423,950	\$437,427	\$451,339	\$465,700	\$477,529	\$488,242	\$498,841	\$509,329	\$519,707	\$529,976	\$540,137
EBITDA	\$35,711	\$59,374	\$142,351	\$145,433	\$133,920	\$122,337	\$110,675	\$199,867	\$212,011	\$217,067	\$228,948	\$213,772	\$198,530	\$263,614	\$300,498	\$340,955	\$360,960	\$370,280	\$379,850	\$389,675	\$52,757	\$567,703	\$583,061	\$598,843	\$615,060	\$631,693	\$648,711
Capital Expenditure	\$3,508,680																										
Total Capital Expenditure	\$3,508,680																										
Cash Flow	\$35,711	\$59,374	\$142,351	\$145,433	\$133,920	\$122,337	\$110,675	\$199,867	\$212,011	\$217,067	\$228,948	\$213,772	\$198,530	\$263,614	\$300,498	\$340,955	\$360,960	\$370,280	\$379,850	\$389,675	\$52,757	\$567,703	\$583,061	\$598,843	\$615,060	\$631,693	\$648,711
Discounted Cash Flow	\$29,563	\$46,153	\$103,899	\$99,870	\$86,179	\$73,920	\$64,149	\$106,474	\$106,051	\$101,953	\$100,970	\$88,523	\$77,194	\$42,492	\$103,014	\$109,750	\$109,098	\$105,084	\$101,221	\$2,583	\$129,865	\$125,236	\$120,774	\$116,472	\$112,325	\$108,281	\$104,433
Net Present Value (NPV)	-\$1,224,000																										

TABLE 54: SENSITIVITY ANALYSIS – OPERATING COSTS +10%

Option 3 - Sensitivity Analysis Operating Costs -10%																													
Assumptions																													
Conference/Meeting Space Hire Fee																													
Number of times conference/meeting room hired p/a																													
Average spend at café per person operating years 1-7																													
Average spend at café per person operating years 8-15																													
Average spend at café per person operating years 16-25																													
From year 3, café revenue turnover allocated to Council																													
Average spend at retail per person (operating years 1-7)																													
Average spend at retail per person (operating years 8-15)																													
Average spend at retail per person (operating years 16-25)																													
Florist Area Hire Fee																													
Assumed % of visitors contributing donation																													
Average donation per visitor (operating years 1-13)																													
Average donation per visitor (operating years 14-25)																													
Cost of goods sold																													
Inflation																													
Utility Overheads increase p/a																													
Maintenance costs per sqm																													
Discount rate																													
Required yield																													
CAPEX Sensitivity Adjustment																													
Years		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27		
Annual Discount Factor		0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
REVENUE																													
Visitors		152,773	168,050	176,453	181,746	178,111	174,549	171,058	179,611	188,592	194,249	200,077	196,075	192,154	186,389	195,709	205,494	215,769	222,242	228,909	235,777	242,850	250,135	257,639	265,369	273,330			
Café lessee rent		\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover		-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$83,968	\$88,167	\$90,812	\$93,536	\$91,665	\$89,832	\$87,137	\$91,494	\$118,673	\$124,607	\$128,345	\$132,195	\$136,161	\$140,246	\$144,453	\$148,787	\$153,250	\$157,848			
Retail revenue		\$171,870	\$189,057	\$198,509	\$204,465	\$200,375	\$196,368	\$192,441	\$314,320	\$330,036	\$339,937	\$350,135	\$343,132	\$336,269	\$326,181	\$342,490	\$359,615	\$377,596	\$388,923	\$400,591	\$412,609	\$424,987	\$437,737	\$450,869	\$464,395	\$478,327			
Gold coin donations		\$85,553	\$94,108	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$100,582	\$105,611	\$108,780	\$112,043	\$109,802	\$107,606	\$208,756	\$219,194	\$230,154	\$241,661	\$248,911	\$256,378	\$264,070	\$271,992	\$280,152	\$288,556	\$297,213	\$306,129			
Theatrette Hire		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328			
Total Revenue		\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$536,169	\$561,481	\$577,576	\$594,153	\$583,442	\$572,965	\$661,760	\$693,304	\$749,021	\$784,910	\$807,708	\$831,189	\$855,375	\$880,286	\$905,944	\$932,373	\$959,594	\$987,632			
EXPENDITURE																													
Salaries (2 part time)		\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951			
Cost of goods sold (retail)		\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,366	\$86,598	\$141,444	\$148,516	\$152,971	\$157,561	\$154,409	\$151,321	\$146,782	\$154,121	\$161,827	\$169,918	\$175,016	\$180,266	\$185,674	\$21,249	\$21,887	\$22,543	\$23,220	\$23,916			
Utilities		\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749.38	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349			
Liquor License Annual Fee		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,922	\$7,130	\$7,344	\$7,564	\$7,790	\$8,022	\$8,260	\$8,504	\$8,754	\$9,010	\$9,272	\$9,540	\$9,814	\$10,094			
Signage (interp and directional) maintenance		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,922	\$7,130	\$7,344	\$7,564	\$7,790	\$8,022	\$8,260	\$8,504	\$8,754	\$9,010	\$9,272	\$9,540	\$9,814	\$10,094			
Site maintenance		\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,456	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,058	\$58,770	\$60,533	\$62,349			
Elevator Maintenance		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328			
Total Costs		\$236,712	\$249,090	\$258,516	\$266,709	\$271,026	\$275,573	\$280,396	\$336,302	\$349,470	\$360,508	\$365,205	\$369,670	\$374,435	\$378,146	\$392,806	\$408,066	\$423,950	\$437,427	\$451,339	\$465,700	\$477,529	\$491,312	\$505,061	\$518,843	\$532,672			
EBITDA		\$35,711	\$59,374	\$142,351	\$145,433	\$133,920	\$122,337	\$110,675	\$199,867	\$212,011	\$217,067	\$228,948	\$213,772	\$198,530	\$42,492	\$300,498	\$340,955	\$360,960	\$370,280	\$379,850	\$389,675	\$552,757	\$567,703	\$583,061	\$598,843	\$615,060			
Capital Expenditure		\$3,508,680																											
Cash Flow		-\$3,508,680	\$35,711	\$59,374	\$142,351	\$145,433	\$133,920	\$122,337	-\$289,325	\$199,867	\$212,011	\$217,067	\$228,948	\$213,772	\$198,530	-\$116,396	\$300,498	\$340,955	\$360,960	\$370,280	\$379,850	-\$10,325	\$552,757	\$567,703	\$583,061	\$598,843	\$615,060		
Discounted Cash Flow		-\$3,093,460	\$29,563	\$46,153	\$103,899	\$99,670	\$86,179	\$73,920	-\$164,149	\$106,474	\$106,051	\$101,953	\$100,970	\$88,523	\$77,194	-\$42,492	\$103,014	\$109,750	\$109,098	\$105,084	\$101,221	-\$2,583	\$129,865	\$125,236	\$120,774	\$116,472	\$112,325		
Net Present Value (NPV)		-\$1,224,000																											

TABLE 55: SENSITIVITY ANALYSIS – OPERATING COSTS +20%

Option 3 - Sensitivity Analysis Operating Costs +20%																												
Assumptions																												
Conference/Meeting Space Hire Fee		\$200																										
Number of times conference/meeting room hired p/a		50																										
Average spend at café per person operating years 1-7		\$14.00																										
Average spend at café per person operating years 8-15		\$17.00																										
Average spend at café per person operating years 16-25		\$21.00																										
From year 3, café revenue turnover allocated to Council		5.0%																										
Average spend at retail per person (operating years 1-7)		\$4.50																										
Average spend at retail per person (operating years 8-15)		\$7.00																										
Average spend at retail per person (operating years 16-25)		\$9.00																										
Florist Area Hire Fee		\$0.00																										
Assumed % of visitors contributing donation		56%																										
Average donation per visitor (operating years 1-13)		\$1.00																										
Average donation per visitor (operating years 14-25)		\$2.00																										
Cost of goods sold		45%																										
Inflation		3%																										
Utility Overheads increase pa		4%																										
Maintenance costs per sqm		\$30																										
Discount rate		6.5%																										
Required yield		5.5%																										
CAPEX Sensitivity Adjustment		20.0%																										
Years		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Annual Discount Factor		0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183	
Visitors		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
REVENUE																												
Café lessee rent		\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover		-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$83,968	\$88,167	\$90,812	\$93,536	\$91,665	\$89,832	\$87,137	\$91,494	\$118,673	\$124,607	\$128,345	\$132,195	\$136,161	\$140,246	\$144,453	\$148,787	\$153,250	\$157,848	\$162,581	\$167,450
Retail revenue		\$171,870	\$189,057	\$198,509	\$204,465	\$200,375	\$196,368	\$192,441	\$314,320	\$330,036	\$339,937	\$350,135	\$343,132	\$336,269	\$326,181	\$342,490	\$359,615	\$377,596	\$388,923	\$400,591	\$412,609	\$424,987	\$437,737	\$450,869	\$464,395	\$478,327	\$492,665	\$507,410
Gold coin donations		\$85,553	\$94,108	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$100,682	\$105,611	\$108,780	\$112,043	\$109,802	\$107,605	\$208,756	\$219,194	\$230,154	\$241,661	\$248,911	\$256,378	\$264,070	\$271,992	\$280,152	\$288,556	\$297,213	\$306,129	\$315,306	\$324,746
Theatrette Hire		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,936	\$21,561
Total Revenue		\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$536,169	\$561,481	\$577,576	\$594,153	\$583,442	\$572,965	\$661,760	\$693,304	\$749,021	\$784,910	\$807,708	\$831,189	\$855,375	\$880,286	\$905,944	\$932,373	\$959,594	\$987,632	\$1,016,488	
EXPENDITURE																												
Salaries (2 part time)		\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951	\$188,434	\$194,074
Cost of goods sold (retail)		\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,366	\$86,598	\$141,444	\$148,516	\$152,971	\$157,561	\$154,409	\$151,321	\$146,782	\$154,121	\$161,827	\$169,918	\$175,016	\$180,269	\$185,674	\$191,249	\$196,993	\$202,906	\$209,000	\$215,285	\$221,762	\$228,433
Utilities		\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,591	\$102,515	\$106,646	\$110,912	\$115,349	\$120,000	\$124,800
Liquor License Annual Fee		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$7,994	\$8,224	\$8,459	\$8,699	\$8,944	\$9,194	\$9,449	\$9,709	\$9,974	\$10,244	\$10,519
Signage (interp and directional) maintenance		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$7,994	\$8,224	\$8,459	\$8,699	\$8,944	\$9,194	\$9,449	\$9,709	\$9,974	\$10,244	\$10,519
Site maintenance		\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,456	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,056	\$58,764	\$60,521	\$62,325	\$64,177	\$66,078
Elevator Maintenance		\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,936	\$21,561
Total Costs		\$315,615	\$332,120	\$344,687	\$355,612	\$361,367	\$367,430	\$373,808	\$448,403	\$465,960	\$480,678	\$486,940	\$492,894	\$499,247	\$504,194	\$523,742	\$544,088	\$565,267	\$583,236	\$601,785	\$620,933	\$640,705	\$660,989	\$681,749	\$702,954	\$724,665	\$746,944	\$769,753
EBITDA		-\$43,193	-\$23,656	\$56,179	\$56,530	\$43,578	\$30,480	\$17,223	\$87,766	\$95,521	\$96,896	\$107,213	\$90,548	\$73,718	\$157,566	\$169,562	\$204,933	\$219,643	\$224,471	\$229,404	\$234,442	\$244,581	\$254,955	\$265,566	\$276,410	\$287,500	\$298,845	
Capital Expenditure																												
Total Capital Expenditure		\$3,508,680																										
Cash Flow		-\$3,508,680	-\$43,193	-\$23,656	\$56,179	\$56,530	\$43,578	\$30,480	-\$382,777	\$87,766	\$95,521	\$96,898	\$107,213	\$90,548	\$73,718	-\$242,434	\$169,562	\$204,933	\$219,643	\$224,471	\$229,404	-\$165,558	\$443,581	\$454,955	\$466,624	\$478,592	\$490,869	
Discounted Cash Flow		-\$3,093,460	-\$35,757	-\$18,388	\$41,004	\$38,742	\$28,043	\$18,417	-\$217,170	\$46,755	\$47,781	\$45,511	\$47,283	\$37,496	\$28,663	-\$88,512	\$58,128	\$65,966	\$66,386	\$63,704	\$61,131	-\$41,425	\$104,215	\$100,364	\$96,655	\$93,084	\$89,645	
Net Present Value (NPV)		-\$2,466,260																										



TABLE 56: SENSITIVITY ANALYSIS – OPERATING COSTS +30%

Option 3 - Sensitivity Analysis Operating Costs +30%																												
Assumptions																												
Conference/Meeting Space Hire Fee	\$200																											
Number of times conference/meeting room hired pla	50																											
Average spend at café per person operating years 1-7	\$14.00																											
Average spend at café per person operating years 8-15	\$17.00																											
Average spend at café per person operating years 16-25	\$21.00																											
From year 3, café revenue turnover allocated to Council	5.0%																											
Average spend at retail per person (operating years 1-7)	\$4.50																											
Average spend at retail per person (operating years 8-15)	\$7.00																											
Average spend at retail per person (operating years 16-25)	\$9.00																											
Florist Area Hire Fee	\$0.00																											
Assumed % of visitors contributing donation	56%																											
Average donation per visitor (operating years 1-13)	\$1.00																											
Average donation per visitor (operating years 14-25)	\$2.00																											
Cost of goods sold	45%																											
Inflation	3%																											
Utility Overheads increase pa	4%																											
Maintenance costs per sqm	\$30																											
Discount rate	6.5%																											
Required yield	5.5%																											
CAPEX Sensitivity Adjustment	30.0%																											
Years	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27		
Annual Discount Factor	0.882	0.828	0.777	0.730	0.685	0.644	0.604	0.567	0.533	0.500	0.470	0.441	0.414	0.389	0.365	0.343	0.322	0.302	0.284	0.266	0.250	0.235	0.221	0.207	0.194	0.183		
Visitors	152,773	168,060	176,453	181,746	178,111	174,549	171,058	179,611	188,592	194,249	200,077	196,075	192,154	186,389	195,709	205,494	215,769	222,242	228,909	235,777	242,860	250,135	257,639	265,369	273,330	281,530		
REVENUE																												
Café lessee rent	\$5,000	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Café lessee portion of turnover	-	-	\$67,934	\$69,972	\$68,573	\$67,201	\$65,857	\$83,968	\$88,167	\$90,812	\$93,536	\$91,665	\$89,832	\$87,137	\$91,494	\$118,673	\$124,607	\$128,345	\$132,195	\$136,161	\$140,246	\$144,453	\$148,787	\$153,250	\$157,848	\$162,580	\$167,447	
Retail revenue	\$171,870	\$189,067	\$198,509	\$204,465	\$200,375	\$196,368	\$192,441	\$314,320	\$330,036	\$339,937	\$350,135	\$343,132	\$336,269	\$326,181	\$342,490	\$369,615	\$377,596	\$388,923	\$400,591	\$412,609	\$424,987	\$437,737	\$450,869	\$464,395	\$478,327	\$492,665	\$507,409	
Gold coin donations	\$85,553	\$94,108	\$98,814	\$101,778	\$99,742	\$97,748	\$95,793	\$100,582	\$105,611	\$108,780	\$112,043	\$109,802	\$107,606	\$208,755	\$219,194	\$230,154	\$241,661	\$248,911	\$256,378	\$264,070	\$271,992	\$280,152	\$288,556	\$297,213	\$306,129	\$315,300	\$324,731	
Theatrette Hire	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,936	\$21,560	
Total Revenue	\$272,423	\$308,465	\$400,866	\$412,142	\$404,946	\$397,910	\$391,031	\$536,169	\$561,481	\$577,576	\$594,153	\$583,442	\$572,965	\$661,760	\$693,304	\$749,021	\$784,910	\$807,708	\$831,189	\$855,375	\$880,286	\$905,944	\$932,373	\$959,594	\$987,632	\$1,016,490	\$1,046,167	
EXPENDITURE																												
Salaries (2 part time)	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133	\$140,217	\$144,424	\$148,756	\$153,219	\$157,816	\$162,550	\$167,427	\$172,449	\$177,623	\$182,951	\$188,434	\$194,072	
Cost of goods sold (retail)	\$77,341	\$85,075	\$89,329	\$92,009	\$90,169	\$88,366	\$86,598	\$141,444	\$148,516	\$152,971	\$157,561	\$154,409	\$151,321	\$146,782	\$154,121	\$161,827	\$169,918	\$175,016	\$180,266	\$185,674	\$21,249	\$21,887	\$22,543	\$23,220	\$23,916	\$24,633	\$25,370	
Utilities	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939	\$59,217	\$61,586	\$64,049	\$66,611	\$69,275	\$72,046	\$74,928	\$77,925	\$81,042	\$84,284	\$87,656	\$91,162	\$94,808	\$98,601	\$102,545	\$106,646	\$110,912	\$115,349	\$120,000	\$124,880	
Liquor License Annual Fee	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$7,994	\$8,224	\$8,459	\$8,699	\$8,944	\$9,194	\$9,449	\$9,709	\$9,974	\$10,244	\$10,519	
Signage (interp and directional) maintenance	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,719	\$6,919	\$7,124	\$7,334	\$7,549	\$7,769	\$7,994	\$8,224	\$8,459	\$8,699	\$8,944	\$9,194	\$9,449	\$9,709	\$9,974	\$10,244	\$10,519	
Site maintenance	\$30,671	\$31,592	\$32,539	\$33,516	\$34,521	\$35,557	\$36,623	\$37,722	\$38,854	\$40,019	\$41,220	\$42,456	\$43,730	\$45,042	\$46,393	\$47,785	\$49,219	\$50,695	\$52,216	\$53,783	\$55,396	\$57,056	\$58,770	\$60,533	\$62,346	\$64,209	\$66,122	
Elevator Maintenance	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328	\$20,936	\$21,560	
Total Costs	\$341,917	\$359,797	\$373,411	\$385,247	\$391,481	\$398,049	\$404,959	\$485,770	\$504,790	\$520,734	\$527,518	\$533,968	\$540,851	\$548,210	\$567,387	\$589,429	\$612,373	\$631,839	\$651,934	\$672,677	\$693,097	\$713,211	\$733,030	\$752,564	\$771,813	\$790,787	\$809,486	
EBITDA	-\$69,494	-\$51,332	\$27,455	\$26,896	\$13,464	-\$140	-\$13,928	\$50,399	\$56,691	\$56,841	\$66,635	\$49,474	\$32,114	\$115,549	\$125,917	\$159,592	\$172,538	\$175,868	\$179,255	\$217,303	\$407,189	\$417,373	\$427,811	\$438,500	\$449,472	\$460,727	\$472,161	
Capital Expenditure																												
Total Capital Expenditure	\$3,508,680																											
Cash Flow	-\$3,508,680	-\$69,494	-\$51,332	\$27,455	\$26,896	\$13,464	-\$140	-\$413,928	\$50,399	\$56,691	\$56,841	\$66,635	\$49,474	\$32,114	-\$284,461	\$125,917	\$159,592	\$172,538	\$175,868	\$179,255	-\$217,303	\$407,189	\$417,373	\$427,811	\$438,500	\$449,472	\$460,727	
Discounted Cash Flow	-\$3,093,460	-\$57,531	-\$39,902	\$20,039	\$18,433	\$8,664	-\$84	-\$234,843	\$26,849	\$28,358	\$26,697	\$29,387	\$20,487	\$12,487	-\$103,852	\$43,166	\$51,371	\$52,149	\$49,911	\$47,767	-\$54,372	\$95,665	\$92,073	\$88,616	\$85,288	\$82,085	\$79,000	
Net Present Value (NPV)	-\$2,880,347																											