



# Redesdale Community Precinct Business Case



*Redesdale*

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## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>Page 3</b>
 <b>1. INTRODUCTION .....</b>	 <b>Page 7</b>
1.1 Background.....	Page 7
1.2 Scope of the Business Case .....	Page 7
 <b>2. COMMUNITY NEEDS AND MARKET ASSESSMENT .....</b>	 <b>Page 9</b>
2.1 Recreation Reserve and its Role .....	Page 9
2.2 Community Needs .....	Page 10
2.3 Range of Potential Community Enterprises .....	Page 11
2.4 Events, Functions and Meetings.....	Page 11
2.5 Business Tenancies and Services .....	Page 15
2.6 En-Suite Campervan Park .....	Page 18
 <b>3. OPERATIONS PLAN.....</b>	 <b>Page 24</b>
3.1 Regulating the Reserve .....	Page 24
3.2 Capital Development for the Enterprises .....	Page 25
 <b>4. ORGANISATION PLAN .....</b>	 <b>Page 32</b>
4.1 Organisation Structure .....	Page 32
4.2 Staffing and Skills.....	Page 36
 <b>5. FINANCIAL PLAN .....</b>	 <b>Page 37</b>
5.1 Projection Assumptions.....	Page 37
5.2 Financial Viability Projections.....	Page 39
5.3 Potential Sources of Funds .....	Page 54

## EXECUTIVE SUMMARY

### Overview

The small town of Redesdale in Central Victoria, has a strong and active community with a determination to maintain a township with modern, safe and attractive amenities in support of a healthy and appealing rural lifestyle. Development of a series of community enterprises within a Community Precinct at the Redesdale's Agnes Mudford Recreation Reserve is considered, by the majority of the community, to be a major component in delivering on this determination.

It is expected that successful establishment of linked community enterprises at the Recreation Reserve would strengthen Redesdale's economy and its economic development capacity, as well as further enhancing community connectedness and resilience.

This business case builds on work undertaken in a feasibility study completed by Community Leadership Loddon Murray Inc. in 2015 which concluded that *"there is clear need and support for a Community Precinct to be developed in Redesdale"*.

The business case has assessed the outlook for a commercial Community Precinct with three enterprises:

- An "Events, Functions and Meetings Enterprise, which encompasses the use of the Community Hall as an event and functions centre, and catering and commercial kitchen operations.
- A "Business Tenancies and Services Enterprise", which provides for regular tenants and occasional users of office services and facilities. This encompasses an adaptation of a business incubator, facilities for outreach health services and access to education, and social and recreational activities.
- "En-Suite Campervan Park Enterprise", which is a small, fully serviced, caravan park designed to service the campervan/motor home traveller market.

### Major Findings

#### Community Needs and Market Demand

- ❖ Agnes Mudford Reserve is a focal point in Redesdale, and a logical location for the establishment of a Community Precinct. It already accommodates many of the town's communal facilities: Community Hall, cricket oval, pavilion, picnic shelter and powered barbecue, public toilet block, tennis courts, playground, and staging point for emergency services. The Reserve it is also the prime location for Redesdale's major annual events.
- ❖ There is existing, and long established, demand among local Redesdale organisations and visiting groups for the community hall and the reserve area as a venue for events, meetings and functions. To date, the hosting of these activities has not been a commercial proposition, at least for the organising groups and community<sup>1</sup>.

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<sup>1</sup> There may be positive commercial returns for stallholders, exhibitors and other suppliers to these events and functions

- ❖ In 2016, there were 92 booked events, functions and meetings at the Hall and Reserve. The number of participants at these events, functions and meetings is estimated to be 11,555 attendees, with in excess of 80 stallholders and exhibitors. Over 50% of the events, functions and meetings have the potential to attract a fee, either from stallholder, exhibitors, or patrons/attendees. Indeed, potential 'fee for service' events and functions account for 51% of 2016 bookings, and they account for 87.8% of all attendances.
- ❖ Realistic booking (or market) targets have been set for a program of Major Festivals, Fire and Landcare Meetings, Craft Markets, Catered Community Events, Hired Functions, and Community Meetings over a period of five years, as part of the process in assessing the business prospects.
- ❖ Offering business tenancies and services for permanent users, regular visiting businesses, and occasional users (such as home based businesses in need of meeting or office space on occasion, or information technology support) is the second of the proposed community enterprises at the Community Precinct. It is an extension, and local adaptation, of a business incubator.
- ❖ Discussions were conducted with all organisations and individuals that could be identified as potential users of a Redesdale business incubator/Business Tenancy and Services facility. These led to a probability assessment for the proposed enterprise and the setting of annual market/usage level targets over five years in the range:
  - Regular tenants: 8 to 12
  - Occasional users: 5 to 8.
- ❖ Concept and design features of the Travellers Rest facility in Charlton have been used as a basis for the proposed Redesdale En-Suite Campervan Park Enterprise, with the proposed construction of 4 en-suites. A comparative assessment of other caravan parks in small towns across regional Victoria helped in confirming competitive pricing structures and trends in demand for caravan park services, with en-suite and other facilities. Five-year target occupancy rates are modelled across the range 17% to 35% occupancy.

## Operations Plan

- ❖ Commonwealth and state laws and enforcement procedures apply to all Crown land reserves. Although the Redesdale Recreation Reserve Committee is the appointed management body for the Agnes Mudford Reserve, the implementation of Community Precinct enterprises will require approvals and controls stipulated by both the Department of Environment, Land, Water and Planning, and the City of Greater Bendigo.
- ❖ Capital works for the proposed community enterprises require an estimated \$644,500 in expenditure, comprising:
  - \$336,500 for the Events, Functions and Meetings Enterprise
  - \$182,700 for the Business Tenancies and Services Enterprise
  - \$145,300 for the En-Suite Campervan Park Enterprise.

In preparing financial projections for the operations of these enterprises, it is assumed that these capital costs will not be sourced from a commercial funds provider. Therefore, no allowance is made for loan repayments or the cost of finance.

## Organisation Plan













- ❖ There are already four incorporated community organisations which are stakeholders in the Precinct development, and it would be desirable to rationalise these organisations (by bringing them together under a collaborative structure) and clarify their respective roles, rather than to create yet another community organisation.
- ❖ The preferred organisational structure arrangement for a Redesdale Community Precinct is to register a business name for the Precinct (such as Enterprise Redesdale) under Redesdale Recreation Reserve Committee Incorporated (RRRC), in the short-term, and for RRRC to incorporate as a company limited by guarantee after the enterprise has begun to trade successfully and provide evidence of sustainability.
- ❖ Projections for the Community Precinct enterprises indicate there would need to be continuing reliance on volunteer input in the short to medium term, if the enterprises are to be implemented. The level of staffing, and associated skills, which could be supported by the enterprises in the first five years of operation include 0.9 to 2.15 full time equivalent staff (excluding those working in their own enterprises at the Business Tenancies and Services Enterprise, or running stalls/outlets at events).

## Financial Plan

- ❖ Cash budget projections, over a time horizon of 5 years, were prepared to examine the potential viability of the proposed Redesdale Community Precinct enterprises and the circumstances under which they could be viable. Three scenarios have been presented.
- ❖ Scenario 1, the Low Scenario, does not produce a viable return for any of the proposed enterprises. It would require a cash injection of around \$30,000 in Year 1 and further annual cash injections of about \$10,000 per annum in subsequent years in order to be sustainable (in addition to the capital development costs involved in establishing the enterprises).
- ❖ Scenario 2, the Medium Scenario, does not produce a viable return for the combined enterprises, although it would be approaching a breakeven level of operations beyond Year 5. It would require a cash injection of around \$35,000 in Year 1 to be sustainable over the first 5 years (in addition to the capital development costs involved in establishing the enterprises).
- ❖ Scenario 3 produces a viable return for the consolidated enterprises. It would require a cash injection of around \$21,000 in Year 1 and the viability relies on the profitability of in-house catering arrangements.
- ❖ Overall, the proposed Redesdale Community Precinct Enterprises are high risk, with potential to achieve viability only if there is:
  - Ongoing volunteer community input.
  - Capital investment from grants, community contributions and fundraising, and/or philanthropic donations.
  - Achievement of operational results at the assessed 'high level' of potential demand.
- ❖ Potential for achieving sustainable enterprises could be improved by implementing the ventures in a staged approach, with stages proceeding only after successful results are achieved with a preceding enterprise.

- ❖ A suggested 'next steps' implementation schedule is presented in Table E1.

**Table E1 Suggested Next Steps**

<b>Suggested Step for Redesdale Recreation Reserve Committee (and broader community)</b>	<b>2017: 1<sup>st</sup> Half</b>	<b>2017: 2<sup>nd</sup> Half</b>	<b>2018: 1<sup>st</sup> Half</b>	<b>2018: 2<sup>nd</sup> Half</b>
Confirm that the community is committed to implementing the Community Precinct enterprises: Understanding the marginal viability associated with the Redesdale Community Precinct, and that it must have substantial volunteer input, grant funds and other sources of working capital to become sustainable (possibly with a small level of loan funding as well).				
Decide on whether all three community enterprises will be pursued in tandem, or whether a staged approach, involving 2 of the 3 enterprises. A staged implementation would reduce the initial capital development costs to be sourced, and also reduce the community volunteer input.				
Ensure that the existing community organisations (Reserve Committee, Hall Committee, RADA, and Bridge Connection) are prepared to formally collaborate as participants, to varying levels, in the Community Precinct.				
Develop an expression of interest process to formalise the demand for the Business Tenancies and Services enterprise (following up on discussions during the business case), if this enterprise is selected for implementation. Decide on whether 'occasional users' could be offered access to facilities and services on an annual membership basis.				
Prepare applications for funding support through the Victorian Jobs and Infrastructure Fund and/or the Commonwealth Building Better Regions Fund.				
Finalise planning designs and capital development costings for the agreed enterprise facilities.				
Liaise with DELWP and City of Greater Bendigo on development and enterprise approvals, planning and building permits				
Call tenders for construction and project management for renovations/extensions and new facilities				
Conduct facilities extensions and construction				
Begin market development activities for the en-suite campervan enterprise (if this is selected for implementation) and liaise with relevant industry organisations.				
Conduct other fundraising activities and submit applications for any remaining loan fund requirements.				
Register Community Precinct business name (or names) and commence operations.				

## **1. INTRODUCTION**

### **1.1 BACKGROUND**

Rural communities within the City of Greater Bendigo (CoGB) are encouraged to develop Community Plans. The community planning process is intended to foster collaborative planning and to promote community wellbeing and sustainability. These Community Plans express the various communities' aspirations and act as a guide for community action.

A review of Redesdale's Community Plan in 2013 reaffirmed the community's overall ambition to be a township with modern, safe and attractive amenities to support the rural way of life. Ongoing discussion of this aspiration resulted in the concept of developing Redesdale's existing hall and recreation reserve, which are both situated on Crown land, into a versatile community precinct suitable for community and sporting events, a meeting space for social, educational and wellbeing groups, medical and pharmaceutical visitations, emergency relief and recovery operations and a range of other activities.

The overall objective of a community precinct is to strengthen Redesdale's economic capacity, as well its community connectedness and resilience. After receiving initial community support for the precinct idea, the concept was advanced via a feasibility study completed by Community Leadership Loddon Murray Inc. in 2015. The Redesdale Community Precinct Feasibility Study concluded that *"there is clear need and support for a Community Precinct to be developed in Redesdale"*.

This business case builds on the work undertaken in the 2015 feasibility assessment.

### **1.2 SCOPE OF THE BUSINESS CASE**

The site for the proposed Community Precinct is in the heart of Redesdale, at the intersection of the three roads which lead to Kyneton, Heathcote and Bendigo. Facilities already encompass a hall and reserve, which are utilised on at least 100 occasions each year as:

- A staging area for the CFA Eppalock Group A nominated relief and recovery centre for the City of Greater Bendigo.
- Annual local events regularly attracting over 100 patrons in the hall.

The feasibility study estimated an investment of \$550,000 would be required to create a vibrant Community Precinct featuring:

- A business incubator to support employment and business growth in the region.
- Improved facilities to improve safety and support emergency services personnel and volunteers.
- Outreach health services for an ageing population without access to public transport.
- Increased access to education, social and recreational activities to meet the needs of all ages, in particular the elderly, pre-schoolers and youth, disadvantaged by a lack of public transport and a remote location.
- Compliant kitchen and toilet facilities.
- Improved facilities to increase tourism and attract new residents to the region.

The overall objective of the Business Case project was:

*“To develop a business case for the Redesdale Community Precinct Project building on, and extending, the outcomes of the Redesdale Community Precinct Feasibility Study, in collaboration with the Redesdale Key Communicators group and the City of Greater Bendigo, and with reference to Regional Development Victoria”.*

The associated project deliverable was a Business Case that clearly identifies and clarifies the Project in terms of:

- Principal economic benefits and employment outcomes it would generate
- Opportunities it will bring to the wider region, (Mitchell, Macedon Ranges and Mount Alexander Shires)
- How it aligns with the Regional Jobs and Infrastructure Fund (re. Regional Infrastructure Fund, Productive and Liveable Cities and Centres funding stream)
- The primary community needs it addresses
- The community capacity and resilience it will build
- Funding required from all levels of government
- Funding required from the community, and the nature of that funding (eg level of matched-funding, in-kind)
- Asset ownership, management and governance structures
- Broad stakeholder support with an agreed process for moving forward that identifies and prioritises steps and options.

The business case analysis has been structured into four sections:

- Community Needs and Market Assessment
- Operations Plan, including Capital Development (buildings, site, infrastructure and equipment)
- Organisation Plan
- Financial Plan and Projections.

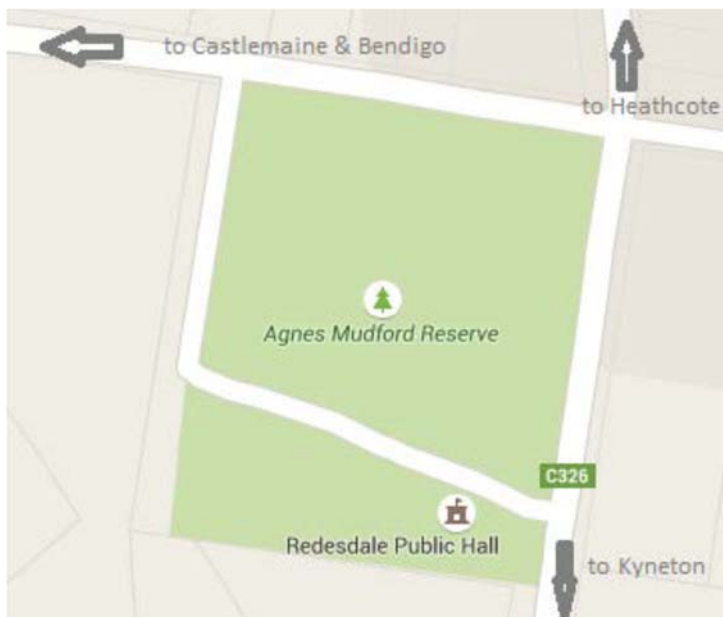


## 2. COMMUNITY NEEDS AND MARKET ASSESSMENT

### 2.1 THE AGNES MUDFORD RESERVE AND ITS ROLE

The Agnes Mudford Reserve is a prominent feature of Redesdale; on the corner of the three major access roads to Kyneton, Bendigo (via Lake Eppalock) and Heathcote, shown in Figure 2.1. The Reserve accommodates The Redesdale Community Hall, cricket oval, double sided pavilion, picnic shelter and electric barbecue, public toilet block, three tennis courts, playground, water tower for trucks and a storage shed. The Reserve it is also the location of Redesdale's major annual events. The public toilets are used on a frequent daily basis by passing travellers in private vehicles and coaches. Local residents access the reserve for walking and other recreation activities.

**Figure 2.1: Location of the Agnes Mudford Reserve**



Redesdale does not have reticulated water or sewerage services, so the reserve relies on tank water and it has two septic tanks, servicing the public toilets and hall. The City of Greater Bendigo maintains the public toilet block and lawn mowing of the Reserve as part of an agreement.

The Recreation Reserve is a designated 'staging area' for the Country Fire Authority (CFA) Eppalock group, with 13 brigades, and has been identified by the City of Greater Bendigo emergency management team as a relief and recovery centre for the region at times of emergency.

In this capacity, the Agnes Mudford Reserve can host up to 80 vehicles and CFA crews at a time during times of emergency. It also hosts the annual primary school sports for the region.

Features of the reserve contributing to its importance as a regional CFA and emergency services staging area include:

- Its location on three key access roads.
- Space for up to 80 vehicles and their crews, for briefings, refuelling and rest periods.
- The ability to land helicopters.
- A permanent water stand to service trucks.
- Public toilets
- The community hall for meetings, planning and relaxation
- Kitchen facilities for refreshments, meals and beverages.

Although the viability of organised team sports have diminished due to an ageing population, other events and activities are being organised to meet social needs and bring visitors to Redesdale. Active community management and consultation, during the Community Hub Feasibility Assessment, identified a range of improvements that could be made to the facilities aimed at increasing local patronage with changing needs and attracting new events and services to the area.

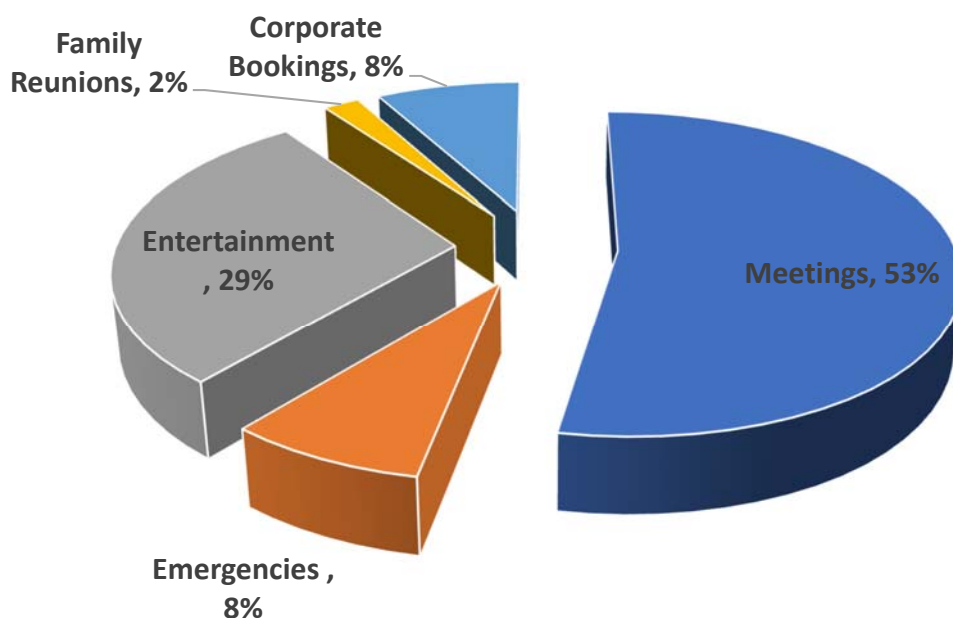
Redesdale Hall is one of the larger sized halls in the district, following extensions carried out in 1984 and 1993. It can cater for a seated audience of up to 130 people. The Community Hub Feasibility Assessment found that:

- “The kitchen is far from commercial catering standards, but has been deemed sufficient for current usage according to a 2015 audit by the City of Greater Bendigo, pending a number of minor recommendations being implemented.
- A compact stage and dressing room can host community performances.
- Storage is limited.
- Toilets are adequate but do not meet current standards for provision of disabled access.
- Limited heating is available within the hall and a split air system is located in the foyer for meetings.
- Solar panels have been installed on the roof and contribute to revenue.

## 2.2 COMMUNITY NEEDS

The 2015 Community Precinct Feasibility Assessment analysed hall and reserve bookings for 2014, revealing 91 bookings. Only 10% of bookings paid a fee to use the facilities, resulting in \$1,100 in revenue. Figure 2.2 shows the range of bookings at the Precinct in 2014, with community meetings being the greatest usage (53% of bookings) in terms of frequency of use. Other uses, service community needs through entertainment (29%), emergencies (8% including congregating at the Reserve during weather warnings) and family reunions (2%). An update, and more detailed categorisation of the bookings, reflecting community needs for 2016 is discussed later in this chapter.

**Figure 2.2 2014 Bookings at the Agnes Mudford Recreation Reserve**



## 2.3 RANGE OF POTENTIAL COMMUNITY ENTERPRISES

Community and commercial activities assessed in the Redesdale Hub Feasibility Assessment, and in subsequent business case evaluations, have included:

- Development of the Community Hall area as a more regular event and functions centre.
- A business incubator to support employment and business growth in the region.
- Improved facilities to enable the precinct to be utilised as ‘safe place’, a training location, and a staging hub, for fire and emergency services teams.
- Outreach health services, for an ageing population without access to public transport.
- Increased access to education, social and recreational activities to meet the needs of all ages (in particular the elderly, pre-schoolers and youth, disadvantaged by a lack of public transport and a remote location).
- Catering and commercial kitchen operations.
- A small, fully serviced, caravan park designed to service the rapidly growing campervan/motor home traveller market.

The outlook, features and competitive position of the proposed Redesdale facility, and assessed sales/market targets for each of these activities is discussed in this chapter. The enterprises are grouped into three discrete community and commercial enterprises:

- **Events, Functions and Meetings**, which encompasses the use of the Community Hall as an event and functions centre, and catering and commercial kitchen operations.
- **Business Tenancies and Services**, which provides for regular tenants and occasional users of office services and facilities. This encompasses the proposed business incubator, the training location and staging hub, the facilities for outreach health services and access to education, social and recreational activities (through the expected diverse nature of the tenants and user groups – such as a group fitness business, produce outlet, and art and craft outlets).
- **En-Suite Campervan Park**, which is the small, fully serviced, caravan park designed to service the rapidly growing campervan/motor home traveller market.

Capital development requirements are presented in Chapter 3 and the financial viability of the enterprises are assessed in Chapter 5.

## 2.4 EVENTS, FUNCTIONS AND MEETINGS

There is existing, and long established, demand among local Redesdale organisations and visiting groups for the community hall and the reserve area as a venue for events, meetings and functions. The quantification of this demand has been measured in both the 2015 Community Hub Feasibility Assessment, and again in the current Business Case. Many of the users are not-for-profit community organisations delivering voluntary community services and could not be charged for their involvement, but there is strong potential to generate enterprise revenue from around 50% of the user organisations or their patrons/attendees.

Redesdale Community Hall is the town focal point for all forms of community events and meetings. The 2014 finding that only 10% of 91 bookings produced a revenue is inadequate to support a sustainable enterprise. The 2015 Feasibility Assessment suggested that *“with improved facilities and a targeted marketing campaign it is anticipated that flexible and tiered fees for hire of the room, hall, reserve and camping facilities can increase revenue up to \$20,000 per annum without impacting on community groups”*. This would be in addition to annual event fundraising, estimated at \$15,000.

A 2016 review of events, functions and meetings held at the Reserve has been completed as part of the business case, and the results are detailed in Table 2.1, revealing that the number of events, functions and meetings has been relatively stable over the period 2014 to 2016, with 92 occasions in 2016. The number of participants at these events, functions and meetings is estimated to be 11,555 attendees, and there were in excess of 80 stallholders and exhibitors (including multiple occasions) at events during the year, of which 30 were stallholders at the Redesdale Festival Market in October, as summarised in Table 2.2.

Table 2.1 also suggests that over 50% of the events, functions and meetings have the potential to attract a fee, either from stallholder, exhibitors, or patrons/attendees. Notably, the potential 'fee for service' events and functions account for 51% of existing bookings, but they account for 87.8% of all attendances.

**Table 2.1: Redesdale Reserve and Hall Events, Functions and Meetings**

Event/Function	Attendees per Event	Frequency	Total Number	Total Attendance	% of Attendees	Potential Hire Charge	Functions with Hire Potential
Redesdale Festival	1,000	Annual	1	1,000	8.65%	Yes	1
Art Show	1,000	Annual	1	1,000	8.65%	Yes	1
Redesdale Revellers	500	5 times/year	5	2,500	21.64%	Yes	5
Bush Market	2,000	Annual	1	2,000	17.31%	Yes	1
Local Produce Fair (Queen's Birthday)	600	Annual	1	600	5.19%	Yes	1
Food and Wine Dinner and Talk	200	2 times/year	2	400	3.46%	Yes	2
Biggest Morning Tea	50	Annual	1	50	0.43%	Yes	1
Last Man Standing - CFA Raffle	500	Annual	1	500	4.33%	No	
Weddings	160	2 times/year	2	320	2.77%	Yes	2
Cricket Matches	100	2 times/year	2	200	1.73%	No	
Primary School Christmas Concert	60	Annual	1	60	0.52%	No	
MG Motor Club	123	Annual	1	123	1.06%	Yes	1
Outdoor Cinema	50-300	Potentially 3-4	3	240	2.08%	Yes	3
Tea Dance	200	2 times/year	2	400	3.46%	Yes	2
Bush Dance	100	Annual	1	100	0.87%	Yes	1
Rock and Roll Dance	100	Annual	1	100	0.87%	Yes	1
Community Barbecue	40	2 times/year	2	80	0.69%	Yes	2
Puppy Club	12	6 times/year	6	72	0.62%	Yes	6
Birthday Parties	100	6 times/year	6	600	5.19%	Yes	6
Funerals	100	2 times/year	2	200	1.73%	Yes	2
<b>Regular Meetings</b>					0.00%		
Hall Committee	10	Monthly	12	120	1.04%	No	
Bridge Connection Newspaper	10	Monthly	12	120	1.04%	No	
Reserve Committee	10	Monthly	12	120	1.04%	No	
Tennis Association	40	Annual	1	40	0.35%	No	
Langley-Barfold Community AGM	50	Annual	1	50	0.43%	No	
Redesdale and District Association AGM	20	Annual	1	20	0.17%	No	
CFA Fire Awareness Meetings	100	Annual	1	100	0.87%	No	
Small Town Engagement Meetings	80	Annual	1	80	0.69%	No	
Political Meetings	60	Annual	1	60	0.52%	Yes	1
Landcare Meetings	50	4 times/year	4	200	1.73%	Yes	4
Knitting and Craft Groups	25	4 times/year	4	100	0.87%	Yes	4
<b>TOTAL</b>			<b>92</b>	<b>11,555</b>	<b>100.0%</b>		<b>47</b>

**Table 2.2: Stallholders at the Redesdale Festival Market, October 2016**

<b>Stallholder Type</b>	<b>Number</b>	<b>%</b>
Food Products	9	30.7%
Beverage	3	8.8%
Other Agriproducts	5	17.6%
Craft Products	12	39.5%
Entertainment	1	3.4%
<b>Total</b>	<b>30</b>	<b>100.0%</b>

Existing levels of demand and usage have directly led to market targets being set for the events, functions and meetings enterprise which are consistent with this level of demand. The targets for three scenarios (low, medium and high) are presented in Table 2.3. The targets are categorised into:

- Major Festivals
- Fire and Landcare Meetings
- Craft Markets
- Catered Community Events
- Hired Functions
- Community Meetings.

**Table 2.3 Market Targets for the Redesdale Events, Functions and Meetings Enterprise**

<b>Hire Occasions</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Scenario 1 (Low)</b>					
Major Festivals	2	2	2	2	2
Fire and Landcare Meetings	5	5	5	5	5
Craft Markets	4	5	6	7	8
Catered Community Events	6	8	8	11	12
Hired Functions	6	8	8	12	14
Community Meetings	48	48	48	48	48
<b>Total</b>	<b>71</b>	<b>76</b>	<b>77</b>	<b>85</b>	<b>89</b>
<b>Scenario 2 (Medium)</b>					
Major Festivals	2	2	2	2	2
Fire and Landcare Meetings	5	5	5	5	5
Craft Markets	4	5	6	7	8
Catered Community Events	6	8	8	10	12
Hired Functions	12	13	14	15	16
Community Meetings	48	48	48	48	48
<b>Total</b>	<b>77</b>	<b>81</b>	<b>83</b>	<b>87</b>	<b>91</b>
<b>Scenario 3 (High)</b>					
Major Festivals	2	2	2	2	2
Fire and Landcare Meetings	5	5	5	5	5
Craft Markets	4	5	6	7	8
Catered Community Events	6	8	9	11	12
Hired Functions	12	13	15	16	18
Community Meetings	48	48	48	48	48
<b>Total</b>	<b>77</b>	<b>81</b>	<b>85</b>	<b>89</b>	<b>93</b>

## 2.5 BUSINESS TENANCIES AND SERVICES

Offering business tenancies and services for permanent users, regular visiting businesses, and occasional users (such as home based businesses in need of meeting or office space on occasion, or information technology support) was considered, by many community members to offer the potential for another community enterprise at the Community Precinct. This was confirmed as a desirable enterprise in the 2015 Community Hub Feasibility assessment. This proposed enterprise is an extension, and adaptation, of a business incubator.

Business incubators emerged in Australia in the 1980s although several supported/flexible enterprise development centres (such as factory units and shared office complexes) have been established since 1974. The first official incubator commenced in 1985. There are now more than 100 incubators in Australia and New Zealand.

There is no single business incubator concept which accurately depicts their operation. Rather, there are several concept streams and, even within these streams, there is substantial variation in the range of services that are offered; the structure, focus and benefits of specific centres depending upon their operating policies. Nevertheless, benefits (to tenants) of a business incubator typically can include:

- Access to equipment that might not otherwise be affordable or accessible
- Flexible accommodation closely suited to needs with (potentially) scope for expansion if, and when, required.
- Freedom from long-term lease encumbrances
- Competitive rental costs (sometimes less than market rent levels)
- A supportive environment and synergy with other tenants/licensees
- Referral services
- Access to resident business mentors or advisors.

The proposed Redesdale facility would be structured to provide, at least the first four of these benefits.

Motivations and benefits of a business incubator in a small regional context, are a specific incubator case, and may include

- A contribution to nurturing a successful small business sector
- Potential to encourage 'themed' business development by targeting specific business or industry types.
- Potential to diversify the economic structure of the district.
- Ability to develop skills or address skill shortages, through collaboration.
- Employment creation and alternative job opportunities
- Creating a professional business environment for micro-businesses making the transition from a home base to independent commercial premises, or simply needing an occasional alternative to the home base.

Most of these are relevant in Redesdale, although experience to date suggests it is very rare to establish a business incubator in a community as small as Redesdale.

Discussions were conducted with all organisations and individuals that could be identified as potential users of a Redesdale business incubator, or perhaps more appropriately labelled, Business Office Tenancies and Services facility (since the business advice and training services associated with most incubators is not part of the proposal). The results are summarised in Table 2.4, and these have led to a probability assessment for the proposed enterprise, detailed in Table 2.5, and the market/usage level targets applied in the financial projections in Table 2.6.

**Table 2.4 Summary of Demand Consultations for Business Tenancies and Services, 2016**

Organisation	Nature of Demand	Requirements at Redesdale
Bendigo Primary Care	Have visiting GPs who attend aged care facilities, this could extend to a hub facility at Redesdale, on a fee-for-service basis. The service could extend to visiting nurses, podiatry, physiotherapy, and regular GP visits (eg for management of heart disease, diabetes)	<ul style="list-style-type: none"> <li>- A basic facility (will bring most kit each session): Two rooms 3 x 3 m, Chair and desk (foldout storage), internet access.</li> <li>- Demand for 10-15 patients in a 4 hour session once per fortnight.</li> <li>- Would trial with a Registrar doctor over a 3-6 months period.</li> <li>- Pay \$140 per session for serviced facilities in Bendigo. Would be happy to pay \$40 per session in Redesdale.</li> </ul>
Mark Jankelson, Walnut Farm	Believes the Hub should offer a permanent local produce outlet – with wine, olives, walnuts, jams and other preserves. Due to the long shelf life or shelf stability of these products, it would not be too influenced by seasonal variations – or it could be September to March to add fresh produce.	<p>No personal use, other than the occasional business meeting.</p> <p>“Shop style” operation for the local produce operation, run as a collaborative.</p> <p>Typical farmers market stall fees are \$10 to \$25 per market (plus insurance) – but would need to be more like \$50 per week, in total, for a permanent outlet.</p> <p>Kitchen and ability to cater for refreshments and lunches.</p>
Simon Hills, Travel Agent	Runs a home-based travel agency business but needs a meeting space to host visitors from overseas. Currently hires meeting space at Kyneton.	<p>Basic meeting space. Currently pays \$140 for ½ day in Kyneton. Requirement is only once every 2 months.</p> <p>Would use NBN or wifi – and may use the facilities more often if this is available.</p>
Terry Mitton, E+ Architects	Not able to commit to regular leasing of space, but believes that people would use it if there is a good IT facility – Redesdale/Barfold has poor internet access	<p>Good IT connectivity.</p> <p>Hot-desking arrangements, with access on a 24 hour per day basis, enabling users to work at nights and weekends, and offering of seminars. This would ideally include video-conferencing equipment (\$3,500 + screen). Users would include professionals, home-based businesses, artisans, winemakers.</p> <p>A membership structure (with tiers) could be the best way to accommodate this type of use.</p>
Joanne Smith, Lingerie Accessories	A family distribution business that operates effectively online. The physical contact, and sales through fixed retail outlets, are in decline as business shifts to online sales. Therefore, unable to commit to use of Redesdale hub either as a regular, or on a membership basis. Currently uses coffee shops in Kyneton to meet with clients (ie retailers that stock the products), but believes they would be happy to travel to Redesdale. Have interstate representatives, and bring them together to meet once per year.	<p>Basic meeting space.</p> <p>Kitchen and ability to cater.</p>
Fitness and Health Business	Local resident intending to establish personal and group fitness classes for Redesdale, and beyond.	Would use the Recreation Precinct as the location, with both indoor and outdoor fitness activities to be undertaken regularly



**Table 2.4 (continued) Summary of Demand Consultations for Business Tenancies and Services**

Organisation	Nature of Demand	Requirements at Redesdale
Kyneton Medical Centre	Dr Stobie, practice partner, discussed the possibility of a regular presence at the Redesdale Centre with his other practice staff, and if there was agreement could have proposed the establishment of an outreach health service. Unfortunately, Kyneton Medical Centre has advised that the timing is not quite right for them to make a commitment.	Unable to commit at present: Pursuing different business strategies.
Castlemaine District Community Health	CDCH expressed enthusiasm for the concept of an outreach health service in Redesdale, but advised that it is outside their service catchment area. Further, CDCH has neither staffing nor funding capacity to provide services beyond their region.	Not able to be involved.
Redesdale Community Organisations	The Bridge Connection Newspaper, Redesdale Reserve Committee, Hall Committee, and other local organisations would make regular or occasional use of the office facilities	Bridge Connection would be a regular tenant (possibly the 'anchor tenant' for the facility, with administrative and coordination roles), while the other community organisations would be occasional users.

**Table 2.5 Probability Assessment of Demand for Business Tenancies and Services**

Possible Tenants	Probability	Type of Tenancy	Use Level per month		
			Low	Medium	High
Bendigo Primary Care	High	Fortnightly occupancy	\$80	\$80	\$120
Permanent Produce Outlet	Medium	Regular occupancy	\$0	\$250	\$250
Travel Agency	Medium	Occasional occupancy	\$0	\$100	\$100
Architect	High	Occasional occupancy	\$25	\$50	\$65
Clothing Accessories	Medium	Serviced space 2-3 times/year	\$0	\$25	\$33
Medical Centre	Low	One day per week	\$0	\$0	\$120
Fitness/Health Programs	High	Regular scheduled, weekly occupancy	\$50	\$75	\$100
Hall Committee	High	Occasional occupancy	\$0	\$10	\$20
Bridge Connection Newspaper	High	Regular occupancy	\$35	\$55	\$75
Reserve Committee	High	Occasional occupancy	\$0	\$10	\$20
Other (to be attracted through promotions)	Medium	Regular occupancy	\$30	\$150	\$250

**Table 2.6 Market Targets for the Business Tenancies and Services Enterprise**

Tenants and Users	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Scenario 1 (Low)</b>					
Regular	8	8	9	9	9
Occasional	5	5	6	6	6
<b>Total</b>	<b>13</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Scenario 2 (Medium)</b>					
Regular	8	9	10	10	10
Occasional	5	6	6	7	7
<b>Total</b>	<b>13</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>17</b>
<b>Scenario 3 (High)</b>					
Regular	8	9	10	10	12
Occasional	5	6	7	8	8
<b>Total</b>	<b>13</b>	<b>15</b>	<b>17</b>	<b>18</b>	<b>20</b>

## 2.6 EN-SUITE ACCOMMODATION FOR CAMPERVAN TRAVELLERS

### 2.6.1 Industry Trends

The caravan park and camping grounds industry is in a growth phase. Shifts in Australian tourism segments and age-structures have led to caravan parks and camping grounds making significant changes to their operating models. The industry *'has partly reinvented itself to become a more important component of total tourist accommodation in Australia'*<sup>2</sup>. This includes improving facilities for families and other specific tourist groups with a particular focus on cabin and on-site van segments. New quality facilities are usually available at lower tariffs than competing hotels and motels, but still offer attractive profit margins to the caravan park business.

A recent change to operations stems from the increasing number of retired travellers (the 'grey nomad' tourism segment) who have invested heavily in luxuriously appointed vans and motor-homes. This is a 'five star' tourist segment accommodated at caravan parks and camping grounds. A major caravan park industry change during the past decade has been the general improvement of facilities offered to travellers. Operators are providing a greater number of powered sites (including on-site vans) and cabins or flats, and lessening the number of unpowered sites. On-site accommodation improvements include upgrades to amenities and greater provision of recreational facilities. Typically, three-star caravan parks now offer numerous new facilities to travellers including:

- Cafes
- BBQ facilities and shelters
- Coin operated laundries
- Tiled and well-maintained amenity blocks
- Entertainment lounges and game rooms. Some popular caravan parks have wildlife or animal enclosures. The provision of such extras is now a key distinguishing industry factor, separating popular industry operators from basic parks.

A significant change in the industry over recent years has been the general improvement in the quality of facilities. Industry operators have increased investment in cabins and flats, and upgraded powered sites. There has been a decline in unpowered sites, some of which have been converted in the process of upgrading facilities. Rising incomes and travellers' changing expectations regarding accommodation have driven these changes.

Table 2.7 details the trends in caravan park businesses since 2002 and projected to 2022, indicating that the number of enterprises and establishments has declined, and is expected to further decline, but with increasing industry revenue at fewer, but higher quality/higher priced sites.

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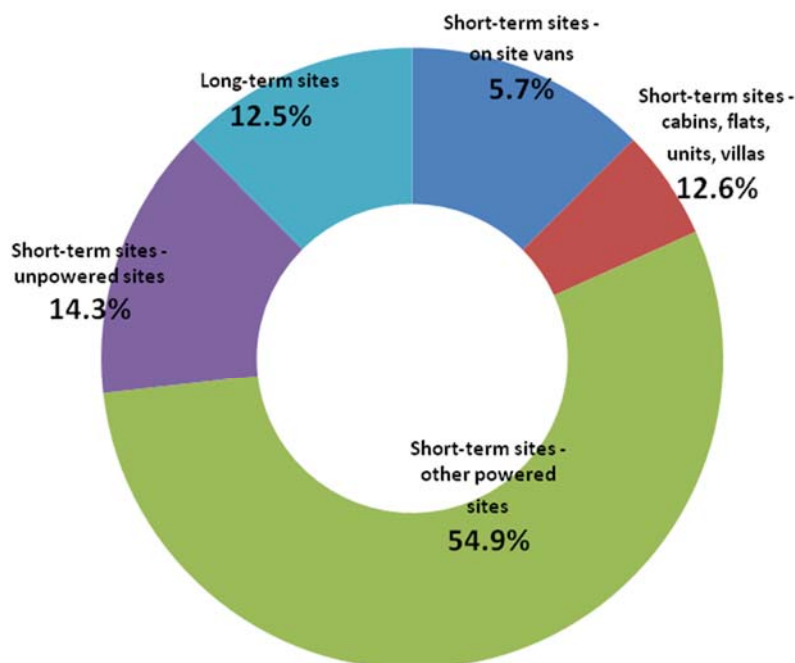
<sup>2</sup> IBISWorld Industry Report

**Table 2.7 Enterprise Trends in Australian Caravan Parks 2002-03 to 2016-17 and Projected to 2021-22**

	Income		Establishments		Enterprises	Multiple owned		Sites	Average
	\$ million	% change p.a.	Number	% change p.a.	Number	Number	%	Number (000)	
2002-03	1,181.3		1,825		1,570	255	16.24%	241.8	132
2005-06	1,179.8	-0.04%	1,710	-2.15%	1,477	233	15.78%	236.9	139
2008-09	1,228.7	1.36%	1,655	-1.08%	1,447	208	14.37%	231.5	140
2014-15	1,333.5	1.37%	1,627	-0.28%	1,435	192	13.38%	222	136
2015-16	1,338.6	0.38%	1,569	-3.56%	1,376	185	13.45%	217.6	134
<b>2016-17</b>	<b>1,362.2</b>	<b>1.76%</b>	<b>1,556</b>	<b>-0.83%</b>	<b>1,365</b>	<b>186</b>	<b>13.65%</b>	<b>216</b>	<b>134</b>
2017-18 (proj)	1,381.8	1.44%	1,554	-0.13%	1,340	185	13.80%	210	135
2019-20 (proj)	1,414.1	1.16%	1,534	-0.65%	1,322	183	13.85%	207.2	135
2021-22 (proj)	1,480.9	2.33%	1,498	-1.18%	1,259	176	13.95%	203.6	136

SOURCE: IBISWorld Industry Reports 2011 and 2016

Seasonality associated with caravan park usage leads many park owners to set aside areas for long-term tourists or permanent residents in order to assist cash flows and overall financial viability. Figure 2.2 shows the types of sites available in Australian caravan parks, suggesting that short-term sites predominate.

**Figure 2.2 Types of Sites in Australian Caravan Parks (%)**

## 2.6.2 Comparative Review of Victorian Regional Caravan Parks

### Clunes Caravan Park

Clunes is a town of about 1,050 residents. The caravan park occupies 1.6 hectares, with

- 38 powered sites
- 15 unpowered sites
- 5 cabins and caravans available for short-term accommodation
- Amenities block, laundry, BBQ, children's playground.

Prices for visitor accommodation at this park are:

- Unpowered sites: \$12.50 per night
- Powered sites: \$25 per night
- Onsite vans: from \$45 per night
- Cabins: from \$50 per night

Clunes Caravan Park has a strong customer base of permanent residents and a low level of tourist visitation. Permanent residents provide consistency in income, and require little investment in time and expenditure on promotions and networking. The park offers one permanent holiday caravan, with an annex, and the majority of patronage comes from permanent residents occupying 19 caravans/cabins. Annual income is around \$85,000.

### Koroit-Tower Hill Caravan Park

Koroit is a town of around 1,500 people and the park occupies 1.5 hectares. It is close to Tower Hill State Game Reserve, Port Fairy on the Great Ocean Road. Facilities include:

- 32 powered sites
- 31 unpowered sites
- Amenities block, laundry, BBQ, children's playground

Prices for visitors at this park are:

- Camp Sites: \$17 p/n
- Powered sites: \$22p/n
- Extra adult \$5, extra child \$2



In this park, is on Crown land/DELWP controlled similar to Redesdale. The park is owned by Moyne Shire Council with contract Park Business Owner/Operators. The park attracts an average of 4,000 visitors per annum, and has no permanent residents or regular holiday makers with a permanent site. All sites in the park are for short-stay visitors. Council has chosen this market to support the local tourism industry and events in Koroit and other nearby towns. Annual income is around \$42,000.

### Dunolly Caravan Park

Dunolly is a town of about 850 people. The park covers 5.8 hectares. Facilities include:

- 40 powered sites
- 30 unpowered sites
- 5 on-site vans
- 3 cabins
- Sheltered BBQs, LPG refills, van storage, laundry

This is a Council-owned park leased out (current park operator owns all cabins). Lessee has responsibility for all infrastructure above the ground (except amenities block which is owned by Central Goldfields Council). Council is responsible for infrastructure under the ground.



Prices are:

- Powered sites: \$25 p/n double; \$18 p/n single
- Unpowered sites: \$20 p/n double; \$12 p/n single

The park has 8 sites occupied by permanent residents.

### Avoca Caravan Park

Avoca is a town of almost 900 residents and the park covers 2 hectares, in an area with tourist appeal from wineries, food and wine events, Avoca races and gold prospecting. Facilities include:

- 51 powered sites
- 20 unpowered sites
- 4 cabins
- 5 on-site caravans available for short-term accommodation
- Amenities block, laundry, BBQ, children's playground



Prices for visitor accommodation are \$22 p/n for a double for a powered site. It is Council-owned park leased out (current lessee owns all cabins)

### Coleraine Caravan Park

Coleraine is a town of about 1,000 residents and the park covers a 'very small' area. The town has modest tourist appeal with a chocolate shop, café, very limited accommodation options, and a museum. Park facilities include:

- 7 powered sites
- Unpowered sites
- Laundry

Prices are:

Powered sites: \$15 p/n per double

Unpowered sites: \$9 p/n per double.





The park offers 'un-hosted' accommodation. The post office takes bookings and payments for a 20% commission. The annual income is approximately \$7,000. Council runs the park at a loss as it provides temporary accommodation for seasonal workers, which supports a variety of industries in the area. It also attracts the occasional tourist.

### Charlton Travellers Rest

This park is the 'case example' chosen by Redesdale as the model for establishing its proposed en-suite campervan park at the Recreation Reserve.

- The Travellers Rest was initially a facility separate from the larger caravan park (located across the Avoca River from Travellers Rest) in the heart of Charlton's business district. It started with four en-suite units for campervans and motor homes, managed by volunteers around the start of the 2000's. Visitors would collect their access keys, and make payments, at the adjacent hotel. Travellers Rest became integrated with the Caravan Park a few years ago, was extended to 8 en-suites and now has a permanent manager, responsible for the en-suites section and the balance of the Caravan Park.



Fees for this park are:

- o \$28 per night – for the campervan/motor home en-suites
- o \$20 per night – powered site
- o \$15 per night – unpowered site
- o \$10 for 3 nights to just park RV.

The manager thinks these prices are a 'sweet spot' that gives value for money.

In Charlton, occupancy rates are low in June-August and December, all other months are steady. Notably, Charlton is rarely a destination for travellers, and 60-70% of customers are people on the way to somewhere else.

The Travellers Rest facility offers all town services (sewerage, water, power, internet access) and great access to cafés and hotels which suit the RV target market. The Shire Council owns the land. Revenue has steadily increased over the years, and about 50% of the total park's revenue comes from the Travellers Rest en-suites (approximately \$27,000 per annum from en-suite sites). This represents 964 occupied nights per annum, or 121 nights per en-suite site (an average annual occupancy rate of 33%).

## 2.6.2 Outlook and Assumptions for Redesdale

Concept and design features of the Travellers Rest in Charlton are used as a basis for the Redesdale en-suite campervan park enterprise, with the proposed construction of 4 en-suites. The comparative assessment of other caravan parks in small towns across regional Victoria has helped in confirming competitive pricing structures and trends in demand for caravan park services, with en-suite and other facilities.

Redesdale offers a base for an overnight stopover in a genuine rural environment, easy access to Lake Eppalock and the major centres of Central Victoria, with some local food and beverage town services. The relatively short travel time to Melbourne is an impediment to campervan/mobile home travellers who are 'on the road' to a more distant location, but not necessarily relevant for retirees and other travellers on a slow-paced tour of regional Victoria or Australia. The en-suite facilities will also attract visitors associated with events, as well as the (predominantly) summer season attractions of Lake Eppalock.

Traffic counts at Redesdale, based on traffic studies on roads leading to Redesdale within the City of Greater Bendigo<sup>3</sup> have been used to crudely estimate a daily traffic flow through Redesdale of 4,627 vehicles per day. This is a healthy flow of traffic which includes many travellers en-route to Central Victorian, Murray River, Wimmera-Mallee, and Southern New South Wales. It is also a similar volume to the vehicular traffic along the Bendigo to Charlton section of the Calder Highway (about 4,050 vehicles per day), albeit with a greater proportion likely to be taking a shorter trip.

Occupancy targets modelled in the financial projections for the Redesdale En-Suite Campervan Park enterprise are summarised in Table 2.8.

**Table 2.8 Market Targets for the En-Suite Campervan Park Enterprise**

<b>En-Suite Park Occupancy</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Scenario 1 (Low)</b>					
Occupancy Rates	17%	20%	22%	25%	25%
Occupied Nights	249	292	321	365	365
<b>Scenario 2 (Medium)</b>					
Occupancy Rates	21%	25%	27%	30%	33%
Occupied Nights	310	365	394	438	482
<b>Scenario 3 (High)</b>					
Occupancy Rates	21%	27%	30%	33%	35%
Occupied Nights	310	394	438	482	511

<sup>3</sup> Strathfieldsaye and Marong Planning Studies

### **3. OPERATIONS PLAN**

#### **3.1 REGULATING THE RESERVE<sup>4</sup>**

##### **3.1.1 General Provisions**

Commonwealth and state laws and enforcement procedures apply to all Crown land reserves. Local government laws also apply and are enforced by council bylaws officers. If the need arises, Redesdale Reserve Committee of Management the committee can request the Minister to also issue regulations under the Act that are specific to the reserve.

The Council of City of Greater Bendigo regulates and enforces a wide range of areas that affect the reserve, for example: planning, building, open space and recreation, conservation and the environment, health services and human services, and physical services, such as roads and drains. Council bylaws are the primary regulatory controls that operate on reserves.

Reserves are subject to the local planning scheme administered by CoGB, which details the allowable use and development of all land in the municipality. Major works will usually require a planning permit and the Minister's permission before proceeding. All building and demolition works require a permit. Council is no longer the sole responsible organisation for issuing such permits, but they remain a good source of information and advice on how to apply and what is required.

##### **3.1.2 Development and Leasing Arrangements**

A Reserve Committee can issue two types of tenure within a recreation reserve:

- A lease, giving permission for exclusive use and possession of a parcel of land or a building for a defined term. The Reserve Committee would be the lessor and the entity accepting possession is the lessee. A lease includes an amount of rent paid to the lessor. A lease may be for part or all of the reserve and may include or exclude buildings. If the Community Precinct enterprise organisation was to be a separate entity from RRRC a lease would be required, or if the Community Precinct decided to contract out the operation of one or more of the enterprises.
- A licence, granting permission for non-exclusive use of a parcel of land for a defined period. The Reserve Committee is the licensor and the entity accepting possession is the licensee. A licence may be for part or all of the reserve, and it may be continuous for the period of the tenure or intermittent. Where it does not interfere with existing licence rights, more than one licence at a time could be granted over the same parcel of land.

Irrespective of the choice of organisation structure to manage the Community Precinct, the use of leases and licenses could be useful provisions for the handling of tenants within the business offices and services enterprise, and/or the potential to lease the operations of the en-suite campervan facility.

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<sup>4</sup> Derived from DELWP, 2015, Committees of Management Responsibilities and Good Practice Guidelines



DELWP is responsible for the development and implementation of policy relating to leasing and licensing of reserved and unreserved Crown land. Leasing and licensing must not be detrimental to the public purpose designation over the land and be in the public interest. The leasing and licensing of Crown land must also preserve the environmental, historic, recreation, tourism, natural resource, social and culturally significant values of the land.

Before entering into lease or licence negotiations, the Reserve Committee needs to discuss the arrangements with its local DELWP office and, while the Reserve Committee negotiates the leases and licences on the reserve, the Minister must first approve them. DELWP has developed standard lease and licence documents for use by Reserve Committees, which should be referenced by RRRC.

Reserve Committees need to also have proof of a tenant's public liability insurance cover and retain relevant certificates on file. Committees should also audit leases and long term licences regularly for insurance conditions.

Capital development works at the Agnes Mudford Reserve, including the upgrading existing facilities, construction of new facilities, and associated landscaping the reserve are all changes or extensions to the Reserve's built and natural assets. This must proceed after obtaining all necessary approvals. The approval process involves the Minister and DELWP, and City of Greater Bendigo.

The Minister and DEWLP:

- Will want to ensure that the development is consistent with the use and purpose of the reserve.
- Need to give Ministerial consent
- Advise of any state government and/or commonwealth government approvals required.

City of Greater Bendigo will need to issue both planning and building permits.

### **3.2 CAPITAL DEVELOPMENT FOR THE ENTERPRISES**

The 2015 Redesdale Community Hub Feasibility Assessment concluded there were three capital development options for establishing a community hub in Redesdale:

- Implement improvement plans for the outdoors section of the Reserve and address minor maintenance issues for the Community Hall. The estimated cost for this option was \$160,000.
- Implement an improvement plan for the Reserve including additional facilities for emergency services and tourists, and redevelop the existing Hall space to incorporate a private multipurpose room, compliant kitchen and toilets, storage facilities and internet connection. The estimated cost for this option was \$550,000.
- Build a new standalone facility with meeting room and private multipurpose room and office space, at an estimated cost of \$120,000. It was further suggested that a Men's Shed could also be explored if support was indicated.

The second of these development options was the preferred direction recommended in the Feasibility Study. The business case assessment has adopted a slightly different approach, based around the capital development works needed to establish the three proposed commercial community enterprises:

- Events, Functions and Meetings Enterprise
- Business Tenancies and Services Enterprise
- En-Suite Campervan Park Enterprise.

Some of the Reserve improvement works, to the pavilion adjacent to the cricket oval, have been funded separately and are proceeding.

### **3.2.1 Events, Functions and Meetings Enterprise**

Capital works involved in this enterprise closely relate to the preferred capital works direction from the 2015 Feasibility Study, entailing:

- Upgrade of toilets with new male, female and disabled toilets and baby changing facilities
- Extensions to the Hall foyer and the erection of an entry canopy, and enhancement of the entry façade.
- Creation of a kitchen storage area
- Re-development of the kitchen to commercial standard with capacity for serving 150 people.
- Upgrading of lighting, power and IT in the main hall, and a structural column replacement.

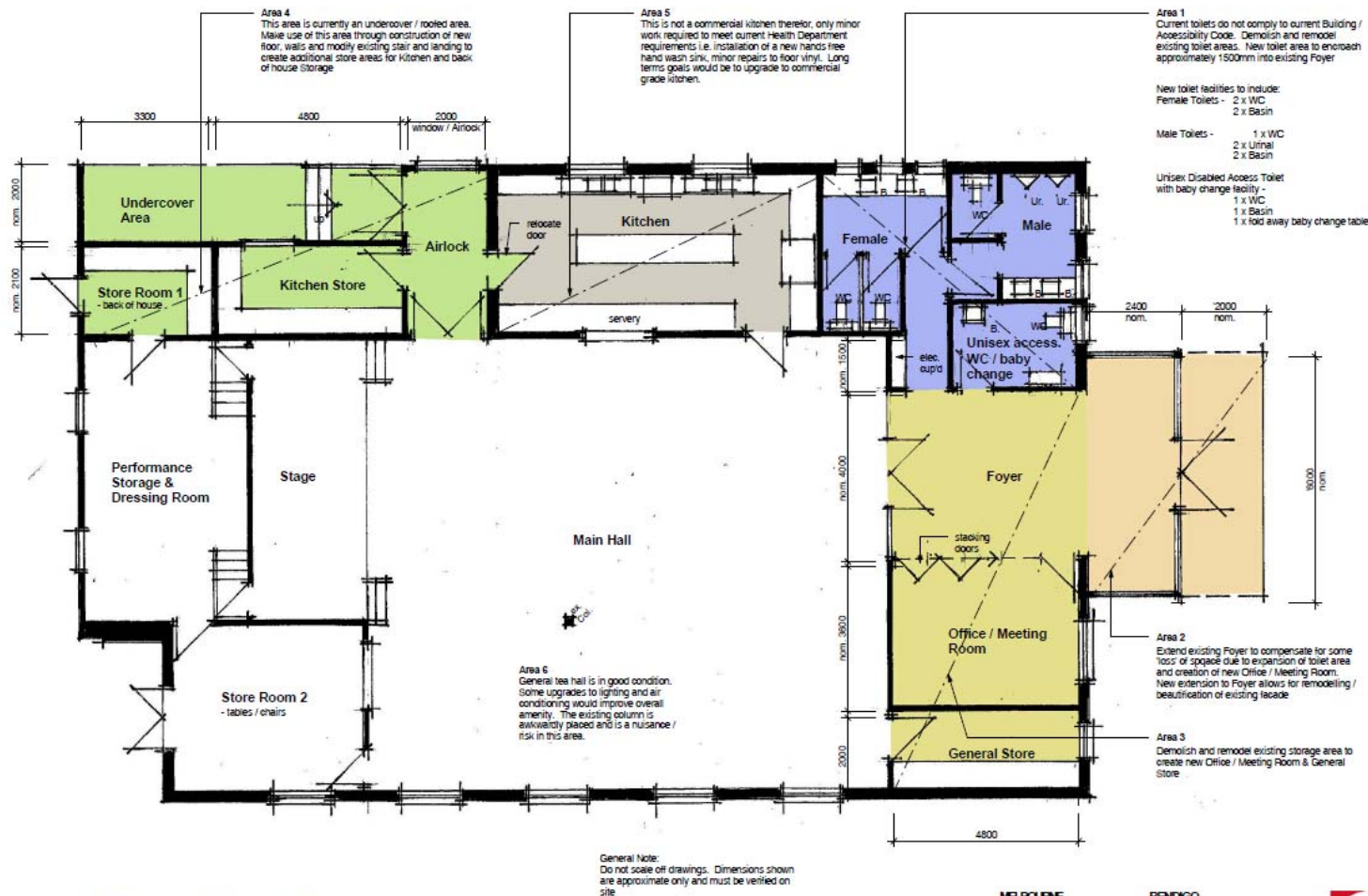
The 2016 update for the capital works to support the Events. Functions and Meetings enterprise are presented in Table 3.1, which also shows the cost items included, compared with the optional developments itemised in the 2015 Feasibility Study. As a result, the capital works costs estimated for implementation of this enterprise are \$336,475 (excluding GST and loose fittings).

Draft design inclusions for the Events, Functions and Meetings Enterprise, as developed for the 2015 Feasibility Study are shown in Figure 3.1.

**Table 3.1 Capital Development to Support the Redesdale Events, Functions and Meeting Enterprise**

		Area m <sup>2</sup>	2015 Feasibility Cost	2016 Update Cost
<b>Community Hall Extensions and Alterations</b>				
Toilets (Area 1)	Removal of existing toilets and replacement with new male, female and disabled and baby change facilities	40 m <sup>2</sup>	\$74,000	\$74,000
Foyer and Entry (Area 2)	Extend existing Foyer area and entry canopy, including beautification of external façade.	27 m <sup>2</sup>	\$47,950	\$47,950
Office and Meeting Rooms (Area 3)	Demolish and remodel existing foyer and storage area and replace with new foyer, adjoining office, meeting room and storage space	40 m <sup>2</sup>	\$27,265	
Alternative: Stand-alone meeting, office and toilet facilities	Single storey, concrete slab, lightweight construction, fibre-cement sheet walls, render finish with timber corrugated iron feature. Standard finish with provision for toilets and small tea preparation area and air-conditioning	60 m <sup>2</sup>	\$120,000	
Kitchen Storage area (Area 4)	Single storey, concrete slab, lightweight construction, fibre-cement sheet walls, render finish with timber corrugated iron feature. Standard finish Build in part of existing roofed/under cover area to create additional storage space	25 m <sup>2</sup>	\$31,700	\$31,700
Kitchen (Area 5)	Minor works to meet food safety requirements		\$3,000	
Kitchen (Area 5)	Re-develop kitchen to commercial standard with serving capacity of 100-150 people	35 m <sup>2</sup>	\$141,825	\$141,825
Main Hall (Area 6)	Minor upgrade for lighting, power, IT services and structural column replacement	160 m <sup>2</sup>	\$41,000	\$41,000
Total (lowest base)			\$195,700	\$336,475
Total (highest base)			\$363,740	
	Miscellaneous improvements (in feasibility study)		\$31,500	
	Upgrade lighting and power (in feasibility study)		\$20,000	
<b>TOTAL</b>			<b>\$415,240</b>	<b>\$336,475</b>

SOURCE: Street Ryan estimates based on 2015 Redesdale Community Hub Feasibility Study.

**Figure 3.1 Redesdale Hall Capital Development Plan****Proposed Ground Floor Plan**

scale 1:100

**Redesdale Hall Project**

**MELBOURNE**  
Suite 110, 134-136 Cambridge Street  
Collingwood, Victoria 3068  
T03 9329 0399  
F03 9326 5473

**BENDIGO**  
111 Mollison Street  
Bendigo, Victoria 3550  
T03 5443 0055  
F03 5441 4981

eplus@eplusarchitecture.com.au  
www.eplusarchitecture.com.au



### 3.2.2 Business Tenancies and Services Enterprise

Capital costs for the business tenancies and services enterprise (the incubator-style enterprise) were estimated at \$120,000 for a stand-alone facility, in the 2015 Feasibility Study. These costs have been updated in 2016 and are detailed in Table 3.2. The total indicative cost is \$182,655 for a building with 110 square metres floorspace. The option remains for this construction to be an extension of the Community Hall, which would probably result in some cost savings, although there would need to be secure access and possibly provision for multiple entry and exit points.

**Table 3.2 Capital Development to Support the Redesdale Business Tenancies and Services Enterprise**

Office Building single storey: Fully Serviced	Estimate per sqm	Victorian Index and CPI: 102.5% on total of \$1,620	Area of Building 110 sqm
Preliminaries	\$180.50	\$184.44	\$20,289
Substructure	\$98.00	\$100.14	\$11,016
<b>Superstructure</b>			
Roof	\$192.00	\$196.19	\$21,581
External walls and windows	\$243.00	\$248.31	\$27,314
External doors	\$18.50	\$18.90	\$2,079
Internal walls	\$57.75	\$59.01	\$6,491
Internal screens	\$8.25	\$8.43	\$927
Internal doors	\$12.00	\$12.26	\$1,349
<b>Finishes</b>			
Wall	\$31.75	\$32.44	\$3,569
Floor	\$76.00	\$77.66	\$8,543
Ceiling	\$72.50	\$74.08	\$8,149
Fittings	\$17.25	\$17.63	\$1,939
<b>Services</b>			
Plumbing	\$88.50	\$90.43	\$9,948
Mechanical	\$326.50	\$333.63	\$36,700
Fire	\$15.25	\$15.58	\$1,714
Electrical	\$136.00	\$138.97	\$15,287
External services	\$10.50	\$10.73	\$1,180
Contingency	\$40.75	\$41.64	\$4,580
<b>TOTAL</b>	<b>\$1,625.00</b>	<b>\$1,660.50</b>	<b>\$182,655</b>

SOURCE: Street Ryan estimates using Rawlinsons Construction Costs Guidelines 2016

### 3.2.3 En-Suite Campervan Park Enterprise

Capital costs for the en-suite campervan park enterprise, involving 4 en-suites, similar to those at the Charlton Travellers Rest, shown in Figures 3.1 and 3.2, are detailed in Table 3.3. The estimates suggest a total capital cost of \$145,294 for this enterprise.

**Figure 3.1**      **Charlton Travellers Rest: En-Suites for Campervans and Motor Homes, Photo 1**



**Figure 3.2**      **Charlton Travellers Rest: En-Suites for Campervans and Motor Homes, Photo 2**





**Table 3.3 Capital Development to Support the Redesdale En-Suite Campervan Park Enterprise**

<b>Caravan Park En-Suite Sites</b>	<b>per sqm</b>	<b>Vic Index: 102.5%</b>	<b>Area of Building 13.5 sqm per facility</b>	<b>4 sites with en-suites</b>
Preliminaries	\$248.50	\$254.71	\$3,439	\$13,754
Substructure	\$108.25	\$110.96	\$1,498	\$5,992
<b>Superstructure</b>				
Roof	\$235.00	\$240.88	\$3,252	\$13,007
External walls and windows	\$406.25	\$416.41	\$5,621	\$22,486
External doors	\$20.75	\$21.27	\$287	\$1,149
Internal walls	\$55.75	\$57.14	\$771	\$3,086
Internal screens	\$176.25	\$180.66	\$2,439	\$9,755
Internal doors	\$59.75	\$61.24	\$827	\$3,307
<b>Finishes</b>				
Wall	\$97.25	\$99.68	\$1,346	\$5,383
Floor	\$109.25	\$111.98	\$1,512	\$6,047
Ceiling	\$37.75	\$38.69	\$522	\$2,089
Fittings	\$169.75	\$173.99	\$2,349	\$9,396
<b>Services</b>				
Plumbing	\$573.00	\$587.33	\$7,929	\$31,716
Mechanical	\$104.25	\$106.86	\$1,443	\$5,770
Fire	\$6.00	\$6.15	\$83	\$332
Electrical	\$142.75	\$146.32	\$1,975	\$7,901
<b>External services</b>	\$8.75	\$8.97	\$121	\$484
<b>Contingency</b>	\$65.75	\$67.39	\$910	\$3,639
<b>TOTAL</b>	<b>\$2,625.00</b>	<b>\$2,690.63</b>	<b>\$36,323</b>	<b>\$145,294</b>

SOURCE: Street Ryan estimates using Rawlinsons Construction Costs Guidelines 2016

## 4. ORGANISATION PLAN

### 4.1 ORGANISATION STRUCTURE

#### 4.1.1 Existing Community Organisations

The Agnes Mudford Reserve encompasses the proposed Redesdale Community Precinct and all associated enterprises. Redesdale Recreation Reserve Committee of Management administers the Agnes Mudford Reserve. It is a Crown land reserve, regulated by the Victorian State Government (Department of Environment, Land, Water and Planning) under the *Crown Land (Reserves) Act 1978*, and the City of Greater Bendigo is a key strategic partner on capital improvements and maintenance issues.

Redesdale Recreation Reserve Committee of Management is incorporated as an Association in Victoria. As a Crown land reserve, the Agnes Mudford Reserve is public land set aside for the benefit and enjoyment of the community and wider population of Victoria. Reserves can encompass public halls, trails, sports facilities and other community assets. The role of a committee of management is to 'manage, improve, maintain and control' an allocated Crown land reserve for the purposes for which it is reserved under the Crown Land (Reserves) Act. The committee is accountable for its actions and decisions to the incumbent Minister.

Reserve Committees have wide ranging capacities, to:

- Manage, improve, maintain and control the land for the purposes for which it is reserved
- Undertake financial transactions (including, for incorporated committees who have the consent of the Victorian Treasurer, borrowing money)
- Enter into contracts
- Negotiate leasing and licensing arrangements for all or part of the reserve, subject to Minister's approval
- Employ people
- Exercise all such powers, functions and authorities and carry out all such duties as are conferred or imposed on it by any regulations
- Maintain records and administer its affairs as a public entity
- Report on its finances and other issues as directed by the Department of Environment, Land, Water and Planning (DELWP) on behalf of the Minister<sup>5</sup>.

In addition to Redesdale Recreation Reserve Committee of Management Incorporated, there are three other community based organisations involved in the development of the proposed Community Precinct enterprises. All three are incorporated:

- Redesdale Hall Committee Inc
- Bridge Connection Inc (Community Newspaper)
- Redesdale and District Association Incorporated (RADA).

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<sup>5</sup> DELWP, 2015, Committees of Management Responsibilities and Good Practice Guidelines



RADA was incorporated in March 2013 with purposes to:

- Develop, facilitate and review the Redesdale Community Plan,
- Act as a central point of contact for residents, local government and other groups wishing to communicate with Redesdale residents,
- Provide a common communication point for representatives of existing groups and committees,
- Develop and maintain a community website, and
- Encourage community cohesion through activities and improvement of facilities.

#### 4.1.2 Community Precinct Enterprise Structure Options

Business structure and membership of the entity, or entities, for the Community Precinct enterprises are important considerations. There are already four community organisations which are stakeholders in the Precinct development, and it would be desirable to rationalise these organisations (by bringing them together under a collaborative structure) and clarify their respective roles, rather than to create yet another community organisation. There are three main options for the business structure of the Redesdale Community Precinct. These are:

- A business enterprise unit of Redesdale Recreation Reserve Committee Incorporated (RRRC). Within the legislative scope and mandate of a Crown Land Reserve Committee, RRRC has the ability, with approval of DELWP and the Minister, to:
  - Undertake capital improvements and other developments on the reserve
  - Enter into lease and licensing arrangements for enterprise activities
  - Employ contractors
  - Employ staff.

The operation of the proposed Precinct enterprises (facility hire and catering, office and business services, and en-suite campervan van accommodation) are all consistent with these activities. As a business unit within the existing structure, a new entity would not be required, just the registration of a business name such as 'Redesdale Community Enterprises' or 'Enterprise Redesdale'.

- A proprietary company, such as Enterprise Redesdale Pty Ltd, 100% owned by Redesdale Community members and stakeholders in the proposed business enterprises but with potential to introduce other shareholders or venture partners over time, should the opportunity to diversify or value add arise. A proprietary company structure could be attractive to other potential alliance organisations who could offer financial resources, skills and experience, or market development options. This structure could only be workable if RRRC, with DELWP approval, was prepared to enter into a lease arrangement with the proprietary company.

Potential organisational alliances that could be activated as a proprietary company could be, for example,

- An alliance with a serviced office provider looking to expand their operations into a small regional location. This alliance partner could become a shareholder in Enterprise Redesdale Pty Ltd.
- A formal relationship with a caravan park or accommodation provider, again through a shareholding in Enterprise Redesdale Pty Ltd.

- A company limited by guarantee, which would have not-for-profit objectives consistent with those of all the existing Redesdale community organisations. This structure is likely to offer income and FBT tax exemptions already available to RRRC, and also more extensive company's legislation suited to business enterprise operations. Many not-for-profit organisations (sporting clubs, social services organisations, etc) around Australia convert their structures from incorporated associations to companies limited by guarantee when they become larger and more diversified over time.

Establishing the Redesdale Precinct as a company limited by guarantee would also send a clear message to the community and other stakeholders that the businesses are being established for the benefit of the community (as a social enterprise) in which jobs, skills development, and restoration and respect for culture, are of at least equal importance to financial performance.

These broad options for legal structures for Redesdale Community Precinct to implement infrastructure improvements, capital development works and manage the proposed commercial ventures with or without the involvement of other organisations, are summarised in Table 4.1. Some of the advantages and disadvantages of each business structure option are:

#### **Business Name Subsidiary of RRRC**

A simple business name could be a permanent or short-term structure, possibly only in the establishment phase, particularly if the parent body (RRRC) is better placed to:

- Attract funds to assist with securing establishment or operational funds
- Assist to attract additional sponsors or supporters to the development and potential funding bodies.

Other advantages of a subsidiary through a business name are:

- It is very easy to establish.
- Costs to establish and maintain are very modest.
- All tax benefits and exemptions which accrue to RRRC will also accrue to the Community Precinct due to RRRC's non-profit nature.

Disadvantages are:

- RRRC and its Committee will be directly responsible, and potentially liable, for the Precinct enterprises.
- RRRC members may not see their role as acting as the direct delivery agent for enterprises of this nature.
- The drive and commitment to succeed may not be as focused, compared with a dedicated entity.

#### **Proprietary Company**

A proprietary company limited by shares is the most common form for business ventures in Australia and is relevant if the stakeholders believe that a commercial operation is appropriate and/or the most appropriate vehicle to attract capital funding.

Advantages include:

- Limited liability of directors
- The corporate structure facilitates the co-ordination of interests of multiple stakeholders (partner organisations could become shareholders, for example).
- There is greater scope in raising finance.
- It is a clear private sector identity.

Disadvantages include:

- A need to focus on profitability as one of the primary drivers for the venture, rather than a more community service focused role.
- The need to negotiate a lease or contract with RRRC and DELWP
- Loss of not-for-profit status and associated tax benefits.

#### **Company Limited by Guarantee**

The distinction between this and a proprietary company is that it is limited by the guarantee of either an organisation(s) or individual(s) rather than limited by shares, and usually has 'not for profit' objectives.

This structure could be implemented as a new organisation or by RRRC changing its incorporation from an Association to a Company Limited by Guarantee.

Advantages over the private company structure (from the not-for-profit status) could be that:

- This structure is clearly suited to community based enterprises.
- Public sector organisations may be able to take up membership (or at least be represented on the Board of Directors)
- The company would be given income tax exemption status and, depending on the objectives, possibly 'public benevolent' status.
- The company may have eligibility for a range of grants or other government support mechanisms.

**Table 4.1: Broad Description of Business Structure Options**

<b>Structure</b>	<b>Description</b>
Business Name Subsidiary	Using an existing organisation as a parent structure to conduct the venture. The parent can be a company, trust, association or statutory authority. In Redesdale's case, the parent would be RRRC
Private Company	A company is a legal entity separate and distinct from its owner, and it has many of the rights, duties and privileges of an actual person. A private company is limited by shares and the number of shareholders is restricted.
Company Limited by Guarantee	A company with members, rather than shares, and not-for-profit objects. Although it is a public company it is not listed on the stock exchange and can determine who is eligible to be a member. For Redesdale, this structure could be implemented for the Community Precinct as a new entity, or by changing RRRC from an Association to a Company Limited by Guarantee.

The most appropriate suggested legal structure for Redesdale Community Precinct is to be registered as a business name (such as Enterprise Redesdale) of RRRC in the short-term, and for RRRC to incorporate as a company limited by guarantee after the enterprise has begun to trade successfully and provide evidence of sustainability.

## 4.2 STAFFING AND SKILLS

The committee of Redesdale Recreation Reserve Committee Inc. is entirely made up of volunteers, representing user groups of the reserve. This will continue to be appropriate if the Community Precinct Enterprises are established. However, it will be important to ensure the user group representatives also offer the combined skills required to oversee business enterprise activities (such as marketing, finance, personnel and asset management).

Financial projections for the Community Precinct enterprises (in Chapter 5) indicate that there would need to be continuing reliance on volunteer input in the short to medium term, if the enterprises are to be implemented. The level of staffing, and associated skills, which could be supported by the enterprises in the first five years of operation include:

- Catering staff, in direct proportion to the volume of business from functions and events. This is expected to range sales of \$52,500 (Low Scenario, Year 1) to \$140,000 (High Scenario, Year 5). Outsourcing catering services is the most serviceable option, at least in the short term, although taking control of catering in-house could increase the viability of the community enterprises. In both cases, improvements to the kitchen facilities at the community hall would be utilised. Full time equivalent jobs in catering would be 0.5 to 1.5 over the five year period.
- En-suite campervan park/site management. Financial projections for this enterprise provide for 5 hours per week, at \$25 per hour for this function: About 0.2 full time equivalent staffing.
- Cleaning. All enterprises require cleaning services. Financial projections provide for around \$6,200 in cleaning costs: About 0.2 full time equivalent.
- Overall enterprise management. It is only in the high projection scenario that there is sufficient operational viability to provide wages for a Community Precinct Manager: \$25,000 per annum in years 2 and 3 and \$30,000 per annum in years 3 and 4, which could be 0.5 to 0.75 full time equivalent wage, depending on the circumstances and the skills of the incumbent.
- In all cases, the operational viability of the enterprises would need to be bolstered by volunteer input.

## 5. FINANCIAL PLAN

### 5.1 PROJECTION ASSUMPTIONS

Cash budget projections, over a time horizon of 5 years, are presented in this chapter to examine the potential viability of the proposed Redesdale Community Hub enterprises and the circumstances under which they could be viable. Three scenarios are presented. The projection scenarios encompass the range of facilities and services identified in earlier sections. The enterprise operations are expected to be administered and coordinated by the Agnes Mudford Reserve Committee, with relevant support from other existing community committees.

In setting pricing structures for the proposed enterprises within the Community Precinct, consideration has been given to competitive factors and market values, as well as the regulations governing Reserve Committees, which stipulates that fees and charges must be set responsibly and:

- Be in line with similar rates in the area, so that the maximum public benefit is gained for use of a public asset.
- Should not use the advantage of lower overheads associated with Crown land to the disadvantage of competing activities on private land.

The ability to set varying price structures, for example in offering non-profit community groups discounted fees, has also been applied.

The projections also broadly assume that the Recreation Reserve will remain non-rateable (ie will not incur Council rates). However, it is noted that the rate-free status of the Reserve is based on it being available for 'public purposes', usually with unrestricted public access. Limiting public access to the Reserve may make part or all of it subject to rates. Areas that are leased could be subject to Council rates, depending on a Council decision over the purpose of the tenancy and the impact on extent of public access.

#### 5.1.1 Events, Functions and Meetings Enterprise

The approach to, and assumptions for, the projections for this Community Precinct enterprise are:

- There is existing, and long established, demand among local Redesdale organisations and visiting groups for the community hall and the reserve area as a venue for events, meetings and functions. The Redesdale Community Precinct Feasibility Study found there were 91 bookings for the community hall in 2014, with only 10% incurring a fee (totalling \$1,100 income) and arguing that the charges for *"rooms, hall, reserve and camping sites could be increased to \$20,000 per annum without impacting on community groups"*.
- The financial projections are categorised into:
  - Major Festivals
  - Fire and Landcare Meetings
  - Craft Markets
  - Catered Community Events
  - Hired Functions
  - Community Meetings.

- Assumed fees and charges for the income categories are:
  - Major festivals: \$25 per stall for exhibitors and traders, with around 30 stallholders expected at each major festival.
  - Fire and Landcare meetings: \$40 venue hire
  - Craft markets: \$15 per stall
  - Catered community events: \$30 venue hire
  - Hired functions: \$45 venue hire
  - Community meetings: no charge for low scenario, and \$10 venue hire for medium and high scenarios.
- Catering revenue is based on participants at each event, function or meeting, and the low and medium scenarios provide for outsourced catering for functions and events, with in-house provision (morning and afternoon tea style services) for meetings. The cost of sales for catering services is assumed to be 92% when outsourced and 42% when undertaken in-house providing revenue which can be directed to an employee or in-house contractor, rather than a separate business in Redesdale (although both options give an economic benefit to the local community). Food and beverages supplied for meetings is assumed to have a cost of sales of 35%.
- Operating expenses are consistent with normal industry costs, relative to sales income, with the major exceptions:
  - Loan repayments are not included. Financial viability cannot be demonstrated if the venture is required to meet the costs of finance, or the repayment of loan principals, associated with capital expenditures required for the community hall.
  - Wages and honorariums. The low and medium scenarios assume that all management and operational work will be provided by volunteers. The high scenario generates sufficient income to enable a modest wage, or contract fee, to be paid for operational support. This is generated by catering revenue, but could be used to employ one or more multi-purpose personnel.

### 5.1.2 Business Tenancies and Services

- Demand for a 'business incubator' type enterprise at the Redesdale Community Precinct has been assessed, and there is immediate potential for up to 6 regular tenants/users of a facility and up to 5 occasional users. The high series financial scenarios include projections for this potential tenant base to increase to 12 regular and 8 occasional users by year 5 of operations. The scenarios also have varying assumptions on the rental charges for different types of user organisation.
- The projections are categorised into:
  - Regular Tenants: These are not only tenants/users that intend to use an office facility or meeting space on a full-time basis (such as the Bridge Connection newspaper), but also those prepared to make a long-term commitment for use of a space in the facility for blocks of time (such as Bendigo Primary Care; interested in a fortnightly booking for ½ day each time).

- Occasional Users: These are users that do not have a need for regular or ongoing use and, in most cases, cannot be clear about the real frequency of likely usage, but are keen to have access to a facility and give an indicative level of usage (such as a travel agency which is largely home-based, with occasional need to host meetings of suppliers and agents).
- Assumed fees and charges for the income categories are:
  - Regular tenants: Amounts included in the projections range from \$0 per month in the low scenario, \$10 per month in the medium scenario and \$20 per month in the high scenario for not-for-profit community organisations to \$40 per ½ day block sessions for businesses (all including access to IT connections and equipment).
  - Occasional tenants: Amounts included in the projections are intended to be very price competitive with serviced office facilities in Kyneton and Bendigo, and range from \$10 per booking (which could be potentially structured around annual membership fees of \$200 to \$500 for differing usage levels) to \$100 per booking (including access to IT connections and equipment).
- Operating expenses are consistent with normal industry costs, relative to income from tenants, with the major exceptions:
  - Loan repayments are not included. Financial viability cannot be demonstrated if the venture is required to meet the costs of finance, or the repayment of loan principals, associated with capital expenditures required for the community hall.
  - Wages and honorariums. All scenarios assume that all management and operational work will be provided by volunteers. Another option is that one of the regular tenants (possibly the Bridge Connection) could be identified as an “anchor tenant” with responsibility for coordinating some of the administrative functions in return for reduced rent or no rent.

### 5.1.3 Caravan Sites with En-Suite

- A review of the caravan park industry, and a comparative assessment of other parks in regional Victoria has been undertaken. This has led to conservative estimates of demand for a facility with 4 proposed en-suite facilities for Redesdale Community Precinct, in the Agnes Mudford recreation reserve area.
- The projections are based on occupancy rates of 17% in year 1 to 25% by year 5 for the low scenario and 21% in year 1 to 35% by year 5 for the high scenario.
- Assumed fees are \$28 per site per night.
- Operating expenses are consistent with normal industry costs, relative to income from tenants, with the major exceptions:
  - Loan repayments are not included. Financial viability cannot be demonstrated if the venture is required to meet the costs of finance, or the repayment of loan principals, associated with capital expenditures required for the community hall.
  - Wages and honorariums. All scenarios assume a part-time or casual wage of five hours per week.

## 5.2 FINANCIAL VIABILITY PROJECTIONS

Detailed financial projections for the three Redesdale Community Precinct enterprise scenarios are presented in Tables 5.1 to 5.12.

Note that the projections and estimates presented here have been derived from many assumptions/ events which could occur in the future. These financial estimates are based on targets, not guarantees or necessarily high probability events. Street Ryan has prepared these estimates to show the possible outcomes of certain courses of action and potential demand. Neither Street Ryan and Associates Pty Ltd nor the City of Greater Bendigo, and their employees, accept responsibility for the accuracy of these projections and estimates nor for the consequences of any action taken by Redesdale community organisations or any other organisation or individual, as a result of the use or application of any financial estimates in this document.

Conclusions from each scenario include the following.

### Scenario 1 (Low):

- All income and expenditures are consistent with the assumptions and sales and occupancy targets developed for Scenario 1 earlier in this document.
- Capital development costs of \$718,900 have been included as the investment in new and renovated facilities associated with the Redesdale Precinct enterprises: \$390,975 for Hall improvements, \$182,655 for a stand-alone office and meetings facility, and \$145,294 for 4 en-suites for campervans/motor homes (with an assumption that this could be met through grant funds).
- The scenario makes no provision for loan repayments or the cost of finance.
- This scenario produces a result which reveals:
  - Events, Functions and Meetings:
    - Fees and Catering income of \$56,755 in Year 1 increasing to \$99,995 by Year 5.
    - Gross margins of 17.1% in Year 1 decreasing to 15.1% by Year 5 (due to the relative increases in catering).
    - Net deficit 7.3% in Year 1 improving to 0.7% by Year 5.
  - Business Tenancies and Services:
    - Income from tenants and other users of \$1,980 in Year 1 increasing to \$2,700 by Year 5.
    - Net deficit of 894.9% in Year 1 improving to -195% by Year 5.
  - En-Suite Campervan Park:
    - Revenue from occupancy of \$6,984 in Year 1 increasing to \$10,220 by Year 5.
    - Net deficit of 122.6% in Year 1 improving to 44.2% by Year 5.
  - Consolidated Enterprises:
    - Total operating income of \$65,719 in Year 1 increasing to \$112,915 by Year 5.
    - Net Deficit of 46.3% in Year 1 improving to 9.3% by Year 5.
    - An accumulated cash deficit of \$74,014 over the five year period which would need to be financed from an injection of funds by the community or another sponsor.
- Scenario 1 does not produce a viable return for any of the proposed enterprises. It would require a cash injection of around \$30,000 in Year 1 and further annual cash injections of about \$10,000 per annum in subsequent years in order to be sustainable.



**Scenario 2 (Medium):**

- All income and expenditures are consistent with the assumptions and sales and occupancy targets developed for Scenario 2 earlier in this document.
- Capital development costs of \$718,900 have been included as the investment in new and renovated facilities associated with the Redesdale Precinct enterprises: \$390,975 for Hall improvements, \$182,655 for a stand-alone office and meetings facility, and \$145,294 for 4 en-suites for campervans/motor homes (with an assumption that this could be met through grant funds).
- The scenario makes no provision for loan repayments or the cost of finance.
- This scenario produces a result which reveals:
  - Events, Functions and Meetings:
    - Fees and Catering income of \$82,825 in Year 1 increasing to \$112,685 by Year 5.
    - Gross margins of 14.6% in Year 1 decreasing slightly to 14.3% by Year 5.
    - Net deficit 3.9% in Year 1 improving to 0.5% by Year 5.
  - Business Tenancies and Services:
    - Income from tenants and other users of \$7,750 in Year 1 increasing to \$8,950 by Year 5.
    - Net deficit of 155.7% in Year 1 improving to a surplus of 9.6% by Year 5.
  - En-Suite Campervan Park:
    - Revenue from occupancy of \$8,687 in Year 1 increasing to \$13,490 by Year 5.
    - Net deficit of 83.2% in Year 1 improving to 15.0% by Year 5.
  - Consolidated Enterprises:
    - Total operating income of \$99,262 in Year 1 increasing to \$135,125 by Year 5.
    - Net Deficit of 22.7% in Year 1 improving to 1.3% by Year 5.
    - An accumulated cash deficit of \$33,277 over the five year period which would need to be financed from an injection of funds by the community or another sponsor.
- Scenario 2 does not produce a viable return for the combined enterprises, although it would be approaching a breakeven level of operations beyond Year 5. It would require a cash injection of around \$35,000 in Year 1 to be sustainable over the first 5 years (in addition to the capital development costs involved in establishing the enterprises).

**Scenario 3 (High):**

- All income and expenditures are consistent with the assumptions and sales and occupancy targets developed for Scenario 3 earlier in this document.
- Capital development costs of \$718,900 have been included as the investment in new and renovated facilities associated with the Redesdale Precinct enterprises: \$390,975 for Hall improvements, \$182,655 for a stand-alone office and meetings facility, and \$145,294 for 4 en-suites for campervans/motor homes (with an assumption that this could be met through grant funds).
- The scenario makes no provision for loan repayments or the cost of finance.

- This scenario produces a result which reveals:
  - Events, Functions and Meetings:
    - Fees and Catering income of \$96,825 in Year 1 increasing to \$139,575 by Year 5.
    - Gross margins of 60.1% in Year 1 increasing to 79.1% by Year 5, due to the implications of in-house, rather than outsourced, catering in this scenario.
    - Net surplus of 19.0% in Year 1 improving to 23.8% by Year 5.
  - Business Tenancies and Services:
    - Income from tenants and other users of \$14,159 in Year 1 increasing to \$12,380 by Year 5.
    - Net deficit of 40.9% in Year 1 reducing to 208.2% by Year 5 (due to the employment of a manager in later years).
  - En-Suite Campervan Park:
    - Revenue from occupancy of \$8,687 in Year 1 increasing to \$14,308 by Year 5.
    - Net deficit of 83.2% in Year 1 improving to 4.8% by Year 5.
  - Consolidated Enterprises:
    - Total operating income of \$119,671 in Year 1 increasing to \$166,263 by Year 5.
    - Net Surplus of 4.5% in Year 1 staying relatively stable at 4.0% by Year 5.
    - An accumulated cash surplus of \$22,639 over the five year period, but an initial working capital requirement of about \$21,000 which would need to be financed from an injection of funds by the community or another sponsor.
  - Scenario 3 produces a viable return for the consolidated enterprises. It would require a cash injection of around \$21,000 in Year 1 and the viability relies on the profitability of in-house catering arrangements.

**Table 5.1: Events, Functions and Meetings Enterprise: Low Series Projection**

Low Series		Year 1	Year 2	Year 3	Year 4	Year 5
<b>Hire Occasions</b>						
Major Festivals		2	2	2	2	2
Fire and Landcare Meetings		5	5	5	5	5
Craft Markets		4	5	6	7	8
Catered Community Events		6	8	8	11	12
Hired Functions		6	8	8	12	14
Community Meetings		48	48	48	48	48
<b>Total</b>		<b>71</b>	<b>76</b>	<b>77</b>	<b>85</b>	<b>89</b>
<b>Hire Income</b>						
Major Festivals	\$25/stall	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Fire and Landcare Meetings	\$40	\$200	\$200	\$200	\$200	\$200
Craft Markets	\$15/stall	\$1,500	\$1,875	\$2,250	\$2,625	\$3,000
Catered Community Events	\$30	\$180	\$240	\$240	\$330	\$360
Hired Functions	\$45	\$270	\$360	\$360	\$540	\$630
Community Meetings	\$10	\$480	\$480	\$480	\$480	\$480
<b>Total</b>		<b>\$4,130</b>	<b>\$4,655</b>	<b>\$5,030</b>	<b>\$5,675</b>	<b>\$6,170</b>
<b>Catering Income</b>	person					
Major Festivals	\$10.00	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
Fire and Landcare Meetings	\$2.50	\$625	\$625	\$625	\$625	\$625
Craft Markets	\$4.00	\$7,200	\$9,000	\$10,800	\$12,600	\$14,400
Catered Community Events	\$10.00	\$6,000	\$8,000	\$8,000	\$11,000	\$12,000
Hired Functions	\$35.00	\$21,000	\$28,000	\$28,000	\$42,000	\$49,000
Community Meetings	\$2.50	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
<b>Total</b>		<b>\$52,625</b>	<b>\$63,425</b>	<b>\$65,225</b>	<b>\$84,025</b>	<b>\$93,825</b>
<b>Total Income</b>		<b>\$56,755</b>	<b>\$68,080</b>	<b>\$70,255</b>	<b>\$89,700</b>	<b>\$99,995</b>
<b>Cost of Sales</b>						
Catering Purchases/Outsourcing	92%	\$46,184	\$56,120	\$57,776	\$75,072	\$84,088
Food/Beverages for Meetings	35%	\$849	\$849	\$849	\$849	\$849
<b>Total Cost of Sales</b>		<b>\$47,033</b>	<b>\$56,969</b>	<b>\$58,625</b>	<b>\$75,921</b>	<b>\$84,937</b>
<b>Expenses</b>						
Accounting and Bank Fees		\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Advertising and Promotions		\$1,750	\$1,803	\$1,857	\$1,912	\$1,970
Appliances and Minor Equipment		\$2,350	\$2,385	\$2,421	\$2,457	\$2,494
Insurance and Legal		\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Cleaning and Maintenance		\$1,703	\$2,042	\$2,108	\$2,691	\$3,000
Wages and Honorariums		\$0	\$0	\$0	\$0	\$0
Light and power		\$1,073	\$1,087	\$1,101	\$1,115	\$1,130
Loan Repayments		\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery		\$840	\$840	\$840	\$850	\$850
Property Maintenance		\$235	\$285	\$293	\$380	\$425
Security (on-site)		\$0	\$0	\$0	\$0	\$0
Telephone and Communications		\$600	\$600	\$600	\$600	\$600
<b>Total Expenses</b>		<b>\$13,851</b>	<b>\$14,342</b>	<b>\$14,520</b>	<b>\$15,306</b>	<b>\$15,768</b>
<b>Surplus/Deficit</b>		<b>-\$4,129</b>	<b>-\$3,231</b>	<b>-\$2,889</b>	<b>-\$1,526</b>	<b>-\$710</b>

**Table 5.2: Events, Functions and Meetings Enterprise: Medium Series Projection**

Medium Series		Year 1	Year 2	Year 3	Year 4	Year 5
<b>Hire Occasions</b>						
Major Festivals		2	2	2	2	2
Fire and Landcare Meetings		5	5	5	5	5
Craft Markets		4	5	6	7	8
Catered Community Events		6	8	8	10	12
Hired Functions		12	13	14	15	16
Community Meetings		48	48	48	48	48
<b>Total</b>		<b>77</b>	<b>81</b>	<b>83</b>	<b>87</b>	<b>91</b>
<b>Hire Income</b>						
Major Festivals	\$25/stall	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Fire and Landcare Meetings	\$40	\$200	\$200	\$200	\$200	\$200
Craft Markets	\$15/stall	\$1,500	\$1,875	\$2,250	\$2,625	\$3,000
Catered Community Events	\$30	\$180	\$240	\$240	\$300	\$360
Hired Functions	\$45	\$540	\$585	\$630	\$675	\$720
Community Meetings	\$10	\$480	\$480	\$480	\$480	\$480
<b>Total</b>		<b>\$4,400</b>	<b>\$4,880</b>	<b>\$5,300</b>	<b>\$5,780</b>	<b>\$6,260</b>
<b>Catering Income</b>	person					
Major Festivals	\$10.00	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Fire and Landcare Meetings	\$2.50	\$625	\$625	\$625	\$625	\$625
Craft Markets	\$4.00	\$8,000	\$10,000	\$12,000	\$14,000	\$16,000
Catered Community Events	\$10.00	\$6,000	\$8,000	\$8,000	\$10,000	\$12,000
Hired Functions	\$35.00	\$42,000	\$45,500	\$49,000	\$52,500	\$56,000
Community Meetings	\$2.50	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
<b>Total</b>		<b>\$78,425</b>	<b>\$85,925</b>	<b>\$91,425</b>	<b>\$98,925</b>	<b>\$106,425</b>
<b>Total Income</b>		<b>\$82,825</b>	<b>\$90,805</b>	<b>\$96,725</b>	<b>\$104,705</b>	<b>\$112,685</b>
<b>Cost of Sales</b>						
Catering Purchases/Outsourcing	92%	\$69,920	\$76,820	\$81,880	\$88,780	\$95,680
Food/Beverages for Meetings	35%	\$849	\$849	\$849	\$849	\$849
<b>Total Cost of Sales</b>		<b>\$70,769</b>	<b>\$77,669</b>	<b>\$82,729</b>	<b>\$89,629</b>	<b>\$96,529</b>
<b>Expenses</b>						
Accounting and Bank Fees		\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Advertising and Promotions		\$1,750	\$1,803	\$1,857	\$1,912	\$1,970
Appliances and Minor Equipment		\$2,350	\$2,385	\$2,421	\$2,457	\$2,494
Insurance and Legal		\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Cleaning and Maintenance		\$2,485	\$2,724	\$2,902	\$3,141	\$3,381
Wages and Honorariums		\$0	\$0	\$0	\$0	\$0
Light and power		\$1,597	\$1,617	\$1,638	\$1,660	\$1,681
Loan Repayments		\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery		\$840	\$840	\$840	\$850	\$850
Property Maintenance		\$354	\$388	\$414	\$448	\$483
Security (on-site)		\$0	\$0	\$0	\$0	\$0
Telephone and Communications		\$600	\$600	\$600	\$600	\$600
<b>Total Expenses</b>		<b>\$15,275</b>	<b>\$15,658</b>	<b>\$15,971</b>	<b>\$16,369</b>	<b>\$16,758</b>
<b>Surplus/Deficit</b>		<b>-\$3,219</b>	<b>-\$2,521</b>	<b>-\$1,975</b>	<b>-\$1,292</b>	<b>-\$602</b>

**Table 5.3: Events, Functions and Meetings Enterprise: High Series Projection**

Medium Series		Year 1	Year 2	Year 3	Year 4	Year 5
<b>Hire Occasions</b>						
Major Festivals		2	2	2	2	2
Fire and Landcare Meetings		5	5	5	5	5
Craft Markets		4	5	6	7	8
Catered Community Events		6	8	9	11	12
Hired Functions		12	13	15	16	18
Community Meetings		48	48	48	48	48
<b>Total</b>		<b>77</b>	<b>81</b>	<b>85</b>	<b>89</b>	<b>93</b>
<b>Hire Income</b>						
Major Festivals	\$25/stall	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Fire and Landcare Meetings	\$40	\$200	\$200	\$200	\$200	\$200
Craft Markets	\$15/stall	\$1,500	\$1,875	\$2,250	\$2,625	\$3,000
Catered Community Events	\$30	\$180	\$240	\$270	\$330	\$360
Hired Functions	\$45	\$540	\$585	\$675	\$720	\$810
Community Meetings	\$10	\$480	\$480	\$480	\$480	\$480
<b>Total</b>		<b>\$4,400</b>	<b>\$4,880</b>	<b>\$5,375</b>	<b>\$5,855</b>	<b>\$6,350</b>
<b>Catering Income</b>	person					
Major Festivals	\$10.00	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Fire and Landcare Meetings	\$2.50	\$625	\$625	\$625	\$625	\$625
Craft Markets	\$4.00	\$9,600	\$12,000	\$14,400	\$16,800	\$19,200
Catered Community Events	\$10.00	\$6,000	\$8,000	\$9,000	\$11,000	\$12,000
Hired Functions	\$35.00	\$50,400	\$54,600	\$63,000	\$67,200	\$75,600
Community Meetings	\$2.50	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
<b>Total</b>		<b>\$92,425</b>	<b>\$101,025</b>	<b>\$112,825</b>	<b>\$121,425</b>	<b>\$133,225</b>
<b>Total Income</b>		<b>\$96,825</b>	<b>\$105,905</b>	<b>\$118,200</b>	<b>\$127,280</b>	<b>\$139,575</b>
<b>Cost of Sales</b>						
Catering Purchases/Outsourcing	42%	\$37,800	\$41,412	\$46,368	\$49,980	\$54,936
Food/Beverages for Meetings	35%	\$849	\$849	\$849	\$849	\$849
<b>Total Cost of Sales</b>		<b>\$38,649</b>	<b>\$42,261</b>	<b>\$47,217</b>	<b>\$50,829</b>	<b>\$55,785</b>
<b>Expenses</b>						
Accounting and Bank Fees		\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Advertising and Promotions		\$1,750	\$1,803	\$1,857	\$1,912	\$1,970
Appliances and Minor Equipment		\$2,350	\$2,385	\$2,421	\$2,457	\$2,494
Insurance and Legal		\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Cleaning and Maintenance		\$2,905	\$3,177	\$3,546	\$3,818	\$4,187
Wages and Honorariums		\$25,000	\$27,000	\$29,160	\$31,493	\$34,012
Light and power		\$872	\$884	\$895	\$907	\$918
Loan Repayments		\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery		\$840	\$840	\$840	\$850	\$850
Property Maintenance		\$193	\$211	\$236	\$254	\$279
Security (on-site)		\$0	\$0	\$0	\$0	\$0
Telephone and Communications		\$600	\$600	\$600	\$600	\$600
<b>Total Expenses</b>		<b>\$39,810</b>	<b>\$42,200</b>	<b>\$44,855</b>	<b>\$47,592</b>	<b>\$50,611</b>
<b>Surplus/Deficit</b>		<b>\$18,366</b>	<b>\$21,444</b>	<b>\$26,129</b>	<b>\$28,860</b>	<b>\$33,180</b>

Table 5.4: Business Tenancies and Services Enterprise: Low Series Projection

Business Tenancies and Services	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Number of Tenancies</b>																	
Regular Tenants	6	6	6	6	7	7	8	8	8	8	8	8	8	8	9	9	9
Occasional Tenancies	2	5	2	5	2	5	2	5	2	5	2	5	5	5	6	6	6
<b>Total Tenancies</b>	<b>8</b>	<b>11</b>	<b>8</b>	<b>11</b>	<b>9</b>	<b>12</b>	<b>10</b>	<b>13</b>	<b>10</b>	<b>13</b>	<b>10</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Income from Tenancies</b>																	
Regular Tenants	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$1,980	\$2,340	\$2,700	\$2,700	\$2,700
Occasional Tenancies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Income from Tenancies</b>	<b>\$165</b>	<b>\$165</b>	<b>\$165</b>	<b>\$165</b>	<b>\$165</b>	<b>\$165</b>	<b>\$165</b>	<b>\$165</b>	<b>\$165</b>	<b>\$165</b>	<b>\$165</b>	<b>\$165</b>	<b>\$1,980</b>	<b>\$2,340</b>	<b>\$2,700</b>	<b>\$2,700</b>	<b>\$2,700</b>
<b>Expenditure</b>																	
Accounting and Bank Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$750	\$750	\$750	\$750	\$750
Advertising and Promotions	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	\$250	\$250	\$250	\$250
Furniture and Equipment	\$12,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500	\$0	\$1,500	\$0	\$1,500
Insurance and Legal	\$1,950	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,950	\$1,200	\$1,200	\$1,200	\$1,200
Cleaning	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600	\$600	\$600	\$600	\$600
Wages and Honorariums	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Light and power	\$280	\$280	\$220	\$200	\$200	\$200	\$210	\$230	\$200	\$200	\$220	\$260	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700
Loan Repayments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	\$250	\$250	\$250	\$250
Property Maintenance	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$40	\$47	\$54	\$54	\$54
Security (on-site)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone and Communications	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$660	\$660	\$660	\$660	\$660
<b>Total Expenses</b>	<b>\$15,338</b>	<b>\$388</b>	<b>\$328</b>	<b>\$308</b>	<b>\$308</b>	<b>\$308</b>	<b>\$318</b>	<b>\$338</b>	<b>\$308</b>	<b>\$308</b>	<b>\$328</b>	<b>\$1,118</b>	<b>\$19,700</b>	<b>\$6,457</b>	<b>\$7,964</b>	<b>\$6,464</b>	<b>\$7,964</b>
<b>Surplus/Deficit</b>	<b>-\$15,173</b>	<b>-\$223</b>	<b>-\$163</b>	<b>-\$143</b>	<b>-\$143</b>	<b>-\$143</b>	<b>-\$153</b>	<b>-\$173</b>	<b>-\$143</b>	<b>-\$143</b>	<b>-\$163</b>	<b>-\$953</b>	<b>-\$17,720</b>	<b>-\$4,117</b>	<b>-\$5,264</b>	<b>-\$3,764</b>	<b>-\$5,264</b>

**Table 5.5: Business Tenancies and Services Enterprise: Medium Series Projection**

Business Tenancies and Services	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Number of Tenancies</b>																	
Regular Tenants	6	6	6	6	7	7	8	8	8	8	8	8	8	9	10	10	10
Occasional Tenancies	2	5	2	5	2	5	2	5	2	5	2	5	5	6	6	7	7
<b>Total Tenancies</b>	<b>8</b>	<b>11</b>	<b>8</b>	<b>11</b>	<b>9</b>	<b>12</b>	<b>10</b>	<b>13</b>	<b>10</b>	<b>13</b>	<b>10</b>	<b>13</b>	<b>13</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>17</b>
<b>Income from Tenancies</b>																	
Regular Tenants	\$480	\$480	\$480	\$480	\$530	\$530	\$580	\$580	\$580	\$580	\$580	\$580	\$6,460	\$6,460	\$7,660	\$7,660	\$7,660
Occasional Tenancies	\$20	\$195	\$20	\$195	\$20	\$195	\$20	\$195	\$20	\$195	\$20	\$195	\$1,290	\$1,290	\$1,290	\$1,290	\$1,290
<b>Total Income from Tenancies</b>	<b>\$500</b>	<b>\$675</b>	<b>\$500</b>	<b>\$675</b>	<b>\$550</b>	<b>\$725</b>	<b>\$600</b>	<b>\$775</b>	<b>\$600</b>	<b>\$775</b>	<b>\$600</b>	<b>\$775</b>	<b>\$7,750</b>	<b>\$7,750</b>	<b>\$8,950</b>	<b>\$8,950</b>	<b>\$8,950</b>
<b>Expenditure</b>																	
Accounting and Bank Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$750	\$750	\$750	\$750	\$750
Advertising and Promotions	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	\$250	\$250	\$250	\$250
Furniture and Equipment	\$12,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500	\$0	\$1,500	\$0	\$1,500
Insurance and Legal	\$1,950	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,950	\$1,200	\$1,200	\$1,200	\$1,200
Cleaning	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600	\$600	\$600	\$600	\$600
Wages and Honorariums	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Light and power	\$280	\$280	\$220	\$200	\$200	\$200	\$210	\$230	\$200	\$200	\$220	\$260	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700
Loan Repayments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	\$250	\$250	\$250	\$250
Property Maintenance	\$10	\$14	\$10	\$14	\$11	\$15	\$12	\$16	\$12	\$16	\$12	\$16	\$155	\$155	\$179	\$179	\$179
Security (on-site)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone and Communications	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$660	\$660	\$660	\$660	\$660
<b>Total Expenses</b>	<b>\$15,345</b>	<b>\$399</b>	<b>\$335</b>	<b>\$319</b>	<b>\$316</b>	<b>\$320</b>	<b>\$327</b>	<b>\$351</b>	<b>\$317</b>	<b>\$321</b>	<b>\$337</b>	<b>\$1,131</b>	<b>\$19,815</b>	<b>\$6,565</b>	<b>\$8,089</b>	<b>\$6,589</b>	<b>\$8,089</b>
<b>Surplus/Deficit</b>	<b>-\$14,845</b>	<b>\$277</b>	<b>\$165</b>	<b>\$357</b>	<b>\$234</b>	<b>\$406</b>	<b>\$273</b>	<b>\$425</b>	<b>\$283</b>	<b>\$455</b>	<b>\$263</b>	<b>-\$356</b>	<b>-\$12,065</b>	<b>\$1,185</b>	<b>\$861</b>	<b>\$2,361</b>	<b>\$861</b>

**Table 5.6: Business Tenancies and Services Enterprise: High Series Projection**

Business Tenancies and Services	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Number of Tenancies</b>																	
Regular Tenants	6	6	6	6	7	7	8	8	8	8	8	8	8	9	10	10	12
Occasional Tenancies	2	5	2	5	2	5	2	5	2	5	2	5	5	6	7	8	8
<b>Total Tenancies</b>	<b>8</b>	<b>11</b>	<b>8</b>	<b>11</b>	<b>9</b>	<b>12</b>	<b>10</b>	<b>13</b>	<b>10</b>	<b>13</b>	<b>10</b>	<b>13</b>	<b>13</b>	<b>15</b>	<b>17</b>	<b>18</b>	<b>20</b>
<b>Income from Tenancies</b>																	
Regular Tenants	\$3,459	\$480	\$480	\$480	\$530	\$530	\$580	\$580	\$580	\$580	\$580	\$580	\$9,439	\$9,439	\$7,660	\$7,660	\$7,660
Occasional Tenancies	\$3,450	\$195	\$20	\$195	\$20	\$195	\$20	\$195	\$20	\$195	\$20	\$195	\$4,720	\$4,720	\$4,720	\$4,720	\$4,720
<b>Total Income from Tenancies</b>	<b>\$6,909</b>	<b>\$675</b>	<b>\$500</b>	<b>\$675</b>	<b>\$550</b>	<b>\$725</b>	<b>\$600</b>	<b>\$775</b>	<b>\$600</b>	<b>\$775</b>	<b>\$600</b>	<b>\$775</b>	<b>\$14,159</b>	<b>\$14,159</b>	<b>\$12,380</b>	<b>\$12,380</b>	<b>\$12,380</b>
<b>Expenditure</b>																	
Accounting and Bank Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$750	\$750	\$750	\$750	\$750
Advertising and Promotions	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	\$250	\$250	\$250	\$250
Furniture and Equipment	\$12,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500	\$0	\$1,500	\$0	\$1,500
Insurance and Legal	\$1,950	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,950	\$1,200	\$1,200	\$1,200	\$1,200
Cleaning	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600	\$600	\$600	\$600	\$600
Wages and Honorariums	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$25,000	\$30,000	\$30,000
Light and power	\$280	\$280	\$220	\$200	\$200	\$200	\$210	\$230	\$200	\$200	\$220	\$260	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700
Loan Repayments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250	\$250	\$250	\$250	\$250
Property Maintenance	\$138	\$14	\$10	\$14	\$11	\$15	\$12	\$16	\$12	\$16	\$12	\$16	\$283	\$283	\$248	\$248	\$248
Security (on-site)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone and Communications	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$660	\$660	\$660	\$660	\$660
<b>Total Expenses</b>	<b>\$15,473</b>	<b>\$399</b>	<b>\$335</b>	<b>\$319</b>	<b>\$316</b>	<b>\$320</b>	<b>\$327</b>	<b>\$351</b>	<b>\$317</b>	<b>\$321</b>	<b>\$337</b>	<b>\$1,131</b>	<b>\$19,943</b>	<b>\$31,693</b>	<b>\$33,158</b>	<b>\$36,658</b>	<b>\$38,158</b>
<b>Surplus/Deficit</b>	<b>-\$8,564</b>	<b>\$277</b>	<b>\$165</b>	<b>\$357</b>	<b>\$234</b>	<b>\$406</b>	<b>\$273</b>	<b>\$425</b>	<b>\$283</b>	<b>\$455</b>	<b>\$263</b>	<b>-\$356</b>	<b>-\$5,784</b>	<b>-\$17,534</b>	<b>-\$20,778</b>	<b>-\$24,278</b>	<b>-\$25,778</b>



**Table 5.7: Campervan En-Suite Enterprise: Low Series Projection**

		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy Rate		10%	10%	10%	10%	20%	20%	25%	25%	20%	25%	20%	10%	17%	20%	22%	25%	25%
Number of Nights Occupied	4 units	12	12	12	12	24	24	30	30	24	30	24	12	249	292	321	365	365
<b>Income</b>																		
<b>En-suite Occupancy Fees</b>	\$28	\$341	\$341	\$341	\$341	\$681	\$681	\$852	\$852	\$681	\$852	\$681	\$341	\$6,984	\$8,176	\$8,994	\$10,220	\$10,220
<b>Expenses</b>																		
Accounting and Bank Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$750	\$750	\$750	\$750	\$750
Advertising and Promotions		\$750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$500	\$250	\$250	\$250
Materials and Equipment		\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$0	\$2,000	\$0	\$2,000
Insurance and Legal		\$2,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
Cleaning		\$51	\$51	\$51	\$51	\$102	\$102	\$128	\$128	\$102	\$128	\$102	\$51	\$1,048	\$1,226	\$1,349	\$1,533	\$1,533
Wages (5 hours/week)		\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Light and power		\$12	\$12	\$12	\$12	\$24	\$24	\$30	\$30	\$24	\$30	\$24	\$12	\$244	\$286	\$315	\$358	\$358
Loan Repayments		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery		\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200	\$0	\$0	\$0	\$0
Property Maintenance		\$0	\$0	\$0	\$0	\$0	\$0	\$43	\$43	\$34	\$43	\$34	\$17	\$213	\$409	\$450	\$511	\$511
Security (on-site)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone and Communications		\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$240	\$240	\$240	\$240	\$240
<b>Total Expenditure</b>		\$7,175	\$625	\$625	\$625	\$688	\$688	\$762	\$762	\$722	\$762	\$722	\$1,392	\$15,545	\$12,511	\$14,453	\$12,742	\$14,742
<b>Surplus/Deficit</b>		-\$6,834	-\$284	-\$284	-\$284	-\$6	-\$6	\$90	\$90	-\$40	\$90	-\$40	-\$1,051	-\$8,561	-\$4,335	-\$5,460	-\$2,522	-\$4,522

**Table 5.8: Campervan En-Suite Enterprise: Medium Series Projection**

		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy Rate		10%	15%	15%	15%	25%	20%	30%	30%	25%	30%	25%	15%	21%	25%	27%	30%	33%
Number of Nights Occupied	4 units	12	18	18	18	30	24	37	37	30	37	30	18	310	365	394	438	482
<b>Income</b>																		
<b>En-suite Occupancy Fees</b>	<b>\$28</b>	<b>\$341</b>	<b>\$511</b>	<b>\$511</b>	<b>\$511</b>	<b>\$852</b>	<b>\$681</b>	<b>\$1,022</b>	<b>\$1,022</b>	<b>\$852</b>	<b>\$1,022</b>	<b>\$852</b>	<b>\$511</b>	<b>\$8,687</b>	<b>\$10,220</b>	<b>\$11,038</b>	<b>\$12,264</b>	<b>\$13,490</b>
<b>Expenses</b>																		
Accounting and Bank Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$750	\$750	\$750	\$750	\$750
Advertising and Promotions		\$750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$500	\$250	\$250	\$250
Materials and Equipment		\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$0	\$2,000	\$0	\$2,000
Insurance and Legal		\$2,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
Cleaning		\$51	\$77	\$77	\$77	\$128	\$102	\$153	\$153	\$128	\$153	\$128	\$77	\$1,303	\$1,533	\$1,656	\$1,840	\$2,024
Wages (5 hours/week)		\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Light and power		\$12	\$18	\$18	\$18	\$30	\$24	\$36	\$36	\$30	\$36	\$30	\$18	\$304	\$358	\$386	\$429	\$472
Loan Repayments		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery		\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200	\$0	\$0	\$0	\$0
Property Maintenance		\$0	\$0	\$0	\$0	\$0	\$0	\$51	\$51	\$43	\$51	\$43	\$26	\$264	\$511	\$552	\$613	\$675
Security (on-site)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone and Communications		\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$240	\$240	\$240	\$240	\$240
<b>Total Expenditure</b>		<b>\$7,175</b>	<b>\$656</b>	<b>\$656</b>	<b>\$656</b>	<b>\$719</b>	<b>\$688</b>	<b>\$802</b>	<b>\$802</b>	<b>\$762</b>	<b>\$802</b>	<b>\$762</b>	<b>\$1,432</b>	<b>\$15,911</b>	<b>\$12,992</b>	<b>\$14,934</b>	<b>\$13,222</b>	<b>\$15,510</b>
<b>Surplus/Deficit</b>		<b>-\$6,834</b>	<b>-\$145</b>	<b>-\$145</b>	<b>-\$145</b>	<b>\$132</b>	<b>-\$6</b>	<b>\$220</b>	<b>\$220</b>	<b>\$90</b>	<b>\$220</b>	<b>\$90</b>	<b>-\$921</b>	<b>-\$7,224</b>	<b>-\$2,772</b>	<b>-\$3,896</b>	<b>-\$958</b>	<b>-\$2,020</b>

**Table 5.9: Campervan En-Suite Enterprise: High Series Projection**

		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy Rate		10%	15%	15%	15%	25%	20%	30%	30%	25%	30%	25%	15%	21%	27%	30%	33%	35%
Number of Nights Occupied	4 units	12	18	18	18	30	24	37	37	30	37	30	18	310	394	438	482	511
<b>Income</b>																		
<b>En-suite Occupancy Fees</b>	<b>\$28</b>	<b>\$341</b>	<b>\$511</b>	<b>\$511</b>	<b>\$511</b>	<b>\$852</b>	<b>\$681</b>	<b>\$1,022</b>	<b>\$1,022</b>	<b>\$852</b>	<b>\$1,022</b>	<b>\$852</b>	<b>\$511</b>	<b>\$8,687</b>	<b>\$11,038</b>	<b>\$12,264</b>	<b>\$13,490</b>	<b>\$14,308</b>
<b>Expenses</b>																		
Accounting and Bank Fees		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$750	\$750	\$750	\$750	\$750
Advertising and Promotions		\$750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$500	\$250	\$250	\$250
Materials and Equipment		\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$0	\$2,000	\$0	\$2,000
Insurance and Legal		\$2,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
Cleaning		\$51	\$77	\$77	\$77	\$128	\$102	\$153	\$153	\$128	\$153	\$128	\$77	\$1,303	\$1,104	\$1,226	\$1,349	\$1,431
Wages (5 hours/week)		\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Light and power		\$12	\$18	\$18	\$18	\$30	\$24	\$36	\$36	\$30	\$36	\$30	\$18	\$304	\$386	\$429	\$472	\$501
Loan Repayments		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery		\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200	\$0	\$0	\$0	\$0
Property Maintenance		\$0	\$0	\$0	\$0	\$0	\$0	\$51	\$51	\$43	\$51	\$43	\$26	\$264	\$552	\$613	\$675	\$715
Security (on-site)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone and Communications		\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$240	\$240	\$240	\$240	\$240
<b>Total Expenditure</b>		<b>\$7,175</b>	<b>\$656</b>	<b>\$656</b>	<b>\$656</b>	<b>\$719</b>	<b>\$688</b>	<b>\$802</b>	<b>\$802</b>	<b>\$762</b>	<b>\$802</b>	<b>\$762</b>	<b>\$1,432</b>	<b>\$15,911</b>	<b>\$12,632</b>	<b>\$14,609</b>	<b>\$12,836</b>	<b>\$14,987</b>
<b>Surplus/Deficit</b>		<b>-\$6,834</b>	<b>-\$145</b>	<b>-\$145</b>	<b>-\$145</b>	<b>\$132</b>	<b>-\$6</b>	<b>\$220</b>	<b>\$220</b>	<b>\$90</b>	<b>\$220</b>	<b>\$90</b>	<b>-\$921</b>	<b>-\$7,224</b>	<b>-\$1,594</b>	<b>-\$2,345</b>	<b>\$655</b>	<b>-\$679</b>

**Table 5.10: Consolidated Redesdale Hub Enterprises: Low Series Projection**

CONSOLIDATED	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Income</b>																	
Events, Functions and Meetings: Hire	\$70	\$85	\$70	\$2,000	\$110	\$460	\$110	\$85	\$485	\$85	\$445	\$125	\$4,130	\$4,655	\$5,030	\$5,675	\$6,170
Events, Functions and Meetings: Catering	\$1,150	\$3,650	\$1,150	\$21,575	\$1,275	\$5,450	\$1,275	\$3,650	\$3,075	\$3,650	\$2,950	\$3,775	\$52,625	\$63,425	\$65,225	\$84,025	\$93,825
Business Tenancies and Services	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$1,980	\$2,340	\$2,700	\$2,700	\$2,700
En-Suite Occupancy Fees	\$341	\$341	\$341	\$341	\$681	\$681	\$852	\$852	\$681	\$852	\$681	\$341	\$6,984	\$8,176	\$8,994	\$10,220	\$10,220
<b>Total Income</b>	<b>\$1,726</b>	<b>\$4,241</b>	<b>\$1,726</b>	<b>\$24,081</b>	<b>\$2,231</b>	<b>\$6,756</b>	<b>\$2,402</b>	<b>\$4,752</b>	<b>\$4,406</b>	<b>\$4,752</b>	<b>\$4,241</b>	<b>\$4,406</b>	<b>\$65,719</b>	<b>\$78,596</b>	<b>\$81,949</b>	<b>\$102,620</b>	<b>\$112,915</b>
<b>Expenditure</b>																	
Catering Purchases/Outsourcing	\$920	\$3,220	\$920	\$19,596	\$920	\$4,876	\$920	\$3,220	\$2,576	\$3,220	\$2,576	\$3,220	\$46,184	\$56,120	\$57,776	\$75,072	\$84,088
Food/Beverages for Meetings	\$53	\$53	\$53	\$96	\$96	\$53	\$96	\$53	\$96	\$53	\$53	\$96	\$849	\$849	\$849	\$849	\$849
Accounting and Bank Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300
Advertising and Promotions	\$2,000	\$0	\$0	\$250	\$0	\$0	\$250	\$0	\$0	\$250	\$0	\$0	\$2,750	\$2,553	\$2,357	\$2,412	\$2,470
Materials and Equipment	\$17,350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$17,850	\$2,385	\$5,921	\$2,457	\$5,994
Insurance and Legal	\$8,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,050	\$7,300	\$7,300	\$7,300	\$7,300
Cleaning	\$138	\$213	\$138	\$808	\$194	\$330	\$219	\$290	\$259	\$290	\$254	\$218	\$3,350	\$3,869	\$4,057	\$4,824	\$5,133
Wages and Honorariums	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Light and power	\$326	\$406	\$266	\$704	\$239	\$298	\$255	\$309	\$264	\$279	\$283	\$388	\$4,018	\$4,073	\$4,116	\$4,173	\$4,188
Loan Repayments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery	\$520	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$1,290	\$1,090	\$1,090	\$1,100	\$1,100
Property Maintenance	\$8	\$20	\$8	\$102	\$8	\$28	\$51	\$62	\$51	\$62	\$51	\$37	\$488	\$740	\$797	\$945	\$990
Security (on-site)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone and Communications	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
<b>Total Expenditure</b>	<b>\$30,031</b>	<b>\$4,648</b>	<b>\$2,121</b>	<b>\$22,293</b>	<b>\$2,194</b>	<b>\$6,320</b>	<b>\$2,528</b>	<b>\$4,670</b>	<b>\$3,983</b>	<b>\$5,390</b>	<b>\$3,953</b>	<b>\$7,996</b>	<b>\$96,128</b>	<b>\$90,279</b>	<b>\$95,562</b>	<b>\$110,432</b>	<b>\$123,411</b>
<b>Surplus/Deficit</b>	<b>-\$28,305</b>	<b>-\$408</b>	<b>-\$395</b>	<b>\$1,787</b>	<b>\$37</b>	<b>\$436</b>	<b>-\$127</b>	<b>\$82</b>	<b>\$424</b>	<b>-\$638</b>	<b>\$288</b>	<b>-\$3,590</b>	<b>-\$30,409</b>	<b>-\$11,683</b>	<b>-\$13,613</b>	<b>-\$7,812</b>	<b>-\$10,496</b>

**Table 5.11: Consolidated Redesdale Hub Enterprises: Medium Series Projection**

CONSOLIDATED	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Income</b>																	
Events, Functions and Meetings: Hire	\$115	\$85	\$115	\$2,000	\$155	\$460	\$155	\$85	\$530	\$85	\$490	\$125	\$4,400	\$4,880	\$5,300	\$5,780	\$6,260
Events, Functions and Meetings: Catering	\$4,650	\$3,650	\$4,650	\$25,775	\$4,775	\$5,650	\$4,775	\$3,650	\$6,775	\$3,650	\$6,650	\$3,775	\$78,425	\$85,925	\$91,425	\$98,925	\$106,425
Business Tenancies and Services	\$500	\$675	\$500	\$675	\$550	\$725	\$600	\$775	\$600	\$775	\$600	\$775	\$7,750	\$7,750	\$8,950	\$8,950	\$8,950
En-Suite Occupancy Fees	\$341	\$511	\$511	\$511	\$852	\$681	\$1,022	\$1,022	\$852	\$1,022	\$852	\$511	\$8,687	\$10,220	\$11,038	\$12,264	\$13,490
<b>Total Income</b>	<b>\$5,606</b>	<b>\$4,921</b>	<b>\$5,776</b>	<b>\$28,961</b>	<b>\$6,332</b>	<b>\$7,516</b>	<b>\$6,552</b>	<b>\$5,532</b>	<b>\$8,757</b>	<b>\$5,532</b>	<b>\$8,592</b>	<b>\$5,186</b>	<b>\$99,262</b>	<b>\$108,775</b>	<b>\$116,713</b>	<b>\$125,919</b>	<b>\$135,125</b>
<b>Expenditure</b>																	
Catering Purchases/Outsourcing	\$4,140	\$3,220	\$4,140	\$23,460	\$4,140	\$5,060	\$4,140	\$3,220	\$5,980	\$3,220	\$5,980	\$3,220	\$69,920	\$76,820	\$81,880	\$88,780	\$95,680
Food/Beverages for Meetings	\$53	\$53	\$53	\$96	\$96	\$53	\$96	\$53	\$96	\$53	\$53	\$96	\$849	\$849	\$849	\$849	\$849
Accounting and Bank Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300
Advertising and Promotions	\$2,000	\$0	\$0	\$250	\$0	\$0	\$250	\$0	\$0	\$250	\$0	\$0	\$2,750	\$2,553	\$2,357	\$2,412	\$2,470
Materials and Equipment	\$17,350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$17,850	\$2,385	\$5,921	\$2,457	\$5,994
Insurance and Legal	\$8,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,050	\$7,300	\$7,300	\$7,300	\$7,300
Cleaning	\$244	\$239	\$270	\$960	\$326	\$336	\$351	\$315	\$397	\$315	\$392	\$244	\$4,388	\$4,857	\$5,157	\$5,581	\$6,004
Wages and Honorariums	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Light and power	\$439	\$412	\$385	\$807	\$293	\$301	\$309	\$315	\$321	\$285	\$340	\$394	\$4,601	\$4,675	\$4,725	\$4,789	\$4,853
Loan Repayments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery	\$520	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$1,290	\$1,090	\$1,090	\$1,100	\$1,100
Property Maintenance	\$31	\$30	\$31	\$131	\$32	\$40	\$84	\$83	\$85	\$83	\$85	\$58	\$773	\$1,054	\$1,145	\$1,240	\$1,336
Security (on-site)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone and Communications	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
<b>Total Expenditure</b>	<b>\$33,493</b>	<b>\$4,690</b>	<b>\$5,614</b>	<b>\$26,441</b>	<b>\$5,624</b>	<b>\$6,525</b>	<b>\$5,968</b>	<b>\$4,722</b>	<b>\$7,616</b>	<b>\$5,442</b>	<b>\$7,586</b>	<b>\$8,048</b>	<b>\$121,770</b>	<b>\$112,883</b>	<b>\$121,723</b>	<b>\$125,808</b>	<b>\$136,886</b>
<b>Surplus/Deficit</b>	<b>-\$27,887</b>	<b>\$231</b>	<b>\$162</b>	<b>\$2,520</b>	<b>\$708</b>	<b>\$991</b>	<b>\$584</b>	<b>\$810</b>	<b>\$1,141</b>	<b>\$90</b>	<b>\$1,006</b>	<b>-\$2,862</b>	<b>-\$22,508</b>	<b>-\$4,108</b>	<b>-\$5,010</b>	<b>\$111</b>	<b>-\$1,761</b>

**Table 5.12: Consolidated Redesdale Hub Enterprises: High Series Projection**

CONSOLIDATED	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Income</b>																	
Events, Functions and Meetings: Hire	\$115	\$85	\$115	\$2,000	\$155	\$460	\$155	\$85	\$530	\$85	\$490	\$125	\$4,400	\$4,880	\$5,375	\$5,855	\$6,350
Events, Functions and Meetings: Catering	\$5,350	\$4,350	\$5,350	\$30,875	\$5,475	\$6,750	\$5,475	\$4,350	\$7,875	\$4,350	\$7,750	\$4,475	\$92,425	\$101,025	\$112,825	\$121,425	\$133,225
Business Tenancies and Services	\$6,909	\$675	\$500	\$675	\$550	\$725	\$600	\$775	\$600	\$775	\$600	\$775	\$14,159	\$14,159	\$12,380	\$12,380	\$12,380
En-Suite Occupancy Fees	\$341	\$511	\$511	\$511	\$852	\$681	\$1,022	\$1,022	\$852	\$1,022	\$852	\$511	\$8,687	\$11,038	\$12,264	\$13,490	\$14,308
<b>Total Income</b>	<b>\$12,715</b>	<b>\$5,621</b>	<b>\$6,476</b>	<b>\$34,061</b>	<b>\$7,032</b>	<b>\$8,616</b>	<b>\$7,252</b>	<b>\$6,232</b>	<b>\$9,857</b>	<b>\$6,232</b>	<b>\$9,692</b>	<b>\$5,886</b>	<b>\$119,671</b>	<b>\$131,102</b>	<b>\$142,844</b>	<b>\$153,150</b>	<b>\$166,263</b>
<b>Expenditure</b>																	
Catering Purchases/Outsourcing	\$2,184	\$1,764	\$2,184	\$12,852	\$2,184	\$2,772	\$2,184	\$1,764	\$3,192	\$1,764	\$3,192	\$1,764	\$37,800	\$41,412	\$46,368	\$49,980	\$54,936
Food/Beverages for Meetings	\$53	\$53	\$53	\$96	\$96	\$53	\$96	\$53	\$96	\$53	\$53	\$96	\$849	\$849	\$849	\$849	\$849
Accounting and Bank Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300
Advertising and Promotions	\$2,000	\$0	\$0	\$250	\$0	\$0	\$250	\$0	\$0	\$250	\$0	\$0	\$2,750	\$2,553	\$2,357	\$2,412	\$2,470
Materials and Equipment	\$17,350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$17,850	\$2,385	\$5,921	\$2,457	\$5,994
Insurance and Legal	\$8,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,050	\$7,300	\$7,300	\$7,300	\$7,300
Cleaning	\$265	\$260	\$291	\$1,113	\$347	\$369	\$372	\$336	\$430	\$336	\$425	\$265	\$4,808	\$4,881	\$5,372	\$5,767	\$6,218
Wages and Honorariums	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$2,625	\$31,500	\$58,500	\$60,660	\$67,993	\$70,512
Light and power	\$370	\$361	\$316	\$542	\$264	\$266	\$280	\$293	\$279	\$263	\$298	\$343	\$3,876	\$3,970	\$4,024	\$4,079	\$4,119
Loan Repayments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing, Postage, Stationery	\$520	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$1,290	\$1,090	\$1,090	\$1,100	\$1,100
Property Maintenance	\$149	\$23	\$21	\$78	\$22	\$29	\$75	\$76	\$71	\$76	\$71	\$50	\$740	\$1,046	\$1,097	\$1,176	\$1,242
Security (on-site)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone and Communications	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
<b>Total Expenditure</b>	<b>\$33,691</b>	<b>\$5,280</b>	<b>\$5,684</b>	<b>\$17,751</b>	<b>\$5,733</b>	<b>\$6,308</b>	<b>\$6,077</b>	<b>\$5,342</b>	<b>\$6,888</b>	<b>\$6,062</b>	<b>\$6,859</b>	<b>\$8,638</b>	<b>\$114,313</b>	<b>\$128,786</b>	<b>\$139,838</b>	<b>\$147,914</b>	<b>\$159,540</b>
<b>Surplus/Deficit</b>	<b>-\$20,976</b>	<b>\$341</b>	<b>\$792</b>	<b>\$16,310</b>	<b>\$1,298</b>	<b>\$2,308</b>	<b>\$1,175</b>	<b>\$890</b>	<b>\$2,968</b>	<b>\$170</b>	<b>\$2,833</b>	<b>-\$2,752</b>	<b>\$5,358</b>	<b>\$2,316</b>	<b>\$3,006</b>	<b>\$5,237</b>	<b>\$6,723</b>

A summary of the results of the three projection scenarios, for the consolidated enterprises, is presented in Table 5.13.

**Table 5.13: Summary Results of Financial Projections: Consolidated Enterprises**

	Scenario 1	Scenario 2	Scenario 3
Sales Income Year 1	\$65,719	\$99,262	\$119,671
Sales Income Year 5	\$112,915	\$135,125	\$166,263
Total Expenditure Year 1	\$96,128	\$121,770	\$114,313
Total Expenditure Year 5	\$123,411	\$136,886	\$159,540
Cash Surplus/Deficit after 5 years	-\$10,496	-\$1,761	\$6,723
Accumulated Cash Surplus/Shortfall	-\$74,014	-\$33,277	\$22,639

### 5.3 POTENTIAL SOURCES OF FUNDS

The Redesdale Community Precinct enterprises expect to fund operational activities from venue hire, office rentals, catering charges, en suite accommodation fees, and other business services. The financial projections for the enterprises suggest that there will be a need for further funds to meet working capital requirements, especially in the early years of operations. This could be achieved from sponsorships, even more voluntary inputs, community fundraising, and commercial sources.

Capital expenditure funds for the ventures are substantial:

- \$336,500 estimated for the Events, Functions and Meeting Enterprise
- \$182,600 estimated for the Business Tenancies and Services Enterprise
- \$145,300 estimated for the Caravan Park En-Suite Enterprise.

The events, functions and meetings enterprise is considered, by the community, to be fundamental, there is a preference for proceeding with at least two of the proposed enterprises. So the total capital development funds to be secured could be:

- \$519,100 for the Events, Functions and Meeting enterprise in complement to the Business Tenancies and Services enterprise.
- \$481,800 for the Events, Functions and Meeting enterprise in complement to the Caravan Park En-Suite enterprise.
- \$664,400 if all three are to be implemented.

Applications could be worthwhile to some current government programs that seek to achieve rural and regional development, economic development and/or community development objectives. These include:

#### **Regional Development Victoria: Regional Jobs and Infrastructure Fund, Rural Development Program Stream**

The Regional Infrastructure Fund, Rural Development program stream seeks to capitalise on this by assisting rural Victoria's businesses and communities. This program stream will do this by investing in local infrastructure, creating opportunities for economic growth and enhancing the appeal and liveability of rural towns and surrounding areas. It aims to assist the growth of rural Victoria by providing grants for infrastructure projects that have the potential to stimulate economic activity in rural towns and their surrounding areas.

Projects need to demonstrate that they will:

- Improve economic performance
- Harness key regional strengths
- Improve the liveability and attractiveness of rural towns
- Enhance the resilience and competitiveness of the location.

A successful application under this program could attract funding up to \$500,000 on a \$2 (contribution from the fund) for each \$1 contribution from the applicant.

The types of project for which this program is established include:

- Multi-purpose infrastructure, suitable and accessible for a wide range of business and community groups such as business hubs, co-working spaces, community and event facilities.
- Infrastructure that connects communities, links recreation to retail precincts, attracts visitors and promotes recreation activity such as rail trails and walking tracks.
- Heritage and cultural initiatives of economic significance to the local community such as renewal of historic buildings and sites, arts and cultural centres or resource facilities.
- Civic renewal to enhance liveability and improve business opportunities such as township entrance points, streetscaping, signage and upgrading of open space areas.

#### **Commonwealth Department of Infrastructure and Regional Development: Building Better Regions Fund Infrastructure Projects Stream**

This program supports projects which involve the construction of new infrastructure, or the upgrade or extension of existing infrastructure that provide economic and social benefits to regional and remote areas. The program is competitive and is assessed applications against eligibility and merit criteria, compared with other applications in each funding round. Decisions on projects to be funded are taken by a Ministerial Panel in consultation with the Australian Government's National Infrastructure Committee of Cabinet.

A condition of the grant (which must be a minimum of \$20,000 and maximum of \$10 million) is that it must be completed within 12 months of executing a grant agreement with the Commonwealth.

A successful application under this program, for Redesdale, could attract funding on a \$1 (contribution from the fund) for each \$1 contribution from the applicant.

#### **Foundation for Rural and Regional Renewal**

The Foundation provides a range of programs to assist communities build, repair or enhance facilities, develop the skills and build the capabilities to enhance the lives of those living and working in local area.

As well, there is an array of **Philanthropic Organisations**, trusts and foundations that provide grants, mostly to organisations that are not-for-profit and/or with Deductible Gift Recipient (GDR) status. The Australian Directory of Funders ([www.philanthropy.org.au](http://www.philanthropy.org.au)) provides a list of more than 350 trusts and foundations, identifying their fields of interest, contact information, summary of purpose, geographic scope, legal limitations, grant restrictions and application procedures. It also provides tips on preparing a sound application.

**Social Enterprise Finance Australia (SEFA)** is a potential 'commercial financier' for loan funds with a social purpose. SEFA provides loans to organisations with a social, cultural or environmental mission at its core. It provides loans on commercial terms, whether this is a \$100,000 for working capital or \$1.5 million as a construction loan. SEFA supports businesses are neither understood, nor supported by mainstream financial organisations, and is able to offer flexible solutions to the meet the borrower's needs. In 2011, the Commonwealth Government provided \$10 million grant funding to seed the establishment of SEFA. This grant was matched with \$10 million from investors, of which the Community Sector Banking (joint venture between Bendigo Bank and a group of almost 40 community organisations) was one. SEFA works for organisations across Australia that work for-purpose rather than for-profit.